

JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION, INC.

JAMA

Common Challenges, Common Future

Japanese Automakers in an Enlarged Europe



2004

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Japanese Automakers in an Enlarged Europe

Contributing to Sustainable Development and Competitiveness in an Enlarged Europe

Japanese automakers are fully committed to the sustainable development of the automotive industry. We have achieved this objective by providing attractive products to customers while responding to their social needs.

Japanese automakers started production in Europe during the mid-80s and by 2003 recorded a production limit of 1.24 million units. 60 percent of Japanese brands sold in Europe are today made in Europe. The Japanese automobile industry will increase its European production, as we fundamentally believe that we must produce in the market where we sell.

Japanese automakers place the uppermost importance on the protection of the environment and consumer safety, not only for the automotive industry but, in particular, for society as a whole.

JAMA is committed to achieving its target as agreed in the voluntary agreement with the European Commission on CO₂ emission reduction and is cooperating fully with the European Commission on the Pedestrian Protection Directive.

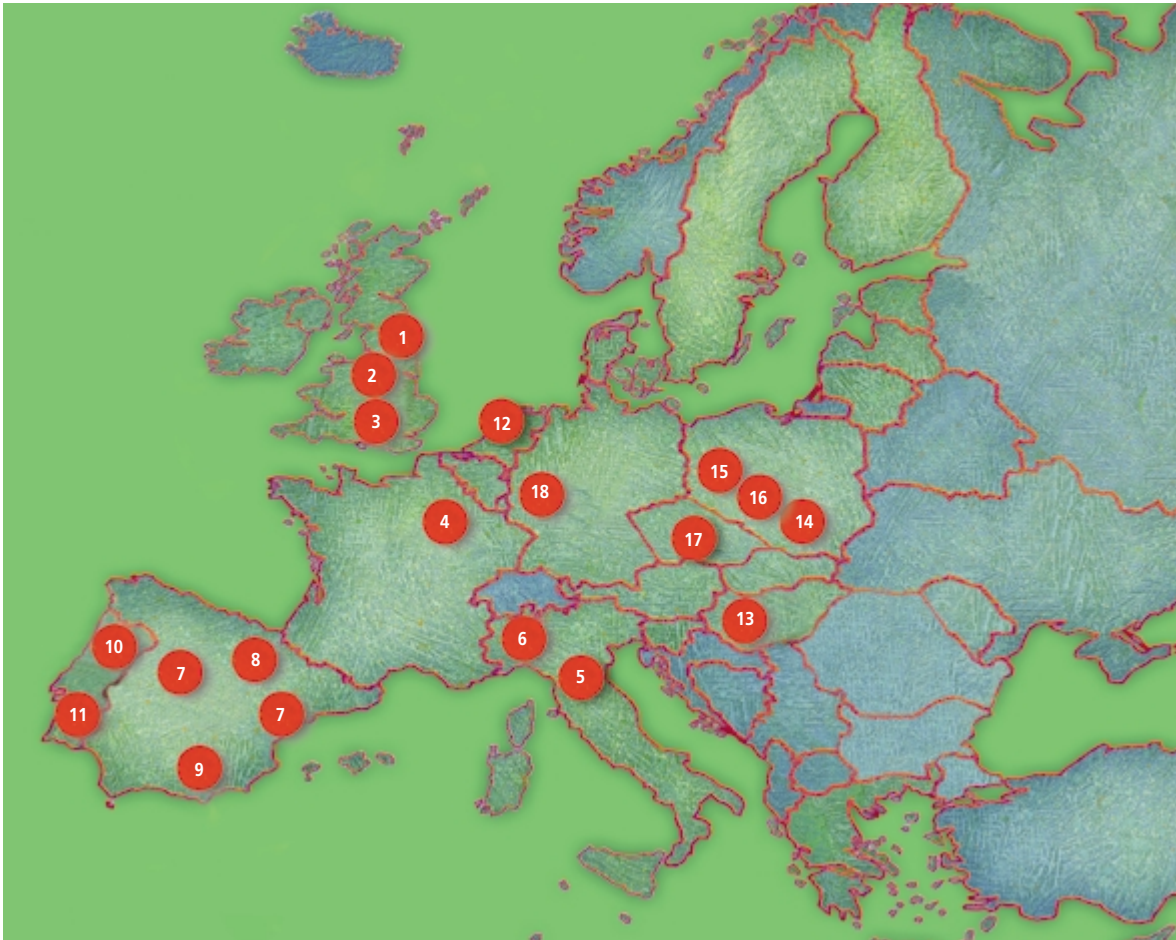
Japanese automakers, as an integral part of European industry, are contributing to the sustainable development of the automotive industry in an enlarged Europe and are strengthening Europe's competitiveness via direct investment in production and research and development.

The brochure aims to illustrate how the Japanese automakers are contributing to the enlarged Europe and we very much hope that you will find it interesting and useful.

JAMA

October 2004

Production in the European Union



- Japanese manufacturers have been building and producing cars in Europe to meet the market needs of European customers.
- Japanese manufacturers have currently 18 production facilities in 10 EU countries.
- In 2003, Japanese manufacturers have produced 1.245 million vehicles in Europe.
- The EU production by Japanese manufacturers more than doubled since 1995.
- Over 36,000 jobs have been created by our members' production activities in the EU.
- Over 16 billion Euro have been invested by our members in the production facilities in the EU.

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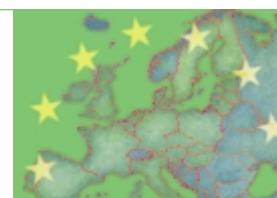
Production Facilities in Europe

	Manufacturer	Company	Location (Start of Operation)	Equity Shares	Products	Units Produced in 2003	Employees	Total Investment (million)
 UNITED KINGDOM								
1	Nissan	Nissan Motor Manufacturing (UK) Ltd.	Sunderland (1986)	Nissan Europe 100%	Primera, Micra, Almera	331,924	4,450	> £ 2,000 (€ 2,941)
2	Toyota	Toyota Motor Manufacturing (UK) Ltd. (TMUK)	Burnaston (1992) Deeside	TMEM 100%	Avensis, Corolla Engines	210,878	4,300	£ 1,700 (€ 2,500)
3	Honda	Honda of the UK Mtg. Ltd. (HUM)	Swindon (1992)	Honda Europe 86.32% Honda Motor 13.68%	Civic 3D, 5D CR-V, Engines	184,698	4,000	£ 1,150 (€ 1,691)
 FRANCE								
4	Toyota	Toyota Motor Manufacturing France S.A.S. (TMMF)	Valenciennes (2001)	TMEM 100%	Yaris Engines	184,514	3,300	€ 735
 ITALY								
5	Daihatsu	Piaggio & C, S.p.A.	Pontedera (Pisa) (1992)	0%	Porter	7,970	5,000	N.A.
6	Mitsubishi	Pininfarina S.p.A. (PF)	Bairo (Torino) (1999)	MMC 0%	Pajero, Pinin	8,704	537	N.A.
 SPAIN								
7	Nissan	Nissan Motor Iberica S.A.	Barcelona/Madrid (1983)	Nissan 99.74%	Terrano, Almera Tino x83 (Nissan Primastar, Renault Traffic and Opel Vivaro)	98,024	3,682	€ 1,625 (1990-2002)
8	Nissan	Nissan Vehiculos Industriales S.A.	Avila	NMISA 100%	Atleon, Cabster E	18,565	750	N.A.
9	Suzuki	Santana-Motor S.A.	Linares (1985)	0%	Vitara, Jimny	21,947	589	N.A.
 PORTUGAL								
10	Toyota	Salvador Caetano I.M.V.T. S.A.	Ovar (1968)	TMC 27%	Dyna, Hiace Optimo	2,413	350	N.A.
11	Mitsubishi Fuso	Mitsubishi Fuso Truck Europe S.A. (MFTE)	Tramagal	Mitsubishi Fuso 99%	Canter	5,904	300	€ 27.5
 THE NETHERLANDS								
12	Mitsubishi	Netherlands Car B.V. (NedCar)	Born (1991)	MMC 85% MME 15%	Colt, Space Star, Smart forfour	163,080 (74,352)	4,000	NGL 4,862 (€ 2,206)
 HUNGARY								
13	Suzuki	Magyar Suzuki Corporation	Esztergom (1992)	Suzuki 97.5%	Wagon R+, Ignis	88,500	2,100	N.A.
 POLAND								
14	Isuzu	Isuzu Motors Polska Sp.zo.o.	Tychy (1999)	Isuzu 40%	Diesel Engines	271,000	1,033	Yen 26,000 (€ 194)
15	Toyota	Toyota Motor Manufacturing Poland Sp.zo.o. (TMMP)	Wałbrzych (2002)	TMEM 100%	Transmissions	134,222	1,000	€ 100
16	Toyota	Toyota Motor Industries Poland Sp.zo.o. (TMIP)	Jelcz Laskowice (2005)	TMEM 60%	Diesel Engines		350 (Plan)	€ 200
 CZECH REPUBLIC								
17	Toyota	Toyota Peugeot Citroën Automobile Czech (TPCA)	Kolin (2005)	TMC 50 %	Small Passenger Cars		3,000 (Plan)	€ 1,500 (Plan)
 GERMANY								
18	Mitsubishi	MDC Power GmbH	Kölleda-Kiebitzhöhe	MMC 50%	Gasoline Engines		450	€ 2,500

(The Euro values relate to exchange rates in September 2004)

*From the end of 2002, gasoline engines and manual transmissions production for new model vehicles will be made by a joint venture with Peugeot Citroën in the Czech Republic.

MMC - Mitsubishi Motors Corporation
MME - Mitsubishi Motors Europe B.V.
NMISA - Nissan Motor Iberica S.A.
TMC - Toyota Motor Corporation
TMEM - Toyota Motor Engineering & Manufacturing S.A./B.V.



Research and Development in the European Union



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- Japanese automakers have conducted their R&D and Design activities in conjunction with their production activities in Europe.
- Japanese automakers have currently 15 R&D and Design centres in the EU.
- R&D and Design activities in the EU will help to meet the specific market needs of the European users.
- Over 2,500 jobs have been created by our members' R&D and Design activities in the EU.



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R&D Facilities in the European Union

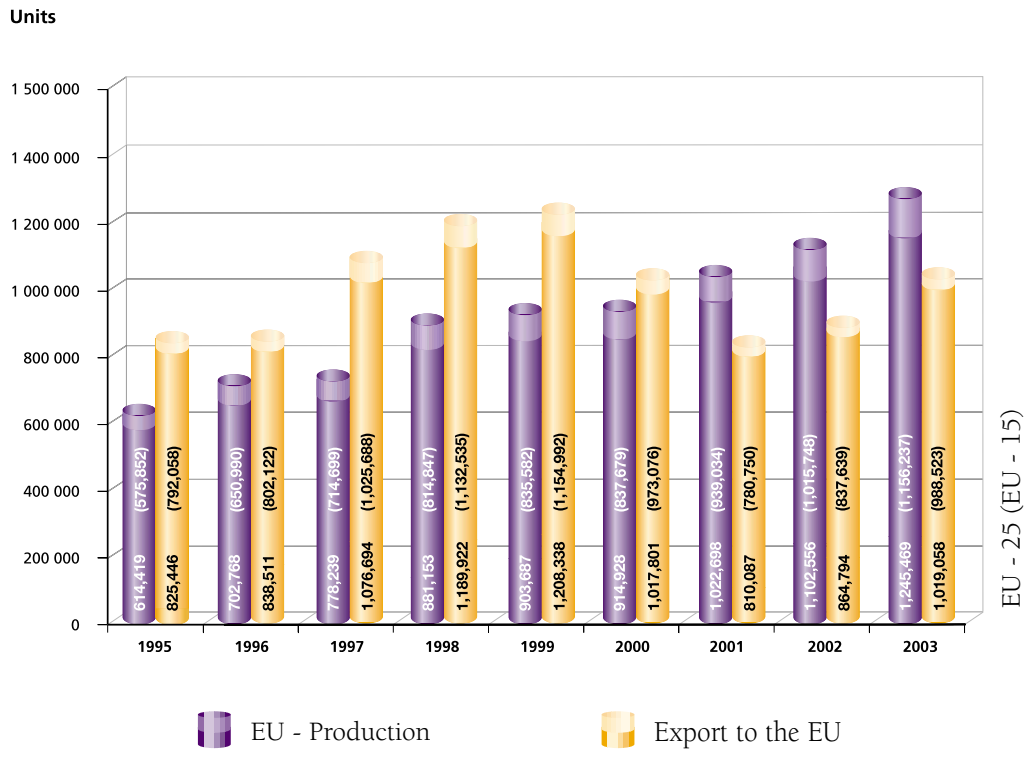
 Manufacturer	Company	Headquarters, Division Offices	Employees	Current Functions
 UNITED KINGDOM				
1 Honda	Honda R&D Europe (UK) Ltd.	Swindon, UK	70	1,2,3,5,6,7
2 Nissan	Nissan Design Europe Ltd.	London, UK	60	4
3 Nissan	Nissan Technical Centre Europe Ltd.	Cranfield, UK	393	1,2,3,5,6,7
 GERMANY				
4 Honda	Honda R&D Europe Deutschland G.m.b.H.	Offenbach, Germany	90	3,4,6,8
5 Isuzu	Isuzu Motor Germany G.m.b.H.	Gustavsburg, Germany	125	1,2,5
6 Mazda	Mazda Motor Europe G.m.b.H.	Leverkusen, Germany	231	3,4,6,7,8
7 Mitsubishi	Mitsubishi Motors R&D Europe G.m.b.H.	Trebur, Germany	81	1,2,3,4,5,6
8 Toyota	Toyota Motor Sports Germany G.m.b.H.	Cologne, Germany	600	9
9 Subaru	Subaru Test & Development Center (STCE)	Ingelheim am Rhein, Germany	7	2,3
 THE NETHERLANDS				
10 Mitsubishi	Mitsubishi Motors Europe B.V.	Amsterdam, The Netherlands	411	8
 SPAIN				
11 Nissan	Nissan Technical Centre Europe (Spain) S.A.	Barcelona, Spain	197	1,2,3,4,5,6,7
12 Subaru	Subaru Europe N.V./S.A. – Barcelona Office	Barcelona, Spain	2	6,8
 FRANCE				
13 Toyota	Toyota Europe Design Development S.A.R.L. (ED2)	Montpellier, France	32	4,5,6,7,8
 BELGIUM				
14 Nissan	Nissan Technical Centre Europe Ltd. Brussels Branch	Louvain-la-Neuve, Belgium	16	2,3
 UNITED KINGDOM				
 BELGIUM				
 GERMANY				
15 Toyota	N.V. Toyota Motor Europe, Marketing & Engineering S.A. (Technical Centre)	Burnaston, UK Zaventem, Belgium Kerpen, Germany	233	1,2,3,5

Key to Functions:

- | | |
|--|---|
| 1. Technical support for procurement of parts for local production | 5. Parts design |
| 2. Evaluation of parts | 6. Vehicle design |
| 3. Evaluation of vehicles | 7. Prototype production |
| 4. Styling and general design | 8. Marketing research |
| | 9. Development of Formula 1 racing cars |



European Production and Exports by Japanese Automakers



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- Since 1992, EU production has steadily increased and reached 1.245 million vehicles in 2003.
- Since 2001, the EU production of Japanese manufacturers has exceeded imports from Japan.
- Japanese models produced in the EU are also exported outside the EU. Those exports have reached 160,000 vehicles in 2003 representing an increase of more than 300% from 2001.
- The exports outside the EU have significantly contributed to the EU trade balance.



**Common Challenges,
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Investment and Employment

- Japanese automakers have made significant investments in various EU Countries.
- By creating high skill jobs, Japanese automakers have contributed to the dynamism of the EU economy.
- Over 201,500 jobs have been created by the activities of Japanese automakers in the EU.
 - 38,500 directly, with over 36,000 in production and more than 2,500 in R&D.
 - 163,000 indirectly in headquarters, parts distribution centres, distribution, financial services and sales.

Investments in the pipeline

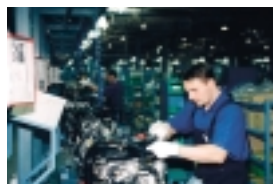
Company	Target date for production	Investment target	Location	Job Creation	Investment (million)
Toyota Motor Manufacturing France S.A.S. (TMMF)	2004	Increase car production capacity	Valenciennes, France	500	€ 17.8
Toyota Motor Manufacturing Poland Sp.zo.o (TMMP)	2004	Increase engine production capacity	Wałbrzych, Poland	1,000	€ 300
Toyota Motor Manufacturing (UK) Ltd. (TMUK)	2005	Increase car production capacity	Burnaston UK	500	£ 50
Toyota Peugeot Citroën Automobile Czech (TPCA)	2005	Compact passenger cars	Kolin, Czech Republic	3,000 (plan)	€ 1,500
Magyar Suzuki Corporation	2005	Increase car production capacity	Esztergom, Hungary	400	€ 230
Toyota Motor Industries Poland Sp.zo.o. (TMIP)	2005	Diesel engines	Jelcz-Laskowice Poland	500	€ 200
Nissan Motor Manufacturing UK Ltd.	2005	Production of new type of Micra	Sunderland, UK	N.A.	€ 140
Nissan Motor Iberica SA (NMISA)	2005	Production of two new vehicles and diesel engine	Barcelona, Spain	N.A.	€ 400
Toyota Motor Engineering & Manufacturing Europe n.v/s.a (TMEM)	2009	R&D facilities	Zaventem, Belgium	200	€ 75



Nissan, UK
On 5 July 2004, the Nissan car plant in Sunderland built its one-millionth car, a Coral Blue 1.4 litre Micra SE, for the UK market. The milestone was well-timed, as the plant is celebrating its 20th anniversary in the UK.



Toyota, France and UK
In 2004, Toyota is increasing its production capacities in its plants in Valenciennes, France, and in Burnaston, UK. This move will create 500 new jobs in France and 500 in the UK and will lead to an increased production of Toyota's Avensis, Corolla and Yaris models in Europe



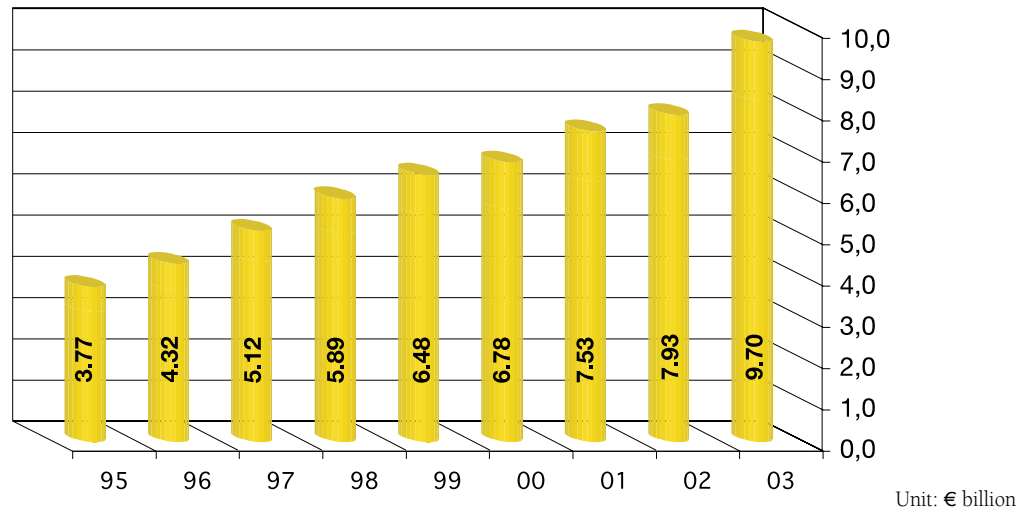
Isuzu, Poland
In May 2004, Isuzu Motors Polska Sp.zo.o. rolled out the one-millionth diesel engine.



Honda, UK
At the beginning of 2004, Honda released its first Accord equipped with a diesel engine on the European Market.



Japanese Automakers Buying EU Parts



■ Purchasing European parts by Japanese automakers have steadily increased and reached 9.70 billion Euros in 2003, 22% more than in 2002. This is nearly three times more compared to 1995.

■ In the European production plants of Japanese automakers, European suppliers deliver more than 80% of the values of the parts.

■ Global maximized purchasing under condition of QCDDM [Quality-Cost-Delivery-Development-Management] by Japanese automakers have strengthened the competitiveness of European suppliers and promote global competition.

■ JAMA members open their contact points to potential suppliers in order to pursue global maximized purchasing.

■ European suppliers with high outsourcing and looking for a long-term relationship are worthy partners for Japanese automakers.

■ JAMA-CLEPA (European Association of Automotive Suppliers) Business Conference has provided good opportunities to create a strong business relationship among Japanese automakers and European suppliers

JAMA-CLEPA Conferences

Date	Place	European Participants	Japanese Participants
March 1995	Paris	450	150
May 1996	Berlin	500	170
Nov 1997	London	530	170
April 1999	Amsterdam	450	100
Nov 2000	Strasbourg	360	140
April 2002	Stuttgart	480	120
April 2004	Göteborg	380	120
Nov 2005	Torino (plan)		

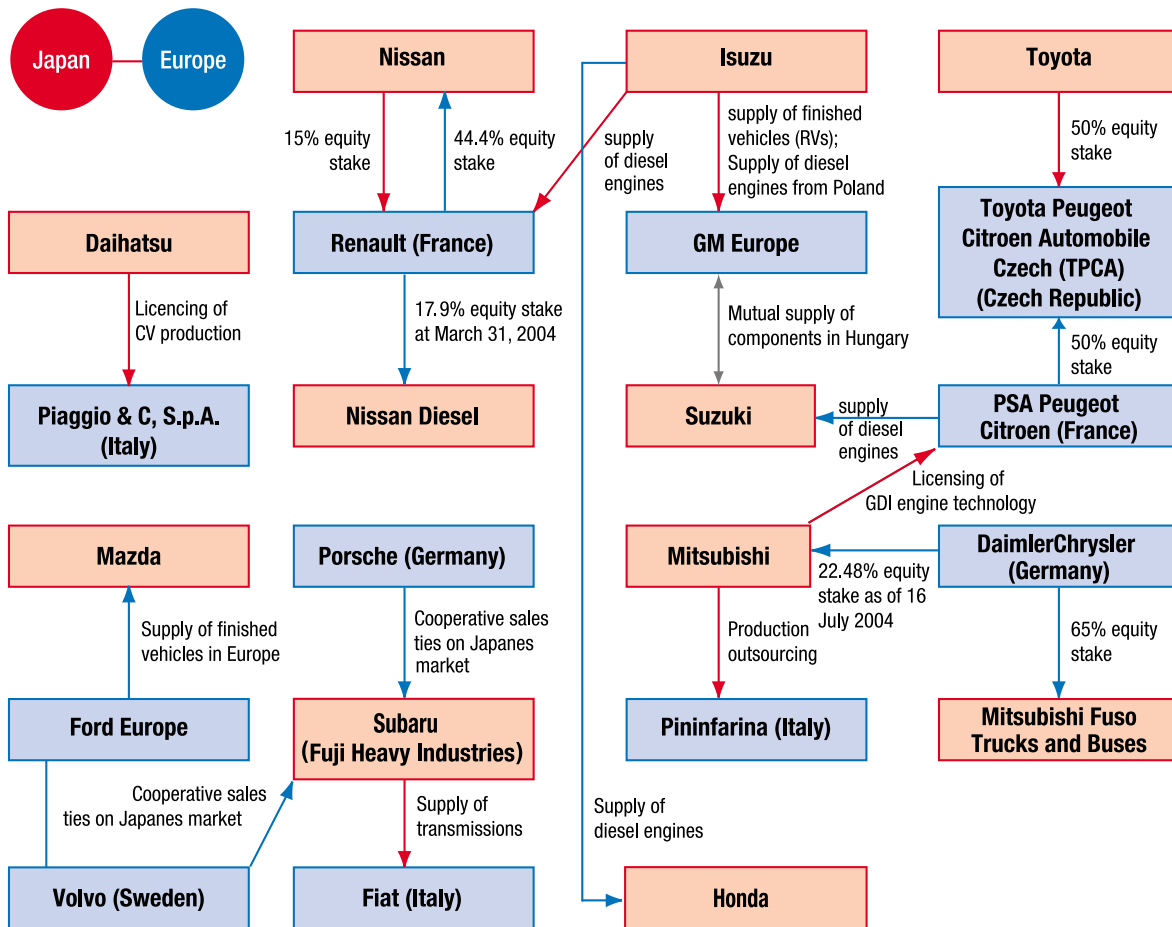
Source: JAMA.



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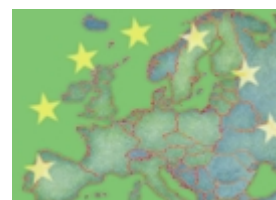
Automotive Ties between Europe and Japan



- The automobile industry is global.
- In Europe, JAMA, via its office in Brussels, maintains and develops contacts with European industrial associations and regular meetings are held mainly with ACEA, CLEPA and ACEM but also with many of the national industrial associations related to the automobile industry in Europe.
- Those co-operations are essential for developing environment-friendly products and improving international competitiveness.
- JAMA is an active partner in industrial co-operation, encouraging dialogue between industries and industrial associations worldwide.
- Industrial level talks are extremely valuable for resolving issues of common concern, e.g. international trade harmonization, safety and environment issues.
- Between European, US and Japanese car manufacturers, there are many co-operative agreements ranging from capital link-ups, joint ventures, environmental co-operation, joint sales, to the supply of engines and transmissions.



The CEOs of the World leading passenger car and light truck manufacturers met in Japan at the second Global Automotive Industry Meeting in October 2003.



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Japan Automobile Manufacturers Association

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