



# AUTO QUARTERLY

Fall 2006  
www.jama.ca

NEWSLETTER OF THE JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION OF CANADA

## Japanese sales & production in Canada continue modest growth in 3Q

### Sales

For the first six months of 2006, overall light vehicle sales were pretty flat (up less than 0.9%). But consumers in Canada gave total sales a 2.2% boost in the third quarter, largely as a result of a surprising 9.3% jump in September deliveries. For the year to date (Jan to Sept), Canadian sales were ahead of 2005 by 1.3% to almost 1.25 million units. Passenger car sales gained 2.0% to 674,409 units, while light trucks improved slightly up 0.6% to 572,070 units.

Japanese automakers as a group recorded a 6.1% gain through the nine month period with combined light vehicle sales of 421,295 compared to the same period in 2005. Among the US 'Big Three' automakers (GM, Ford & DaimlerChrysler), Ford is in positive territory, up 6.8% while both GM and the Chrysler Division of DC saw sales slip through the first three quarters. Japanese market share rose to 33.8% for the year to date, up from 32.2% in 2005. Korean automakers (Hyundai & Kia) expanded sales 6% for the first three quarters to 77,125 units; and European automakers managed an 8.2% gain to end up at 77,050 units sold, and the same 6.2% market share as the Koreans.

With respect to the performance of JAMA Canada member companies, Suzuki Canada continued to be the growth leader, up 26.1% for the nine month period, followed by the volume leader, Toyota Canada with a gain of 13.8% (an all time sales record by Toyota). Mitsubishi Motors Sales Canada recorded a double digit gain of 11.8%, while Subaru Canada, Mazda



JAMA Canada meets with Industry Minister Maxime Bernier: l to r - Mitchell Foreman (Hino Motors Canada), Don Durst (Subaru Canada), David Worts (JAMA Canada), Kenji Tomikawa (Toyota Canada), Minister Bernier, Jim Miller (Honda Canada), Stephen Beatty (Toyota Canada), Toshi Iwatake (JAMA Tokyo), Pierre Millette (Toyota Canada).

### Top Ten Selling Light Vehicles in Canada – Jan to Sept 2006

Passenger Cars	Sept	Jan	
1 Honda Civic Sedan/Coupe	52,317	51,377	1.8%
2 Mazda3	38,822	42,595	-8.9%
3 Toyota Corolla	36,155	37,150	-2.7%
4 Toyota Yaris	27,626	-	n.a.
5 Chevrolet Cobalt	24,544	17,845	37.5%
6 Ford Focus	22,136	22,116	0.1%
7 Toyota Camry	21,148	15,176	39.4%
8 Pontiac Pursuit	19,849	9,626	106.2%
9 Toyota Matrix	19,509	18,151	7.5%
10 Chevrolet Impala	17,104	12,946	32.1%

Light Trucks	Sept	Jan	
1 Ford F-Series	55,725	54,489	2.3%
2 Dodge Caravan	49,151	51,465	-4.5%
3 Dodge Ram Pickup	31,212	28,204	10.7%
4 GMC Sierra	28,983	29,889	-3.0%
5 Chevrolet Silverado	27,872	28,808	-3.2%
6 Ford Escape/Hybrid	18,843	17,051	10.5%
7 Chevrolet Uplander	16,459	16,750	-1.7%
8 Pontiac Montana SV6	15,700	15,467	1.5%
9 Ford Ranger	12,959	7,963	62.7%
10 Honda CR-V	12,566	11,643	7.9%

Canada and Honda Canada all reported single digit growth for the first three quarters of 2006.

Japanese brand models continued to lead passenger car sales with six models in the top ten list with the Honda Civic remaining in first place, followed by Mazda3, Toyota Corolla and Toyota Yaris.

In the light truck category, the Honda CR-V is the only Japanese brand model among the top ten light trucks.

Sales of medium and heavy duty commercial vehicles in Canada during the first three quarters of 2006 have risen 2.4% to 38,895 units, in spite of a drop in medium duty truck sales in September which fell 27.5% over 2005. Total medium duty truck sales (Class 4 – 7) were down 6.8% for the first three

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## Light Vehicle Sales in Canada, by Company

Company	Jan-Sept 2006			Jan-Sept 2005			% Change		
	CARS	TRUCKS	TOTAL	CARS	TRUCKS	TOTAL	CARS	TRUCKS	TOTAL
<b>HONDA</b>	87,596	35,920	123,516	83,533	32,433	115,966	4.9	10.8	6.5
<b>N.A. Built</b>	74,742	23,354	98,096	76,929	20,790	97,719	-2.8	12.3	0.4
<b>Japan Built</b>	12,854	12,566	25,420	6,604	11,643	18,247	94.6	7.9	39.3
<b>TOYOTA</b>	113,394	40,493	153,887	103,048	32,166	135,214	10.0	25.9	13.8
<b>N.A. Built</b>	77,342	20,140	97,482	72,989	19,626	92,615	6.0	2.6	5.3
<b>Japan Built</b>	36,052	12,353	56,405	30,059	12,540	42,599	19.9	62.3	32.4
<b>MAZDA</b>	56,028	9,154	65,182	55,263	7,585	62,848	1.4	20.7	3.7
<b>N.A. Built</b>	8,281	5,317	13,598	8,907	5,477	14,384	-7.0	-2.9	-5.5
<b>Japan Built</b>	47,747	3,837	51,584	46,356	2,108	48,464	3.0	82.0	6.4
<b>NISSAN</b>	27,561	22,233	49,794	32,420	24,704	57,124	-15.0	-10.0	-12.8
<b>N.A. Built*</b>	23,219	9,148	32,367	27,128	10,925	38,053	-14.4	-16.3	-14.9
<b>Japan Built</b>	4,342	13,085	17,427	5,292	13,779	19,071	18.0	-5.0	-8.6
<b>SUZUKI</b>	4,904	3,344	8,248	4,697	1,845	6,542	4.4	81.2	26.1
<b>N.A. Built</b>	0	0	0	0	0	0	0.0	0.0	0.0
<b>Japan Built</b>	4,904	3,344	8,248	4,697	1,845	6,542	4.4	81.2	26.1
<b>SUBARU</b>	8,524	3,509	12,033	8,348	3,354	11,702	2.1	4.6	2.8
<b>N.A. Built</b>	3,944	725	4,669	4,231	649	4,880	-6.8	11.7	-4.3
<b>Japan Built</b>	4,580	2,784	7,364	4,117	2,705	6,822	11.2	2.9	7.9
<b>MINI</b>	5,858	2,777	8,635	4,842	2,881	7,723	21.0	-3.6	11.8
<b>N.A. Built</b>	2,316	612	2,928	1,720	815	2,535	34.7	-24.9	15.5
<b>Japan Built</b>	3,542	2,165	5,707	3,122	2,066	5,188	13.5	4.8	10.0
<b>TOTAL</b>	303,865	117,430	421,295	292,151	104,968	397,119	4.0	11.9	6.1
<b>N.A. Built</b>	189,844	59,296	249,140	191,904	58,282	250,186	-1.1	1.7	-0.4
<b>Japan Built</b>	114,021	58,134	172,155	100,247	46,686	146,933	13.7	24.5	17.2

\* car sales include Mexican built

Source: AIAMC, DesRosiers Automotive Consultants Inc.

### Motor Vehicle Production in Canada

	Jan-Sept 2006	Jan-Sept 2005	% Change
<b>HONDA (HCM)</b>	293,291	291,214	0.7
<b>TOYOTA (TMMC)</b>	242,752	232,272	4.5
<b>CAMI</b>	144,256	128,721	12.1
<b>TOTAL</b>	<b>680,299</b>	<b>652,207</b>	<b>4.3</b>

Source: JAMA Canada

### Motor Vehicle Exports from Canada

	Jan-Sept 2006	Jan-Sept 2005	% Change
<b>HONDA (HCM)</b>	225,560	239,552	-5.8
<b>TOYOTA (TMMC)</b>	180,528	172,224	5.1
<b>CAMI</b>	120,528	115,838	4.0
<b>TOTAL</b>	<b>527,059</b>	<b>527,614</b>	<b>-0.1</b>

Source: JAMA Canada

### Vehicle Imports (Shipments) to Canada

	Jan-Sept 2006	Jan-Sept 2005	% Change
<b>JAPAN</b>	181,138	150,748	20.2
<b>U.S./MEXICO</b>	119,284	138,406	-13.8
<b>TOTAL</b>	<b>300,422</b>	<b>289,154</b>	<b>3.9</b>

Source: JAMA, JAMA Canada

• Continued from page 1... Japanese Sales & Production in Canada

quarters of 2006 to 10,944 units. Among individual companies, medium duty trucks sales at Hino Motors Canada rose 25.7% to 1,107 units, while Mitsubishi Fuso Canada medium duty sales increased 24.3% to 353 units during the nine month period in 2006. Japanese brand trucks captured a 13.3% share of the medium duty truck market at the end of September up from 9.9% for the same period in 2005.

#### Production & Exports

Production of light vehicles at Japanese affiliated plants in Canada showed modest but steady growth through the first nine months of 2006. At the end of September, combined output at Honda (HCM), Toyota (TMMC) and CAMI rose 4.3% to 680,299 units. The gains stemmed largely from increased production at TMMC in Cambridge (up 4.5%) and CAMI in Ingersoll (up 12.1%), while output at HCM increased marginally compared to the same period in 2005.

Production at HCM grew 0.7% to 293,291 units. Honda builds six vehicles in two plants at their facility in Alliston – the Honda Civic (coupe and sedan) and the Acura CSX in Plant 1, and the Acura MDX, Honda Pilot and Ridgeline pick-up truck in Plant 2. Honda has recently announced that Pilot production will be gradually shifted to Alabama, and will be replaced with more Civic production on the truck line starting in 2007.

Three vehicles are made at TMMC's operation in Cambridge, the Toyota Corolla and Matrix in the North Plant and the Lexus RX 350 in the South Plant. Output at TMMC in the first three quarters of 2006 increased 4.5% to 242,752 units.

• See Japanese Sales & Production in Canada... continued on page 3



TMMC celebrated the raising of the first steel for the new assembly plant in Woodstock. (L to r): Mr. Seiichi Sudo (President, Toyota Engineering & Manufacturing North America); Mr. Akio Toyoda (Executive Vice President, Toyota Motor Corporation); Ray Tanguay (President, TMMC); and The Hon. Sandra Pupatello, Ontario Minister of Economic Development & Trade.

• Continued from page 2... **Japanese Sales & Production in Canada**

CAMI in Ingersoll, a 50/50 joint venture between Suzuki and General Motors of Canada, launched a new Suzuki XL 7 compact four wheel drive passenger vehicle in September. CAMI also makes two similar models, the Chevrolet Equinox and the Pontiac Torrent. Due to continuing strong demand in Canada and the US, production at CAMI has improved 12.1% to 144,256 units through the end of September compared to last year.

In a departure from previous years, combined vehicle exports from these plants were flat during the first three quarters of 2006, down slightly 0.1% to 527,059 units, most likely the result of stronger local demand in Canada compared to the US, particularly for small vehicles which are more popular among Canadian consumers. The vast majority of shipments are destined for markets in the US. On average 77.5% of total output was exported during the nine month period, down from 80.9% in 2005. Shipments from HCM dropped 5.8%, while both CAMI and TMMC shipped 4.0% and 5.1% more vehicles respectively than during the same period in 2005.

**Imports**

Vehicle shipments to Canada from Japan, the US and Mexico for the first three quarters of 2006 have increased 3.9% to 300,422 units. While imports from NAFTA countries (US and Mexico) fell 13.8% to 119,284 units, shipments from Japan rose 20.2% to 181,138 units.

Canada continues to be a net exporter of "Japanese" vehicles in 2006 as over 406,000 vehicles were exported by HCM and TMMC, while all JAMA Canada members' imports during the same period totaled about 300,000 units, for a net finished vehicle export of 106,000 units through the end of September.

**Member News:**



Honda (HCM) launched the 2007 Acura MDX at the Alliston plant No.2 in September.

**Honda Alliston's triple celebration**

Takeo Fukui, President & CEO of Honda Motor Co. Inc. attended a special ceremony in early September at Honda of Canada Manufacturing plant in Alliston Ontario to celebrate three milestones: the start of production of the new 2007 Acura MDX luxury sport utility vehicle, the 20th anniversary of the plant which opened in 1986, and the 4 millionth vehicle built at the Alliston plant.



Takeo Fukui, President, Honda Motor Co. Ltd. (Japan) celebrates the 20th anniversary of Honda of Canada Manufacturing plant in Alliston in September.

"At Honda, the power of dreams is about having both a dream and the determination to turn it into reality," said Mr. Fukui. "In 1986, we became the first Japanese company to invest in a manufacturing facility in Canada. That was our dream. Today this facility has become a very important operation for Honda."

"On behalf of Canada's new government, I am proud to congratulate and thank Honda and its 4,300 associates for 20 years of tremendous quality and commitment to Canada," said the Honourable Maxime Bernier, Minister of Industry. "There are so many accomplishments to celebrate: the 20th anniversary, four million vehicles produced, production of the new re-designed Acura MDX, and the new engine plant coming on-line in 2008. They are all testaments to the commitment to excellence by everyone at the Alliston plant. Honda's ongoing investments in Canada are a strong vote of confidence in Canada and Canadian workers."

"Honda is a real success story here in Ontario," said Joe Cordiano, former minister of Economic Development & Trade. "Its continuing investments in Alliston and in our province have created thousands of jobs, and help keep Ontario not only competitive but a leader in auto manufacturing in North America."

**Honda to expand Civic production in Alliston**

As part of a North American plan to increase production capacity of the fuel efficient 4-cylinder Civic and demonstrate Honda's ability to match its flexible manufacturing capacity with market demand, in early 2007, Honda Canada will for the first time add production of the Civic Sedan to Plant 2 in Alliston, Ontario.

• See *Honda to expand...* continued on page 4

• Continued from page 3... *Honda to expand Civic Production in Alliston*



HCM recently built their 4 millionth vehicle in Alliston. Honda will increase production of the 2007 Civic sedan and coupe in 2007.

Honda is striving to meet demand for its popular 4-cylinder Civic models in a timely fashion and increasing production capacity by up to 60,000 vehicles on an annual basis. Honda Canada currently manufactures the Honda Ridgeline, Civic Coupe, Civic Sedan and Civic Si Coupe, and the Acura CSX and MDX at its two plants in Alliston, Ontario.

The added Civic production capacity will maintain Alliston's current production of 390,000 units. From February 2007, production of Pilot sport utility vehicles in Canada will be gradually shifted to Honda's Lincoln, Alabama plant. This will return the Alabama plant's production to a full annual capacity of 300,000 vehicles and engines, and will make it the sole source for both Pilot and Odyssey models after the shift.

Sales in Canada of the Civic lineup were up 45% in September compared to 2005 while total Honda division passenger car sales were up 46% and light truck sales were up 69%. Total Honda division sales were up 52% in September 2006 vs 2005.

Currently, Honda builds Civic models at two North American plants – the East Liberty Plant in Ohio and in Alliston, Ontario at Plant 1. Over the past few months, both plants have added overtime production in an effort to meet customer demand.

## Mitsubishi appoints new President and CEO



Mr. Koji Soga, President, Mitsubishi Motor Sales of Canada

Koji Soga, an experienced senior executive with almost 38 years of leadership roles in Product Planning, Overseas Marketing and Corporate Strategy, is the new President and CEO of Mitsubishi Motor Sales of Canada (MMSCAN).

Soga, 60, took charge on October 1, following his appointment by the Board of Directors of Mitsubishi Motors Corporation. He comes to MMSCAN after a lengthy and distinguished career of ever-increasing responsibility with Mitsubishi Motor Corporation in Japan and various other postings within Mitsubishi worldwide.

"Our focus is to grow, develop and expand Mitsubishi by listening carefully to the wants

and needs of the Canadian market," Soga said. "We have an excellent team at MMSCAN head office and a growing and committed dealer network. It is a winning combination that will continue to mark Mitsubishi as a company to watch."

Soga was selected after an extensive search to find just the right fit to continue building and expanding on the strong revitalization orchestrated by the MMSCAN team. He said his top priorities are a commitment to the customer and shareholder support and satisfaction, product excellence and focused growth in revenue and market share.

Before assuming his new post at MMSCAN, Soga most recently served as Vice Corporate General Manager of Corporate Social Responsibility at Mitsubishi Motors head office in Japan. He also is the former President and CEO of Mitsubishi Motor Sales Europe.

Soga underscored that MMSCAN is being highlighted within Mitsubishi as one of the company's most promising markets. He said that the consistent and significant sales growth by MMSCAN is an index of how popular the Mitsubishi brand is becoming in Canada.

"Mitsubishi has a rich heritage and reputation for developing and building products and features our customers want and need," Soga said, "and we will continue in that tradition by improving and strengthening our customer relationships and working closely with our dealers to provide Canadians with the very best products and services Mitsubishi has to offer."

JAMA Canada extends a warm welcome to Mr. Soga, as well as best wishes for continuing success at MMSCAN.

## JAMA Canada holds 3rd annual Parliamentary Reception in Ottawa

### 1. Remarks by JAMA Canada Chairman, Kenji Tomikawa Ottawa, September 27, 2006

As Chairman of JAMA Canada, it is my honour and pleasure to welcome all of you to our 3rd annual parliamentary reception.

In 2004, we celebrated the 20th anniversary of JAMA Canada. Last year, we celebrated 40 years of our members' activities with a publication on the history of the Japanese auto industry in Canada.

This year is the 20th anniversary of the start of the first Japanese vehicle plant in Canada. In 1986, Honda Canada Manufacturing opened their plant in Alliston Ontario. Recently, they celebrated the production of their 4 millionth vehicle, and announced a plan to open a 4 cylinder engine plant in 2008.

And it was 20 years ago that TMMC broke ground for their assembly plant in Cambridge.

• See *JAMA Canada holds...* continued on page 5



(l to r) Guy LeClaire, Industry Canada; Tomoyoshi Yahagi, Embassy of Japan; and John Burbridge, Foreign Affairs & International Trade.

• *Continued from page 4... JAMA Canada holds 3rd annual Parliamentary Reception*

Needless to say, the auto industry has changed dramatically in two decades. As a result of over \$6 billion investment by Japanese automakers, there are now four facilities with six plants that have the capacity to make close to 900,000 vehicles a year.

Earlier this year, Hino Motors Canada opened their first commercial truck assembly plant in Woodstock, Ontario.

And in 2008, with the new Toyota plant in Woodstock, total Japanese affiliated production capacity in Canada will grow to over one million vehicles per year, with a combined workforce of over 13,000.

Twenty years ago, all members' vehicle sales were imported from Japan. Today, 5 out of every 8 vehicles sold are built in North America.

What's more, Canada has been a net exporter of "Japanese" vehicles since 1993. Open trade and access to other markets is absolutely critical to sustain this level of vehicle production and export.

Overall, our growth and success in Canada is due to the confidence of our customers, the skills and enthusiasm of our team members and dealers, the quality and competitiveness of our suppliers and the ongoing support of government – federal, provincial and local.

Governments play a critical role by creating a positive environment for trade and investment, along with open borders and a robust economy.

This is a challenging time for all automakers and parts makers. We are part of a global industry that faces a number of issues – such as congestion and higher security at border crossings, rising oil and commodity prices, climate change, and urban gridlock, just to name some of the most pressing concerns.

The rapid rise of global trade is another challenge. We are encouraged by the Pacific Gateway Initiative and the firm support of the Government. This is a timely and critical response to the congestion arising from accelerating growth in trade, particularly from China.

Efficient and secure port facilities, as well as connections with the rest of Canada are important commitments that will deepen the economic partnership with Canada's trade partners in the Pacific region, and create a positive environment for investment.

Bilaterally, we are also supportive of the current joint study examining ways and means to deepen and enhance our bilateral trade relationship between Canada and Japan. We look forward to the results of the study later this year.

In the meantime, we very much appreciate support of the Canadian Government over the last twenty years, and in the years to come. Thank you.

**2. Remarks by Helena Guergis, MP**

**(Simcoe – Grey)**

I would like to thank you for having me here tonight, and to acknowledge the good work done by JAMA Canada and its chairman, Mr. Tomikawa.

JAMA Canada members are great corporate citizens and greatly contribute to the success of the Canadian economy. Well over 50,000 Canadians are employed in the manufacture, export, import, distribution, sale and service of Japanese affiliated vehicles and parts.



*Helena Guergis, M.P. (Simcoe-Grey), Parliamentary Secretary to the Minister of International Trade.*



*Pierre Millette (3rd from left) explains Toyota's hybrid vehicle system to reception guests.*



*Kenji Tomikawa, Chairman, JAMA Canada and President & CEO, Toyota Canada*

Japanese auto manufacturers' investments in Canada have benefited Canadian workers and communities.

As the Parliamentary Secretary for International Trade, I am actively involved in our Government's vision for enhancing Canada's international trade.

This vision, which both the Prime Minister and the Minister for International Trade David Emerson are committed to, involves the Pacific Gateway initiative.

The Pacific Gateway Initiative is first and foremost about strengthening Canada's competitive position in international commerce.

Today, trade is dominated by the rapid movement of goods through seamless global supply chains. Therefore, efficient and integrated transportation systems are crucial to international competitiveness.

The entire transportation system upon which global supply chains depend need to be significantly improved and integrated. Only then will we see the productivity gains Canada needs to remain competitive globally.

Our Government's vision for the Pacific Gateway approach involves the convergence of opportunities in transportation, geography and commerce. Improving infrastructure is key, but isn't the only necessary factor.

This is why our vision will address a range of broader issues that directly affect how well the gateway works such as skills shortages, security, border services, and land use.

But it is one thing to build the Gateway; it's another to use it effectively. We will act to ensure Canada takes advantage of the Pacific Gateway by addressing issues such as trade promotion strategies, human capital issues, and standards harmonization.

Our Government is clearly committed to the Gateway, and will invest at least \$591M to develop it. Minister Emerson's appointment as Minister responsible for the Pacific Gateway is a strong signal of our Government's attention to this initiative.

• *See Remarks by Helena Guergis. ... continued on page 6*

• Continued from page 5... Remarks by Helena Guergis

The \$400 million set aside for future Pacific Gateway investments will be used in part to bring together integrated responses to a broad range of pressures. A priority for our Government is to engage all four provinces as well as other public and private sector stakeholders in the development of a long-term vision for the Pacific Gateway.

This includes working with the BC government, which recently announced a \$3 billion investment in its Gateway projects. The federal government is focused on an international trade-based strategy - the BC infrastructure package will complement our plan by addressing both trade issues and other areas more directly under provincial jurisdiction.

I spoke earlier of the need to create the broader conditions under which Canadian trade can grow. Our Government is committed to the multilateral agenda and at the same time, will pursue more bilateral trade agreements.

The Canada-Japan Economic Framework is designed to reinforce existing ties and address emerging opportunities and challenges.

Officials met most recently in Ottawa in June for a third face-to-face meeting and will meet again in Tokyo in October. Findings are expected to be submitted to the Prime Ministers in November.

The joint study will examine opportunities for the further promotion of bilateral trade and investment, and the study's findings will help guide future initiatives.

It will address existing barriers to trade and investment, possible policy tools to address these issues, and ways to further promote the bilateral commercial relationship between Canada and Japan.

The views of Canadians are critical to the study's development. Consultations began in April and the Government has received input from a wide range of stakeholders.

Down the road, the Joint Study could serve as a stepping-stone to more formal agreements, but for that to happen, extensive consultations with Canadians would be necessary.

Rest assured that our Government is committed to enhancing trade between Canada and the Far East. The Pacific Gateway Initiative and the Canada-Japan Economic Framework are important parts of this commitment.

Under the leadership of the Prime Minister, our government remains committed to the auto industry. I look forward to working with you all as our Government moves forward on its international trade agenda. Thank you.

Motor Vehicle Industry in Japan 2006		
Passenger Cars, Trucks, Buses		TOTAL
PRODUCTION <sup>1</sup>	Jan-Sept 2006	8,499,679
	Jan-Sept 2005	8,064,010
	% change	5.4
EXPORTS <sup>2</sup>	Jan-Sept 2006	4,350,914
	Jan-Sept 2005	3,707,916
	% change	17.3
SALES/ REGISTRATIONS <sup>3</sup>	Jan-Sept 2006	4,467,344
	Jan-Sept 2005	4,553,266
	% change	-1.9
IMPORT VEHICLE SALES <sup>4*</sup>	Jan-Sept 2006	198,100
	Jan-Sept 2005	200,243
	% change	-1.1

\* (including models built by Japanese automakers overseas) source: 1,2-JAMA; 3-JADA, JMVA; 4-JAIA

## Aisin Seiki to build second Canadian plant in Stratford

In an effort to strengthen its manufacturing structure, Aisin Seiki Co., Ltd. will establish a production company, Aisin Mfg. California, LLC (AMC), in California as well as build a second plant at Aisin Canada, Inc. (ACI) in Canada to address increasing orders for door frames in the U.S. and Canada.

Until now, the production of door frames was concentrated at Aisin U.S.A. Mfg., Inc., with products delivered to respective customers in North America. In order to respond to an increase in orders, AISIN is currently restructuring its production framework for door frames by adding new production in California and Canada to ensure an efficient manufacturing and supply structure in North America.

These expansions are aimed at boosting AISIN's production capacity of door frames in North America by approximately 50% from 5.4 million units at present to about 8 million units in 2010.

### Outline of Aisin Canada, Inc.

- Company name:** Aisin Canada, Inc. (ACI)
- Establishment:** October 1, 2002
- Location:** Ontario, Canada
  - First plant in Woodstock;
  - Second plant in Stratford
- Capitalization:** C\$16 million including capital increase of C\$11 million (\*equivalent to approximately 1.7 billion yen)
- Equity stake:** Aisin World Corp. of America: 100%
- Representative:** Mr. Norihisa Inagaki
- Plant area:**
  - First plant (Woodstock)**
    - Land – approximately 32,000 square meters
    - Building site – approximately 5,000 square meters
  - Second plant (Stratford)**
    - Land – approximately 65,000 square meters
    - Building site – approximately 11,000 square meters
- Manufactured products:**
  - **First plant:** Manual operated seats, belt moldings and other body related components
  - **Second plant:** Door frames
- Start of production:**
  - **First plant:** August 2003
  - **Second plant:** January 2008 (scheduled to roll off the production line)
- Sales:** Approximately C\$49 million in fiscal 2005  
Approximately C\$64 million projected for fiscal 2010  
\*Above amounts include approximately C\$29 million of sales of door frames
- Employees:** Approximately 110 in fiscal 2005  
Approximately 210 projected for fiscal 2010  
\*Approximately 100 new employees are projected for the second plant
- Investment:** Approximately C\$26 million, including land buildings and equipment (current investment only)
- Major customer:** Toyota Motor Manufacturing Canada Inc.