

# World Eye Reports Canada

www.worldeyereports.com

## A year after Tohoku, Canada stands strongly with Japan

Canada and Japan established diplomatic relations in 1928 with the inauguration of the first legation of Japan in Ottawa. Nurturing their strong relationship, the two countries celebrated 80 years of diplomatic relations in 2008 and 2009.

Today, the Japanese economy continues its recovery from the impact of the Tohoku earthquake almost a year ago.

Canada was one of the first to offer and send assistance to Japan within hours of the disaster, and their relationship has strengthened further since then.

### Macroeconomic overview

Canada's trillion-dollar economy has kept it in good stead over the decades. It is blessed with rich



Mayor of Mississauga Hazel McCallion

natural resources and is now focusing on developing its diverse energy deposits.

From a largely rural society during the 20th century, Canada has grown to become the affluent, market-oriented society it is today, with high living standards and a technology-led economy.

In the latter half of 2008, its economy succumbed to the global crisis, while in 2009, it reported a fiscal deficit for the first time in 12 years.

However, it wasn't long before Canada broke free from the clutches of recession. Its major banks emerged strongly due to conservative lending practices and robust capitalization.

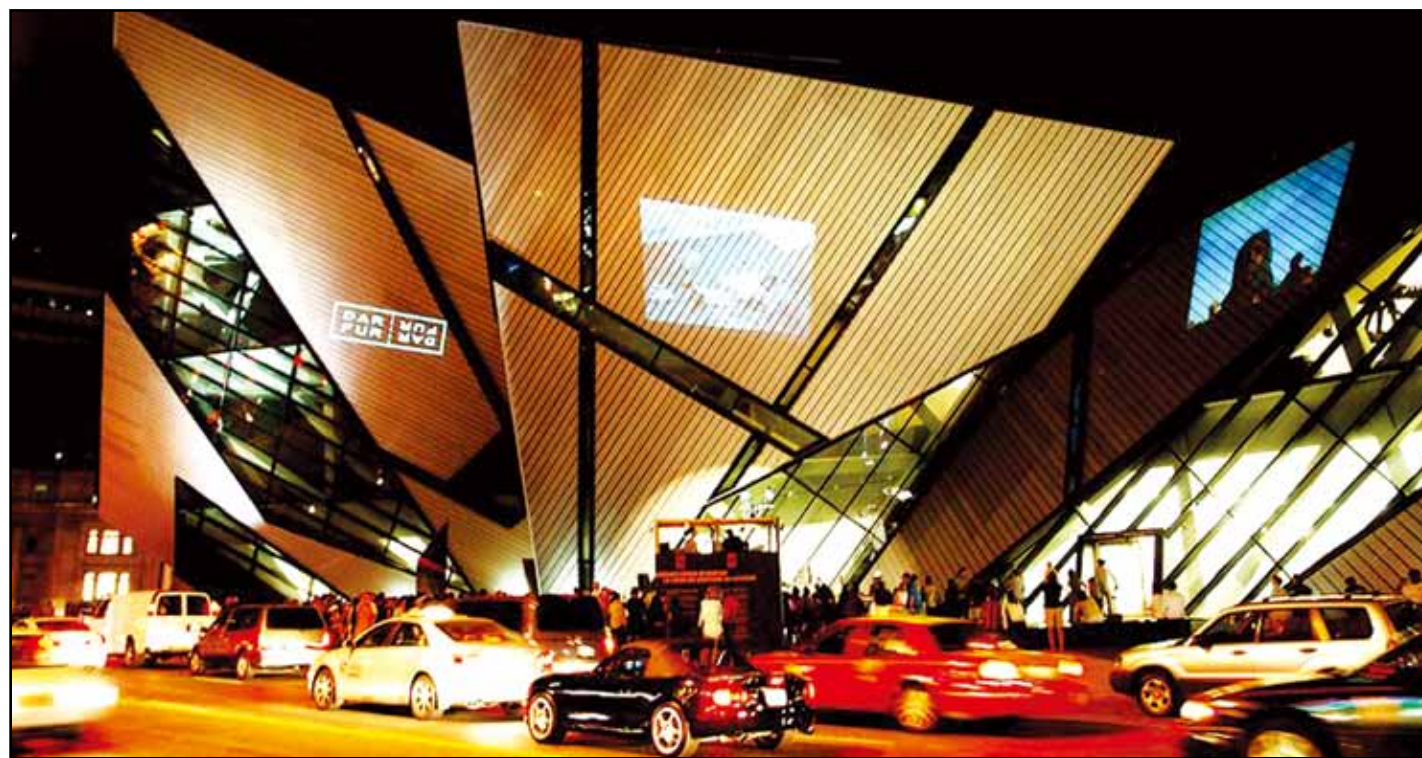
Last year, the International Monetary Fund boosted its GDP (gross domestic product) outlook for Canada, saying that the country's policymakers had a "sound and credible" plan to get back to a balanced budget by the middle of this decade.

Canada's manufacturing sector, which is led by the economies of Ontario and Quebec, was hit hard by the decline in U.S. demand.

Moreover, Ontario's auto sector witnessed supply-chain disruptions on account of the Tohoku earthquake and tsunami.

Despite the setback, Ontario's job market has since improved and had generated 85,000 new jobs in the first eight months of 2011.

Growth is expected to strengthen in the second half of 2012, propelled by an expected recovery in the U.S. economy, job gains and



Aside from being the financial center of Canada, Toronto has strengthened its position as a cultural and media capital. Every September, the city attracts the elite of the film world for the Toronto International Film Festival.

increased capital spending.

### Canada's relations with Japan

Economic relations between Canada and Japan have been robust, with a roughly equal trade balance.

Until 2002, Japan was Canada's second largest trading partner, in terms of exports and imports.

In recent years, China, the U.K. and Mexico have overtaken Japan, which now ranks fourth, in terms

of exports and imports, and fifth, in terms of trade value.

In 2009, Canada's exports to Japan stood at \$8.3 billion, while its imports from the Asian nation stood at \$12.3 billion.

In terms of foreign direct investment (FDI), Japan is Canada's largest bilateral partner in Asia.

Japan's FDI in Canada stood at a little over \$13 billion in 2009, with over 550 Japanese subsidiaries and affiliate companies estab-

lished in the country providing employment to tens of thousands of people. Meanwhile, Canadian FDI in Japan totaled \$3.6 billion in 2009.

The two countries, situated on opposite sides of the Pacific Ocean, are currently enjoying close political, economic and cultural ties. Their people have a lot of exposure to each other's films, music, arts and sports, which were further reinforced by the global focus on the 2010 Winter Olympics and Paralympics held in Vancouver.

"I am profoundly impressed by the vastness and diversity of Canada," says Japanese Ambassador to Canada Kaoru Ishikawa.

Recalling the two countries' bilateral history after World War II pitted them on opposite sides of the fray, Ishikawa went on to say: "We are grateful for the friendship that developed between Japan and Canada and truly appreciate the warm support for the recovery

from the March 11th disaster."

Japanese companies continue to invest in Canada and use it as a base for North American operations.

In fact, the city of Mississauga, near Toronto, can be considered an unofficial center for Japanese investment. The flourishing city led by long-serving Mayor Hazel McCallion has become a magnet for over 80 Japanese companies who are currently based there.

"Canada is so appealing because of its friendly atmosphere," says McCallion. "One of our strengths is that we are very friendly and welcoming to all types of businesses and cultures. We have a very personal approach to doing business."

This year, as Canada prepares to celebrate its 145th year of independence, it is keeping its ties to Japan as strong as ever, mindful of the mutual benefit and contribution to global stability and prosperity. ♦

## Konica Minolta raises its premium

Best known for its innovations in business technology, particularly document imaging equipment, Konica Minolta received in 2011 the Multi-Functional Product Line of the Year award given annually by Buyers Laboratory, known for its highly regarded third-party testing lab in the world.

Aside from receiving that distinction, Konica Minolta's line of high-speed, digital press equipment has also won several awards for quality and reliability, which have made the Japanese brand one of the top choices in the commercial print market.

Established in Canada in 1975, Konica Minolta has seen its market share grow substantially over the last two years, and now operates several offices and employs around 700 people across the country.

"My aim is to ensure that Konica Minolta Canada continues to be an exceptional company that enjoys prosperous growth, while we escalate our corporate social responsibility

initiatives," says President and CEO Satoshi Tachioka, who brings more than 30 years of experience with the company.

Under Tachioka, Konica Minolta has put greater focus on operational excellence and market share growth in digital production printing, as well as in its large accounts in optimized print services.

Its new emphasis resulted in 2010 in a contract to oversee the managed print services for a major provincial government, the largest deal of its kind in Canada.

Because of its strong performance, Konica Minolta Canada still has the full confidence of the company headquarters in Japan that the ambitious goals in the Canadian market will be met.

And with the stability of the Canadian economy and the rising investment in productivity technologies, Tachioka and his management team have maintained a bullish attitude toward this expansive market. ♦ [www.konicaminolta.ca](http://www.konicaminolta.ca)



Konica Minolta President and CEO Satoshi Tachioka

## Pioneering Japanese carmaker relies on reputation to grow in Canadian market

Around the world, Honda has built a reputation on superior design and innovation, fun-to-drive performance, and legendary dependability, quality and reliability. Its pioneering presence in Canada is no exception, and Canadians have adopted Honda vehicles as their own.

More than 40 years ago, Honda came to Canada because it saw an opportunity to offer unique products only Honda could provide. But importing and selling vehicles is not what Honda is about.

"Our company philosophy is to build products close to the customer. Honda saw potential in the Canadian market. Since then, we have strategically invested our resources to meet the needs of the customer and become a leading automotive manufacturer in Canada," says Honda Canada President Takashi Sekiguchi.

As the first Japanese automaker to produce cars in the country, Honda of Canada Mfg. (HCM) celebrated its 25th anniversary in November 2011.

Similarly, Acura, Honda's luxury auto brand — the first international luxury brand to manufacture in Canada — will mark 25 years of sales in February 2012.

Honda's factory in Alliston, Ontario, has the capacity to produce up to 390,000 vehicles a year, including Civic sedans, coupes and Si sedans, and the Acura MDX and

ZDX. The Civic remains the backbone of Honda's reputation for quality in Canada.

"Our brand image is extremely high in Canada due to the trust our customers place in our Civic models. In fact, the Civic has set a record as Canada's top-selling passenger vehicle for 14 straight years.

Today, the Honda Civic still makes up around 50 percent of our Canadian sales," Sekiguchi remarks.

In environmentally conscious Canada, Honda was also the first automaker to sell hybrid cars. Last year, its 2011 Honda Civic Hybrid, Honda Accord Sedan and Honda CR-Z models received ecoENERGY Efficiency for Vehicles awards from Natural Resources Canada's Office of Energy Efficiency.

"Honda vehicles are a vital part of our environmental image. People's perceptions about Honda products are that they are environmentally responsible and fuel-efficient. The commitment goes beyond product design and encompasses all aspects of company operations and the attitudes of our people," says Sekiguchi.

Through its "associates," or employees, and their families, Honda Canada has helped plant more than 76,000 trees in the countryside across Canada in the last six years.

This summer the company was awarded with the LEED Canada — Gold green building certification from the Canada Green Building Council for its new headquarters in Markham, Ontario. The achievement makes Honda the automaker with the most LEED-certified buildings in North America.

Of course, moving on four wheels is not all Honda is known for.

"Honda is the world's No. 1 motorcycle manufacturer," says Sekiguchi, and the company just introduced to Canada this year the new Honda CBR250R — a model that adopted high-end engineering to optimize user-friendliness, especially for novice riders.

"This is an excellent motorcycle that meets all of our customers' expectations —



Honda Canada President Takashi Sekiguchi

from handling to performance," he says.

It is just one more product designed to make loyal Honda customers out of first-time buyers.

Sekiguchi emphasizes that teamwork is essential for this to work.

"I always try to think about what's best for the customer. But in order for us to execute and deliver, we need all of our dedicated associates working together to succeed. We take a 'one team' approach with our associates. When we are all on the same page, and have the right goal in mind, we can reach our full potential at Honda. Our aim is to work in harmony to produce quality vehicles and to provide superior service to our customers," he says.

"I believe in our founder Soichiro Honda's basic philosophy of focusing on the customer. That is Honda's greatest strength," he adds.

In Canada, it would be hard to find anyone who would disagree. ♦ [www.honda.ca](http://www.honda.ca)

**CR-V**

Easy fold-down 60/40 split rear seatback • One of the most fuel-efficient vehicles in its class • Available Real Time AWD (Intelligent Control System)™ • Intelligent Multi-Information Display (i-MID) • Multi-angle rearview camera with guidelines • Available voice-activated Honda Satellite-Linked Navigation System™ • SMS texting • Bluetooth™ HandsFreeLink™ with audio streaming • USB audio interface • Advanced safety **The All-New CR-V. Yeah, it does that.**

**HONDA**

City/Highway/Combined Fuel consumption for comparison purposes only and may vary with usage and accessories. See Dealer for latest EnergyGuide results published by Natural Resources Canada (when available). Multi-angle rearview camera with guidelines intended to provide assistance to the driver. Always operate appropriately and with care. Real Time AWD (Intelligent Control System)™ available on LX and EX models and comes standard on EX-L and Touring models. Honda Satellite-Linked Navigation System™ with bilingual voice recognition and steering wheel controls comes standard on Touring models only. Comparable with select smartphones. Your wireless carrier's rate plans apply. Only use texting features when conditions allow you to do so safely.



The Honda Civic EXL Sedan



## Customers build a trustworthy brand

Since the 1970s, Makita has consistently grown its reputation in a competitive industry by producing durable, innovative and cost-effective power tools sought after by consumers and businesses around the world.

In Canada, Makita has secured a leading market position, particularly in the mining and construction industries.

"Aside from our quality service, our customers trust in our brand and its reliability. Our loyal customers in construction, plumbing, electrical — and especially the mining industry — use our products with assurance. The mining sector tools are especially widely used in Newfoundland and Alberta," says Makita Canada President Mack Tokui.



Makita Canada President Mack Tokui

Professionals make up the main part of the Japanese toolmaker's customer base. With more than 400 different products, ranging from cordless drills to heavy-duty table saws, Makita has a power tool for almost every user. Every year, it launches more than 20 new products. Makita Canada has 14 factory service centers around the country, and two distribution centers — in Ontario and British Columbia.

"We take pride in our after-sales service. I believe that this is our strength and what end-users look for when they purchase our product. We have about 40 representatives in each province and territory who communicate closely with our dealers and customers. We make the effort to go out to rural areas to take care of all our clients. This is what separates us from our competitors," Tokui says.

"I'm very appreciative of our Canadian customers' support for our brand. It took us 38 years to build this brand here. I believe much of our success is due to our clients. In fact, I would like to express Makita's gratitude for their confidence in our product. We will continue to provide exceptional service to our customers and fulfill their expectations," Tokui adds.

www.makita.ca



One of Makita's service buildings in Canada

## Favorable conditions and strong support — an equation for success

As the world economic crisis continues, most companies would prefer to approach 2012 conservatively.

Cushioned by high commodity prices and favorable market conditions in its sector, however, Huckleberry Mines is choosing a more aggressive approach this year.

Huckleberry's management has decided to explore the market for new opportunities.

"We are planning to optimize our resources to extend mining operations further and continue to accelerate exploration works in the current operation area to strength our long-term plan. A new location near the Huckleberry area might be a next exploration target in the future that would be available for new projects using the existing infrastructure and facilities," says President and CEO Minoru Yamaguchi.

The company owns the Huckleberry mine — an open pit copper and molybdenum operation in central British Columbia.

Mining operations began in 1997 and the mine now has a current output rate of about 16,400 tons of ore each day. All of what is produced is shipped as high-quality copper concentrates to Japan.

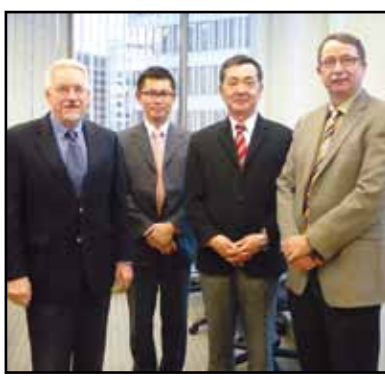
The management company's ownership is shared between a collective of four prominent Japanese companies led by Mitsubishi Materials Corp. and the Imperial Metals Corp., one of the leading mining companies based in Canada.

"One advantage of our company is that we have very good operation performance in environmental compliance since the beginning of our operation, supported by good staff in the company. Plus, we have very strong supporters behind us from the communities and the ministries in the region. We have also been enjoying high commodity prices, especially for copper, since 2006. We have been very fortunate, since average commodity prices today have almost doubled compared to prices in 2005," Yamaguchi explains.

With long-term strategies geared toward increasing overall productivity and the formation of successful new exploration works, Huckleberry's CEO is optimistic about the year ahead.

"We will be very busy in 2012 given all of our plans. But we are very confident since we have good partners and employees, we are economically competitive, we are currently in a positive market and we are positioned in an excellent country that has numerous resources and opportunities. 2012 will be a big year for our company," Yamaguchi says.

www.imperialmetals.com



From left to right: Huckleberry Mines and Imperial Metals Corp. Chairman Pierre Lebel, Huckleberry Mines Senior Market Advisor Yosuke Isoda, Huckleberry Mines President and CEO Minoru Yamaguchi, Huckleberry Mines Director and Imperial Metals Corp. President and CEO Brian Kynoch

## When the going gets rough...

They say the most successful brands are those that grow during a downturn. As the global economy in 2011 continued to present challenges on all fronts and sectors, one company drove forward and shattered its sales targets for the year.

Kubota Canada's growth strategies for the Canadian market have proven to be exceptionally effective as the Japanese manufacturer known worldwide for its turf, tractor, farm and construction equipment increased its overall sales and market share at a time when many companies declined.

Its current strategy is to focus on innovative products, competitive pricing, superior quality and

an aggressive sales and marketing mind-set to continue growth nationwide.

"Kubota is about always watching and reacting to the markets. For 2011, our goal was to regain a strong growth mentality and make substantial improvements in our market position and organization," explains President Ross Wallace.

The Canadian subsidiary achieved this through high levels of expertise and confidence among management, personnel and the Kubota dealer network, coupled with extremely competitive pricing and distribution.

"We projected self-confidence in 2011 and our dealers saw that. They're more assured and that in turn made us more confident.



Kubota's M126XDTC Tractor

For 2012, we are looking toward even more improvements in our strategic planning and strategic marketing," Wallace says.

It hasn't hurt that Kubota's innovation in its market special-



Kubota Canada President Ross Wallace

ties has produced desirable new products every year up to the present.

"In terms of construction equipment, we have been very strong with our excavators and especially our new compact truck loaders. When you get a brand new product line such as this combined with excellent design execution, it can only result in pure growth. We have blown away our sales targets and quotas for 2011, and it has just been a tremendous

success for the Kubota brand in Canada," Wallace says.

The mix of a highly skilled marketing team with top-quality Japanese design engineering and manufacturing means Kubota Canada can look forward to 2012 with even higher expectations.

"We have incredible strengths with the Kubota brand, and the Canadian marketplace appreciates our innovation, quality and value," he says.

www.kubota.ca

## Quietly leading through innovation and humility

With a history that spans over five decades, Pacific Western Brewing has proven countless times that it is a company built on the grounds of innovation and quality, with the ability to exceed market expectations and to remain consistent through its pioneering strategies.

Over the years, it has had extensive accomplishments such as producing British Columbia's first canned beer, Canada's first malt liquor and its first dry and ice-brewed beers. Today, Pacific Western Brewing continues in the same vein as its beers are defined: strong and original, with an elegant bearing yet remaining humble.

In pioneering the brewery industry, it consolidated its reputation further as the "company of firsts" by producing the country's first certified organic beer. It was also the first to have an ISO 9001 certification in Canada, the highest standardization possible.

"We always ask ourselves: 'What is next?' For example,

we forecast ahead of time that a troublesome economy would affect the Canadian market, so we introduced the Cariboo brand, which is simply a 'people's beer.' It was one of the first inexpensive beers on the market that maintains superior quality. People love it because it is very easy to drink and made from pure spring water," boasts President and owner Kazuko Komatsu.

"For all our brands, we only use the best ingredients, yet make them affordable. It is really about adapting to the country and knowing what our customers want," explains Komatsu, who celebrated her 20th year as president in 2011.

Amid financial instability for the company, Komatsu entered the picture in 1991. She rejects any praise for "saving" it but instead exudes humility and modesty, traits that she keeps in high regard. She credits much of her success to her long-standing relationship with her employees.

"At the end of the day, material things do make life more

convenient, but they are not the most important. I treasure the relationships I have developed through the years, especially those I have with my employees. For one event, I still remember they gave me a butterfly to symbolize what they say I have done for the company. It is now one of the things I most treasure," she says.

Aside from her strong belief in good humanism, Komatsu also has a staunch commitment to the environment and the local community. Recently, her company vowed to plant 1 million trees in British Columbia to offset the damaging effects of the pine beetle infestation.

Despite success in Canada, Komatsu still feels a strong connection to her Japanese roots. On the devastation in the Tohoku region and the Fukushima nuclear disaster in March 2011, she believes that Japan remains a resilient nation and will surmount the tragedy with strength and unity.

"Today is an age when Japan needs heroes. Hopefully, there



Pacific Western Brewing Company President and owner Kazuko Komatsu

will be more and more Japanese that will take on the challenges that face the country and they will make Japan even stronger," she says.

www.pwbrewing.net

## How to emerge stronger from challenging times

Car audio and communications specialist Kenwood Electronics Canada has taken the current global economic turmoil as an opportunity for growth.

"Sales did drop somewhat at first, but at the same time we have been developing products that gain us market share. We have continued to improve our products and services so that we have actually bounced out of the downturn quite strongly," says Kenwood Electronics Canada President Robert Harvey.

The strategic merger between Kenwood Corp. and Victor of Japan (maker of JVC) in 2008 improved the ability to capture greater market share worldwide and left the new company better prepared to face the global uncertainty.

"It was about opportunity. There were areas in which we could cooperate in terms of technology and product lines. There is synergy in some JVC products that have added to our lineup in our communications product that bring additional value to our dealers," Harvey explains.

Kenwood Canada's strong bounce is also due to management-led changes in its corporate culture.

"Although we have the car audio and com-

munications divisions, we wanted to build a company with a level field, where one division gets what the other receives. The combination of everyone's efforts has made this company successful. The company has been able to reap the benefits in the new attitudes and the growth of individuals," Harvey says.

Kenwood Canada is also nurturing its relationship with the local community.

One such move was the donation of its elite line of Nexedge radios to the local firefighters of Slave Lake, Alberta, after fires decimated most of the town.

"We approached our dealer in Slave Lake to ask if there was a need that we could fill. The dealer advised us that the fire department lost their radios in the fire. The product was shipped to the dealer for staging and delivered to the fire department," Harvey recalls.

The Nexedge system, which provided needed and timely assistance to the successful relief efforts, is available across Canada.

Kenwood Canada, along with some dealers, put together a system that will provide seamless communications from Windsor to Quebec City.

"The system is called OnQue (www.onque.ca), and it is a first of its kind in Canada," he



Kenwood Electronics Canada President Robert Harvey

says. Kenwood Canada also enjoys a leadership position with its car audio products and over the past couple of years has positioned the line firmly with independent dealers and mass merchandisers throughout Canada.

www.kenwood.ca

## eBOX

**Toronto Japanese Association of Commerce and Industry** was established in 1957 to improve relations between Canada and Japan through the economic, commercial and industrial activities of its members, as well as to develop and maintain good relations with the local community. [www.torontoshokokai.org/en.htm](http://www.torontoshokokai.org/en.htm)

**The Japan External Trade Organization (JETRO)**, set up in 1958 by the Japanese government, assists all companies in developing their export business in Japan or in their host countries. In the last decade, JETRO has shifted its focus toward increasing foreign direct investment into Japan and helping small to medium-size Japanese firms maximize their global export potential. [www.jetro.go.jp/canada](http://www.jetro.go.jp/canada)

**Japan Automobile Manufacturers Association of Canada** offers vital information on its Japanese-affiliated automobile members and the automobile sector as a whole. Aside from providing insights and developing a deeper understanding of the automotive sector, JAMA also promotes closer ties between the two countries. [www.jama.ca](http://www.jama.ca)

**Holnap Media** serves as an umbrella for a diverse group of companies, that when combined into one, meet the evolving challenges of the web. By using only top technological advances to build Internet landscapes, it has become a worldwide partner to its clients through each of its brands. [www.holnapmedia.com](http://www.holnapmedia.com)

## Closer community ties make for a sharper focus on the market

In the great outdoors that is much of Canada, camera features such as robustness, water-resistance and flexibility are key qualities sought by adventure-loving Canadian consumers. Fujifilm has built on its high-end FinePix digital camera line to combine style, convenience and high-quality digital imaging in compact cases that go straight to the heart of the local market.

"An important factor in the success of Fujifilm here is our people. Along with years of experience, they are very positive, diligent and hard workers. The atmosphere here is much like a family, which I think is a very important characteristic to have in any organization," says Nobuhiko Koshimizu, president of Fujifilm Canada since March 2011.

Fujifilm's Canadian subsidiary has particularly close ties to its professional and enthusiast market. Its own popular YouTube series hosted by the local "Fuji Guys" Greg and Billy regularly showcase new products on the Web, and has significantly contributed to the company's presence and credibility in the community.

Koshimizu brings to Fujifilm Canada more than 20 years of experience with the brand, and he is determined to capitalize on the company's strengths to gain a stronger position in the North American markets.

Fujifilm, established in Japan in 1934, has successfully transformed its business structure by expanding its business from traditional photographic film to today's high-reso-

lution cameras, medical and health care, and graphic systems.

Fujifilm Canada focuses on its core strengths in cameras, photo-finishing and recording media to extend this legacy of innovation and excellence in the country.

"The challenge comes from the digital and technological revolution. The market demands change faster and faster as society becomes more advanced. The industry is becoming more digitized and we have to constantly adapt to its shifting needs," says Koshimizu.

"To accomplish my challenge, it is essential to know what's interesting for this particular community, though it is more difficult here in Canada because of the diverse range of ethnicities in the country. But, by working closely with our colleagues here in Canada, we will continue to acquaint ourselves more and more with the Canadian way. Knowing what interests Canadians in general means ultimately knowing what products would most interest the market. We have to be more familiar with Canada's culture, lifestyle and way of thinking to provide our customers with the very best product for their everyday needs," he adds.

"We have a lot of new products coming out this year. We are in the process of strengthening the ties between our Canadian and U.S. operations. By using each other's strengths and encouraging better communication between us, we can certainly see even more expansion in our Canadian business," he says.

www.fujifilm.ca



Fujifilm Canada President Nobuhiko Koshimizu



NSK is one of the largest bearing producers in the world.

## Driven on quality, committed to people

Unhindered by the slowdown of the global economy, NSK has expanded its operations around the world and remains one of the world's largest bearing manufacturers, with over 26,000 employees and more than 60 manufacturing facilities around the world.

In Canada, NSK has strategically located distribution centers that provide motion and control products and engineering support to both OEMs (original equipment manufacturers) and after-market customers.

Its network of authorized distributors offers the expertise, inventory and delivery systems, backed by NSK sales and engineering teams who meet any requirements with precision and speed.

"A significant opportunity for Canada is that we are operating as part of the NSK Americas team. NSK organizations in Brazil, Latin America, Mexico, the United States and Canada are capitalizing on synergies to work collectively with Japan to map out growth strate-

gies throughout the Americas," says NSK Canada General Manager Michael St. Jacques.

St. Jacques, who joined in January 2010, also plans to expand the company's technical support team in the Atlantic Region, Ontario, Quebec and Alberta.

Aside from staying committed to high quality and enjoying the staunch loyalty of customers, NSK Canada also strengthens its global status by investing in its human resources.

"The key is to surround yourself with good people and empower those people to make the decisions they've been hired to make. People need to be inspired to lead. Everyone from the warehouse to top management is a leader in driving strong customer relationships," St. Jacques says.

www.nskamericas.com



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