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B 1

## An economic partnership gets fresh boost

When then-Japanese Prime Minister Junichiro Koizumi met Prime Minister Stephen Harper of Canada in Ottawa in June 2006, the two leaders faced no major issues that threatened bilateral relations. In fact, the "valued partnership" between the two countries had been very smooth and irritant-free.

With that assessment, Koizumi and Harper recognized that their countries might have exerted more effort to consolidate economic relations over the past few years. Since then, there have been renewed efforts to finalize an economic framework study, which started in 2005.

Canadian Minister of International Trade David Emerson said the study was "an action-oriented initiative that identified 15 priority areas considered to have the most sustainable impact in moving trade and investment relations forward."

tern has been that Japan exported manufactured products to Canada and Canada exported primary resources to Japan, like forestry products, canola oil and copper."

But that is all changing, as larger Japanese auto manufacturers began building facilities in Ontario in the early 1980s. Today, Toyota and Honda have fully owned plants in the eastern Canadian province, and



Sadaaki Numata, former ambassador of Japan to Canada

have announced plans to expand and build new production facilities.

That rapid development in the automotive sector alone

has accounted for 54,000 new jobs nationwide. The expansions, due for completion in 2008, represent more than \$427 million in new direct Japanese investment.

"The auto industry and the province of Ontario enjoy an inseparable relationship," emphasizes the ambassador.

Osamu Mizutani, executive director of JETRO Toronto, says that the automotive sector has become the backbone of Japan-Canada relations, especially in the eastern part of the country.

"Ontario is larger than Detroit with regard to the automotive industry in North America," he says, referring to total manufacturing and revenue. "There is a large reliance on this sector in Ontario. There are more than 200 Japanese companies in the province and 50 to 60 of these are in the automotive industry."

Over on the west coast, the nature of trade between Canada's western region and Japan has experienced some fundamental changes as the Canadian dollar continues to strengthen.

What was traditionally known as a source of natural resources to Japan (42 percent of British Columbia's wood exports go to Japan), Canada is evolving into a destination for other opportunities as exports continue to reel from the strong dollar.



In 2006, Japanese automakers Toyota and Honda independently began work on new manufacturing facilities in Ontario, further cementing the automobile industry as one of Canada's most dynamic and heavily invested areas.

"Canada is a key Japanese corporate investment destination for traditional energy (coal and oil sands from Alberta) and alternative energy (gas hydrates and fuel cells from British Columbia)," points out Emerson.

"We recognize Japan's pre-eminent position as a world leader with respect to technology commercialization and applied innovation, and we seek to build on existing trade and investment linkages, and to stimulate growth on the strength of mutual comparative

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**The Japan External Trade Organization (JETRO)** helps Canadian individuals or companies that want to do business or expand their existing businesses with Japan through exporting, partnering or investing. JETRO has offices in Vancouver and Toronto. [www.jetro.go.jp/canada](http://www.jetro.go.jp/canada)

**The City of Toronto Economic Development Office** is the front door to any business that is interested in moving to or investing in the capital city of Ontario. [www.toronto.ca/business\\_resources/econdevoffice.htm](http://www.toronto.ca/business_resources/econdevoffice.htm)

**The Canadian Tourism Commission (CTC)** is a government-run organization that works closely with domestic industry-related companies to promote the country as a year-round destination for all kinds of tourists. [www.canadatourism.com](http://www.canadatourism.com)

**The Canadian government's Web site** contains the latest national news, information on immigration, taxes and even the weather, as well as services that can help you to start a business in the country. <http://canada.gc.ca>

## Honda: a case study in successful Japanese investment in Canada

It's been quite a journey for Honda Canada Inc. since it opened an office in Ontario in 1969. From initially selling motorcycles and power equipment, it expanded to automobile sales in 1973.

Twenty years ago, it became the first Japanese carmaker to build a manufacturing facility in the country, with an initial target output of 40,000 units a year.

Along the way, Honda Canada has expanded from just a few employees to more than 5,100 sales associates today, with annual sales in excess of \$14 billion.

With two assembly lines for cars and trucks, the plant produces about 390,000 vehicles a year. To date, more than 4 million vehicles have been produced by this Canadian manufacturer.

Honda's investment, valued at more than \$2 billion, is a strong testament to the company's confidence in the Canadian economy. Honda will open a third plant in Ontario in 2008 for the production of approximately 200,000 four-cylinder engines. This facility, which increases Honda's commitment to Canada by an additional \$154 million and 340 new jobs, will further cut product lead

times and help in Honda's goal of having a complete Canadian manufacturing operation.

Over the years, Honda has grown increasingly popular among Canadians who have found its premium vehicles luxurious, reliable, fuel-efficient and of high value. In 2006, the Civic was Canada's best-selling car for the ninth consecutive year.

"There's a certain level of affection here toward the Civic and our customers have stayed loyal over the years," says President and CEO Hiroshi Kobayashi. To date, Honda Canada has sold more than 1.3 million and produced 2.7 million Civics in Canada, cementing Canada as a truly "Civic Nation."

Having earned that loyalty, Honda continually strives to raise quality standards to the same level as the expectations of a discriminating market.

"Despite our size, we do not want to act like a large organization. We stress the one-on-one



Hiroshi Kobayashi, president and CEO of Honda Canada

relationship and build our business customer by customer," stresses the Honda Canada chief.

With such a large presence in the country (Honda employs 21,000 Canadians in manufacturing, sales and dealerships), the company is committed to fostering good relationships with local communities.

"In addition to promoting literacy," says Jim Miller, executive vice president of Honda Canada Inc., "we're also very active with the Earth Rangers, an organization that speaks to children about wildlife and environmental issues."

Each year more than 350,000 Canadians benefit from programs sponsored by Honda Canada, including ABC CANADA Family Literacy Day. In addition, charitable programs such as the Let's Talk Science Partnership Program are funded through the Honda Canada Foundation.

"We appreciate that Honda is well received here. We work hard to maintain a high standard and to always deliver the same quality. Once a customer buys a Honda, we stay committed to them. That's very important for how we conduct our business in order to build and maintain customer satisfaction," he says.

[www.honda.ca](http://www.honda.ca)  
[www.hondacanadafoundation.ca](http://www.hondacanadafoundation.ca)

## Toyota forgets the competition but not its customers

Toyota has been operating in Canada since 1965 and has consistently posted record sales the past four years since Kenji Tomikawa took over the helm in 2002. He has nothing but high hopes for the Japanese carmaker over the next decade.



Kenji Tomikawa, president and CEO of Toyota Canada

"I've created a 'blueprint' for TCI's future with initiatives set in place to ensure that our customers are taken care of and that sales continue to increase," says Tomikawa, president and CEO of Toyota Canada Inc. (TCI).

As of October 2006, TCI broke previous sales figures for 10 consecutive months, with sales surging 13.3 percent higher than the previous year's figure to over 200,000 units.

Back in Japan, Toyota has set a goal of obtaining a 15 percent global market share early in the next decade and it has been one of TCI's priorities to support that mission. TCI's

CONTINUED ON PAGE B2

CR-V ALL-NEW

# Ta-daaaaaa!

Introducing the all-new CR-V. It's the blending of form and function. Where substance intersects with style. Where an i-VTEC™ power plant punches out 166-horsepower performance and a completely new, forward-thinking design draws admiring glances. And of course, being a Honda means the CR-V does all this with excellent fuel economy and an emission rating that eases your conscience as much as it exhilarates the senses. It's urban meets rural. It's the best of both worlds. It's waiting for you to learn more at [honda.ca](http://honda.ca).

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To learn more about what makes a Subaru, a Subaru, visit one of our Dealers from coast to coast or drop by [www.subaru.ca](http://www.subaru.ca).

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SYMMETRICAL AWD



# Two world-class Canadian cities take center stage

When the sun sets over Montreal, its residents must go to bed feeling full and not just with the diverse food on offer. The city has a cutting-edge arts scene, sultry jazz clubs and historic parks that satisfy all the senses.

This island city in Quebec province is brimming with culture and is constantly ranked as one of the top cities in the world to live. In a country of 32 million people, Montreal is the second-largest city in Canada. It's one of the biggest French-speaking cities in the world and is often referred to as "The Franco-phone Metropolis of North America."

Montreal was the base for French exploration and the bustling fur trade along the St. Lawrence River during the mid-1600s. It remained under France until the 1763 Treaty of Paris, when it was ceded to Britain.

The city was subsequently made the capital of Canada from 1844 to 1849, when Anglophones increased their presence in the region and turned Montreal into the bilingual city it is today.

Montrealers' remarkable bilingual skills can easily be observed on the city streets, as people fluidly switch back and forth between French and English without skipping a beat. The strong prominence of English in Montreal makes touring this city very easy in comparison to French-speaking Paris.

The convenient layout of the city also makes it easily traversed by foot or bike. One can climb to the peak of le parc du Mont-Royal, walk to Little Italy for dinner and amble down to the waterfront for dessert, all before nightfall.

The cosmopolitan nature of Montreal seems almost inherent, as if the city was born this way. Its legendary nightlife, multicultural neighborhoods, and rich arts community invite North Americans to experience a taste of Europe in their own backyard. It's hard to believe that Montreal only lies 65 km from the

U.S. border.

Stylish locals and wide-eyed tourists check out local designer boutiques in the Latin Quarter, before settling into a classy French meal in Plateau Mont-Royal, one of the hippest neighborhoods in the city. Hopefully, the buzz from the post-dinner espresso and butter cream tart will provide an energy boost for a night of dancing in one of the many lively clubs on Boulevard St. Laurent.

If plans call for a romantic evening on the town, Old Montreal is a good starting point. It's easy to stroll down its charming narrow streets filled with colorful cafes and art galleries. Victorian stone houses and 19th century churches pepper the neighborhood, making you second-guess the country you're actually in.

Gone are the days of tumultuous relations between the Anglophones and Francophones residing in Montreal. The city's positive social and economic conditions have allowed for improvements in infrastructure, with the expansion of the metro system and the construction of new buildings throughout the city.

Montreal's charm not only lies in its cobblestone streets and cultural venues, but rather in the friendliness and openness of its people. One should be ready to feel embraced in this city, as there truly is something for everyone.

**Vancouver looks good in green**  
Vancouver has long been known as one of the premier "green" cities of North America. With its close proximity to the Rocky Mountains and Pacific Ocean, Vancouver serves as an excellent base for exploration of the stunning surrounding areas.

The city also serves as the North American gateway to Asia, enticing

Japanese tourists and exchange students to enjoy life on this easy-going stretch of coastline in Western Canada. H.I.S. Canada Inc., an international travel agency specializing in Japanese tourism, has been actively involved in attracting Japanese tourists to Canada for the past 10 years.

"Canada is a pleasure destination, and has many natural sights and attractions that the Japanese are drawn to," says Hideo Hatano, general manager of the H.I.S. Vancouver office. "Our goal is to increase the number of Japanese tourists visiting Canada annually."

H.I.S. mainly focuses on young, independent Japanese travelers coming to Canada. "We offer the best prices in comparison to our competition," says Hatano. "Currently, we're also trying to increase the number of Japanese students visiting Canada for school trips, as well as reaching out to Canadians who want to visit Japan."

H.I.S. has plans to expand its services beyond just Japanese tourists. "We want to be the No. 1 tourism agency in the world. Our next strategy is to provide services to mainland Chinese who want to visit Canada," says Hatano.

You won't find the typical tourist-trap attractions in Vancouver but rather natural spaces that encourage visitors to slow down and awaken their senses.

Stanley Park, Vancouver's first park, is an evergreen oasis of 400 hectares close to the heart of the downtown area. It offers numerous activities and attractions for solo and group adventurers. On sunny and rainy days alike, locals and tourists head to its golf course, children's farmyard, miniature railway

or its first-rate aquarium.

The 9-km-long seawall that straddles one side of the park was originally built to combat erosion. Now, it attracts cyclists, dog-walkers and boaters, as well as tourists who are seeking out a fresh seafood meal.

Another popular Vancouver attraction is the delectable public food market on Granville Island. With its many theaters and art galleries, Granville Island is one of Vancouver's cultural hot spots. This colorful and bustling hub is located at the south end of False Creek under the Granville Street Bridge.

Visitors to the island are treated to a feast for the eyes and taste buds. They can enjoy a wide variety of ethnic food and local produce, all while watching tiny ferries shuttle people to and from various sites along False Creek.

A trip to Vancouver wouldn't be complete without a visit to Whistler.

Only a two-hour drive from downtown Vancouver, this picturesque mountainous region is one of Canada's premier travel destinations. Recently, Whistler Blackcomb was rated the "best ski resort in North America."

Whether one visits in the winter or summer months, there is a dizzying array of outdoor activities to enjoy in Whistler, which together with Vancouver will host the Winter Olympics in 2010.

Preparations for the Winter Games have gone into full swing with work being done on the "sea to sky" highway intended to accommodate the increasing amount of traffic from Vancouver to Whistler.

The Winter Games are scheduled from Feb. 12 to 28 while the Paralympic events will take place from March 12 to 21. ◆



"Inukshuks" were traditionally used by the Inuit of the Canadian Arctic as directional markers. Today, these stone sentinels are symbolic of the ethnic heritage and diversity of modern-day Canada. They have also been adopted as the symbol of the 2010 Winter Games in Vancouver.

## British Columbia offers a winning brew

Marking its 50th year of brewing beer in Prince George, British Columbia, Pacific Western Brewing Co. remains focused on its vision for the future, strengthening its reputation as a producer of top-quality beer made by the region's largest Canadian-owned microbrewer.



Kazuko Komatsu, president and CEO of Pacific Western Brewing Co.

"Our natural spring water, used in all of our products, is located in an aquifer that runs beneath our brewery," says CEO Kazuko Komatsu. "This water flows from the Rocky Mountain system and has an excellent balance of minerals for health and well-being."

In the course of its history, Pacific Western has garnered several accolades from the brewing industry. In 2005, its Natureland Organic Amber Ale bagged the Gold Medal at the Brewing Industry International Awards in Munich.

"Building upon our successes and vision for the future, PWB is introducing its Natureland Organic ales and lagers, as well as a pre-mixed energy drink, "Wild Thing," to Japan and other countries in Asia," says Komatsu.

In addition to alcohol-based beverages, PWB's Natureland Products Ltd. subsidiary is introducing a unique line of nonalcoholic drinks dubbed EnergyMax (an all-natural and organic energy drink) and Pur-eian (a pure spring water). PWB welcomes inquiries from interested local distributors. ◆

www.pwbrewing.com; www.naturelandproducts.com



Pacific Western Brewing Company's Amber Ale has won several awards in the last few years.

## Toyota forgets the competition but not its customers

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market share increased from 11.91 percent in 2005 to 12.34 percent at the end of October 2006.

A vital component of Tomikawa's "blueprint" is what he calls "Toyota's nerve center," a streamlined Intranet system that links 24,036 Toyota dealers and 1,430 Lexus dealers in Canada through a centralized computer system.

Tomikawa implemented the computer system to provide customers with better service in line with his "Customer One" program.

"All of our customers are taken care of by one team — the Toyota Canada team," he stresses.

While it may be tempting for TCI to challenge the so-called "Detroit 3" (Ford, GM and

DaimlerChrysler), Toyota's corporate philosophy will stay centered on "kaizen," or continuous improvement.

"If Toyota were simply focused on making this a sales competition, we would not have the resources to concentrate on what truly counts — improving our operations to enhance the customer's driving and ownership experience," Tomikawa says.

While TCI refurbishes and expands existing dealerships across the country to enhance the buying experience, the Toyota University department at TCI continues training future employees in dealership management, leadership development and company philosophy.

Toyota Motor Manufacturing Canada (TMMC) has begun construction of a second manu-

facturing plant in Woodstock, Ontario. The billion-dollar facility, which will employ about 2,000 workers, will start production of Toyota's popular RAV4s in 2008.

"In Canada, we believe in building cars where we sell them, which explains the investment that Toyota is putting into this great country," says Tomikawa.

In fact, over 40 percent of the vehicles TCI sells in Canada are built in the country, with the Corolla sedan its best-selling vehicle.

The Canadian-built Matrix (compact wagon), Yaris (subcompact in 4-door and hatchback versions), Camry (midsize sedan) and Tundra Tacoma (full-size compact pickup truck) are also popular models due to their versatility, quality and

high-performance capabilities, especially for the Canadian climate.

"In the spirit of kaizen, we are constantly seeking ways to improve the customer experience, and provide them with vehicles that suit their needs and their wants," says Tomikawa.

TCI also maintains its commitment to environmental and social practices. The Toyota Evergreen Learning Grounds program, begun in 2000, provides grants to schools to make their schoolyards more eco-friendly. Toyota also became the first national partner of the Canadian Special Olympics in the early 1990s.

Those commitments have been another way for Toyota to give back to the communities in which it operates. ◆  
www.toyota.ca

## Bayshore offers more than a suite with a view

Bayshore Garden's real estate development in Vancouver's booming Coal Harbour was completed in 2006. Hiro Okamoto, president of Blue Tree Management, is pleased to announce the accomplishment of 15 years of multiphased comprehensive development.

The overall development consists of 500 units of eight residential towers, 1,800 underground parking stalls for residential and hotel use, a child-care facility, 111 units of senior housing, a retail component and a 61-berth marina. Furthermore, Blue Tree made a contribution valued at more than \$64 million to the City of Vancouver.

Okamoto stepped into this project in January 1992 while Japan's Aoki Corp. was in control. Okamoto bought out the project when Aoki had financial difficulties in 2004. After Aoki's bankruptcy, Okamoto decided to complete the project to maximize the value of the development with his talented team.

"It was a big decision, but I was the only person who could accomplish this task. Also considering all of the interests, expectations and businesses with our clients, the city and Aoki, I decided to assume all the leftovers," says Okamoto.

Blue Tree created and assisted in establishing Vancouver's lifestyle. "In the '90s, living in a condo was unacceptable for wealthier people. But we created a lifestyle for them at the Bayshore and it gradually spread through word of mouth. We offered various unique features not only in design, quality and marketing, but also focused on the creation of neighborhood communities," says Okamoto.



An aerial view of the Bayshore Garden property beside Vancouver's Stanley Park

Okamoto teamed up with Japanese and local interests. "The collaboration between Japanese and locals has been successful, which consequently increased the quality of our projects," says Okamoto.

"With my experience, I'd like to be an ambassador between Canada and Japan by encouraging business and entrepreneurship between the two countries."

Okamoto is currently involved

in various businesses in Vancouver. He recently opened the Blue Tree Cafe within the Bayshore development to further promote the "neighborhood" feel for its residents. ◆  
www.bayshoregarden.com

## An economic partnership gets fresh boost

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advantage," he adds.

### Economic framework initiative

In line with efforts to strengthen economic ties, the two countries have identified 15 areas of focus.

"A key objective of the Canada-Japan Joint Study is to analyze the current status of the bilateral economic relationship, and examine the benefits, costs and implications of further promoting and liberalizing trade and investment between Canada and Japan," says Emerson.

The joint study was proposed by former Canadian Prime Minister Paul Martin during a visit to Japan in 2005. Since then, there have been positive developments.

"With respect to specific cooperation, there have been some tangible results," says Numata. "In the last year and a half, we've been able to conclude several bilateral agreements. The first was a social security agreement, the second was an agreement on the cooperation of anticompetitive authorities. Finally, we have a customs cooperation agree-

ment, which means that our customs authorities work together to combat smuggling."

The study has garnered some positive reaction. In the latest study by JETRO Toronto, out of 191 Japanese companies surveyed, 74 percent reported an operating profit in Canada in 2005.

Numata expresses hope that the study will lead to more changes to encourage Japanese investment.

"We'd like to see an investment accord or a liberalization of trade services. Many Japanese companies would also like

to see dialogue on regulatory reform from the Canadian government. There is a need for an agreement for a mutual recognition of standards," he says.

Recognizing the importance of the relationship, the Canadian minister of international trade agrees that the joint study should bear fruit for both sides.

"In keeping with the ideas contributed by Canadian and Japanese stakeholders, Canada hopes that the joint study will identify concrete and ambitious initiatives that the countries can take to enhance commercial relations," says Emerson. ◆





# Hitachi 'inspires the next'

After 34 years with the company, Hitachi Chief Financial Officer Rose Chojnacki feels right at home in the Japanese giant's headquarters in Mississauga, Ontario.



Rose Chojnacki, chief financial officer of Hitachi Canada

The length of her stay has not only given Chojnacki a familiarity with the company's operations but also nurtured a clear attachment to Hitachi and much pride in her colleagues.

"We have a terrific team here. The people truly make the company," says Chojnacki, who oversees the budget for Hitachi's three main divisions — digital media, power and industry, and optical.

Recently, Hitachi sold its first MRI (magnetic resonance imaging) equipment to a medical company in the province of Alberta, which led the company in a new and exciting direction.

"It's great to see more diversity in our product line, and there's definitely room for growth in this area," she says.

But plasma screens remain Hitachi's most popular product and a strong component of its brand identity.

"We have been in the plasma business for more than 10 years. The strength of our brand lies in our reputation for producing high-end, leading-edge products that simply don't die," says Chojnacki, who believes that Hitachi's strong dedication to customer service gives the company its competitive edge.

"If they're pleased, the rest falls into place," she adds.

Growth for Hitachi Canada is predicted to reach an all-time high in 2007 as the company kicks off major projects in the power-generation and medical industries.

Chojnacki recalls her first visit to Japan and the way she was received by Hitachi employees during her stay.

"At a time when women in high management positions were unheard of in Japan, they went out of their way to make me feel welcome," she recalls.

"I can honestly say that this company has an abundance of integrity and offers myriad opportunities to its employees. As long as you give your heart, you'll get much more in return," she also says. ♦

www.hitachi.ca

*'I can honestly say that this company has an abundance of integrity and offers myriad opportunities to its employees. As long as you give your heart, you'll get much more in return from this'*

# Konica Minolta takes it to the top

When he took over as president in February 2006, Ken Umeda had a very clear idea of where he wanted to take Konica Minolta Business Solutions in Canada.



Ken Umeda, president of Konica Minolta Canada

"Prior to the merger, Konica and Minolta were second-tier companies. But after the merger, by putting our strengths together to compensate for our weaknesses, we had the capability to move to tier one," says Umeda, who has been living in Canada for six years.

"This means having strong brand recognition among the public and becoming a top three player in our product categories. This is why, internally, I have set a slogan for Konica Minolta in Canada this year — 'Take it to the top.' I think it sums up our goals nicely," he adds.

Before the merger, 90 percent of Minolta's sales were direct market while 90 percent of Konica's were wholesale. Now, the company has 33 direct branch locations, 800 employees and over 100 dealer locations across Canada, the largest sales and service network for any one company in its industry.

Konica Minolta has also streamlined its product portfolio in line with its objectives.

"We are focusing on color business solutions as the market has changed from digital to color. Due to our excellent color technology and the relative newness of the market, we have the opportunity to become a top player from the very beginning. At this moment, we are very much ahead of the competition in terms of the availability of color products. Industrywide, the percentage of color products to other products is 10 percent to 15 percent while with Konica Minolta it is at 30," says Umeda.

"Last June, we launched our first production printer. We have big plans for this segment and introduced new products in December 2006 during the Print World exhibition in Toronto," he adds.

"Our future models will all be color; no more black and white. We want to be known as the color experts. What we have to do to take us to the top is grow by 15 percent in 2007 and reach 20 percent market share in the color segment, which is equivalent to being No. 1. We are almost there," he also says. ♦

www.konicaminolta.ca

*'We want to be known as the color experts'*



Farid Ali, Faronics' president and CEO

# Canadian IT company places Japan at forefront of localization efforts

When entrepreneur Farid Ali set up his computer hardware company in Vancouver 11 years ago, he hoped that the company would simply keep him busy throughout retirement. He did not expect it to become one of British Columbia's fastest growing technology companies.

Faronics later branched out into the development of system control utilities and applications for multiuser computing environments, and extended its reach beyond Canada into Europe and Asia.

"Our flagship product, Deep Freeze, has performed tremendously well," says Ali, president and CEO of Faronics. "We have sold over 5 million copies worldwide."

Deep Freeze protects and preserves baseline PC and Mac configurations. Regardless of the changes a user makes to a workstation, a simple restart resets the

computer to its original state, right down to the last byte. The result is a consistent and trouble-free computing environment with 100 percent workstation availability.

Early on, Ali realized that his company would need to build strong relationships abroad and localize its products if it were to succeed. With distributor Network in Japan, Faronics has created a solid foundation and worked toward publishing the first localized version of Deep Freeze.

Soon after, Faronics created Virtual Thin Client ex-

clusively for the Japanese market at the request of its close partner Network. It saved organizations hundreds of thousands of dollars because it did not involve any hardware upgrades that are typically required for a thin client infrastructure.

"We are proud to deliver products that are developed in close consultation with our end-users. We value our customers' ideas and suggestions, and depend on this feedback to provide the innovative solutions our users have come to rely on," Ali says. ♦

www.faronics.com

*'We are proud to deliver products that are developed in close consultation with our end-users. We value our customers' ideas and suggestions, and depend on this feedback to provide the innovative solutions our users have come to rely on'*

# Shiseido refines the art of branding

On taking over the helm of operations in multiethnic Canada early this year, longtime Shiseido executive Yasuharu Kawazoe took on the huge task of instilling the company's vision in a way that was easily understandable for its employees and customers.

"We are now branding Shiseido in Canada as a skin-care company. Skin care does not take into account one's ethnicity or color but rather the three basic steps of cleansing, softening and moisturizing. If

customers give us some time, they will understand why Shiseido's core products are the best for their skin concerns," points out the Shiseido Canada CEO and president.



Yasuharu Kawazoe, Shiseido Canada CEO and president

Kawazoe is convinced that Shiseido's quality stems from the emphasis that the company has put on R&D in the last 130 years. To this day, it is one of only two global cosmetics companies with its own R&D facilities.

Distinguishing itself from most of its affiliates, Shiseido Canada approaches the market using a multibrand platform, with Cle de Peau, Carita Paris, Beute Prestige International, NARS and ZIRH falling under its collection.

"Shiseido is the core, but we also have high-end products — men's products, fragrances and other beauty products that complement our cosmetics line. This is a group strategy for a complete cosmetics portfolio," he says.

With a firm technological and multibrand platform in place, Shiseido Canada has focused on raising its presence in retail drug and department stores.

"In Japanese we say 'omotenashi,' which means hospitality. This is how we differentiate ourselves on the retail level. For example, when a customer purchases a product from our counter then turns to leave, our beauty consultants are instructed to go to the front of the counter and say goodbye. The more memorable we make our counter experience (and) the more omotenashi we provide, then the greater the chances are of our customers returning," Kawazoe says. ♦

www.shiseido.co.jp

*'The more memorable we make our counter experience (and) the more omotenashi we provide, then the greater the chances are of our customers returning'*

# Japanese pulp operations face new challenge

Since 2001, the Canadian forestry sector has faced a series of challenges: a strong Canadian dollar, high fuel prices, limited supplies of wood, and high market volatility.

To stay operational and profitable, forest product companies like Daishowa-Marubeni International Ltd. (DMI) have looked beyond conventional methods to innovate and diversify pulp operations, and find new markets.

"With this in mind, we've learned to help ourselves," says the head of DMI. "To stay competitive, we've learned to analyze the challenges, and meet them head-on." ♦

www.dmi.ca

"Traditionally, our main market was Japan and Asia. But since recycled fiber makes up 65 percent of the Japanese market today, we've had to look to other markets for exports," says DMI President Masaaki Kobayashi.



Masaaki Kobayashi, president of Daishowa-Marubeni International Ltd.

"With the economic closures of many Canadian pulp mills, we've found new markets in the United States. Today, 27 percent of our products go there, more than double the export total of 2001, and we hope to expand this market share in the future," he adds.

Addressing the concern of limited wood resources, the company has shifted from an on-site wood room chipping facility to using portable chippers, which has cut the number of multiple handling steps and increased fiber yields by 15 percent as it allows the entire tree, including branches and tops, to be processed.

The company is also diversifying its activities to meet rising energy costs head-on.

"We've upgraded our electricity generating facility, which has increased our electricity surplus. As a result of this surplus of energy, and our ability to export it to the electrical grid, we've been able to turn a profit. Higher electricity costs have actually become a positive aspect of our operations," he says.

Kobayashi sees a lot of potential in the Canadian pulp and paper industry, but emphasizes that while companies cannot rely solely on support from the federal or provincial governments for their survival, governments need to ensure regulatory policy decisions are supportive of industry needs.

*'In order to stay competitive, we've learned to analyze the challenges, and meet them head on'*



# Staying at the top of the heap

Iron Ore Company of Canada, Canada's leading supplier of iron ore pellets, expects the strong demand for its products to continue for several more years.



Terence F. Bowles, president and CEO of Iron Ore Company of Canada

IOC, whose first shipment was made in 1954, has more than 1 billion tons of reserves and a wealth of unexplored resources. It also employs close to 1,900 people and operates in the provinces of Newfoundland and Labrador, and Quebec.

Such assets will allow IOC to stay ahead of the competition and continue to be one of the world's leading suppliers of iron ore pellets for many years to come.

In a recent interview, CEO Terence F. Bowles talked about the industry from a global perspective and shared his plans on how IOC will remain a leader in its field.

**On IOC's recent developments:**

We've increased production by 11 percent during the last four years through investing in our infrastructure. IOC is implementing an expansion project to increase concentrate production by almost 1 million metric tons to 17.5 million metric tons a year.

**On IOC's relationship with Japan:**

IOC has an excellent relationship with Japan through Mitsubishi,

which has been a very important part of IOC since becoming a shareholder in 1992. Mitsubishi helps to sell IOC products, particularly in Japan, through its 50 percent shareholding in the IOC Ore Sales Co.

**On IOC's global focus:**

While we ship a large amount of iron ore to Europe and North America, we also sell to Australia, Taiwan, China, Japan and South Korea. We expect to see significant growth in Asia, particularly China, and the Middle East, where direct reduction operations will require an ever-increasing supply of high-quality iron ore pellets.

**On IOC's top priorities:**

Our top priority is to continue to improve our safety performance. We have achieved significant improvements during the last four years. We also must continue to provide a good return to our shareholders and be an important part of the local communities in which we operate. ♦

www.ironore.ca



An aerial shot of one of IOC's mines

## COUNTRY FILE

**Area:** 9.9 million sq. km.  
**Population:** 32.4 million (2006 est.)

**Currency:** Canadian dollar (C\$)  
**Ave. exchange rate:** \$1=1.1355

**Nominal GDP:** \$1.077 trillion (2005)  
**Real GDP growth:** 2.8% (2005)  
**Inflation:** 2.11 percent (October 2006)  
**Unemployment:** 6.3 percent (October 2006)

**Total exports (FOB):** \$364.8 billion  
**Total imports (FOB):** \$317.7 billion

**Principal exports:** Petroleum and products, natural gas, motor vehicles and spare parts, lumber, wood pulp and newsprint, crude and fabricated metals, wheat

**Principal imports:** Motor vehicles and parts, industrial machinery, crude petroleum, chemicals, agricultural machinery

— In 2005, 85% of Canadian exports went to the United States.

— In 2005, 59% of Canadian imports came from the United States.

**British Columbia**  
**Major cities:** Victoria (capital) and Vancouver



CIA World Factbook

**Population:** 4.2 million (July 2005)  
**Real GDP growth:** 4.0%  
**Total imports from Japan (2005):** \$3.97 billion  
**Total exports to Japan (2005):** \$3.54 billion  
**Principal exports:** Lumber, natural gas, coal

**Ontario**  
**Major cities:** Ottawa (national capital), Toronto (provincial capital)  
**Population:** 12.5 million (July 2005)  
**Real GDP growth:** 2.2% (2005)  
**Foreign-born population:** 27.1%  
**Share in Canada's total GDP:** 39.4%  
**Principal exports:** Motor vehicles, machinery, electrical equipment

# Things heat up for Yamaha

With over 500 dealerships across Canada and plans for future growth, Yamaha Motor Canada (YMCA) has undeniably left its mark on the country.

Initially set up in 1973 to sell snowmobiles and motorcycles in Canada, the company has since widened its product range to include all-terrain vehicles, side-by-side vehicles, boats, personal watercraft, outboards, power products and accessories.

"I think Canada is one of the most ideal countries in the world for Yamaha to succeed. The outdoor, recreational lifestyle fits well with all of our product offerings," says President Toru Osugi.

"Canada is such a large and rugged country. It has many different landscapes and thoroughly experiences all four seasons. Our diverse product line thrives in an area such as this."

The "Yamaha Experience" is a corporate philosophy that resonates in all YMCA employees and dealerships, especially with Osugi.

"We have a diverse range of products that are designed well, and continue to stay innovative and fresh. It's these factors that keep our customers coming back. It's our goal to continually exceed our customers' expectations," he says.

The company also set up the Yamaha University, a program unique to Canada established this year to train dealerships on customer service.

"Customer service is one of our top priorities. When you decide to buy a Yamaha, you be-

come part of our family and it is the beginning of a long-term relationship. We always want you to feel great satisfaction with your purchase," comments Osugi.

Over the years, Yamaha has also become involved in communities across Canada. YMCA has worked with the Canadian Mental Health Association and raised money for several other charitable causes, including hospitals and public service institutions.

In line with its corporate citizenship, YMCA also maintains a firm commitment to preserve the environment. Usually, this takes place through product development but occasionally can take

other forms. Most recently, it funded efforts to keep an environmentally sensitive fish hatchery open.

"Our product direction is moving toward a coexistence of excitement and environmental friendliness. We know our customers want to be sensitive to the habitat yet still want all the excitement and performance associated with our products. Our challenge is to do both extremely well, and we look forward to this task," Osugi points out.

The latest product offering from Yamaha came in February when it released a new class of four-stroke snowmobiles. ♦

www.yamaha-motor.ca

*"We have a diverse range of products that are designed well, and continue to stay innovative and fresh"*



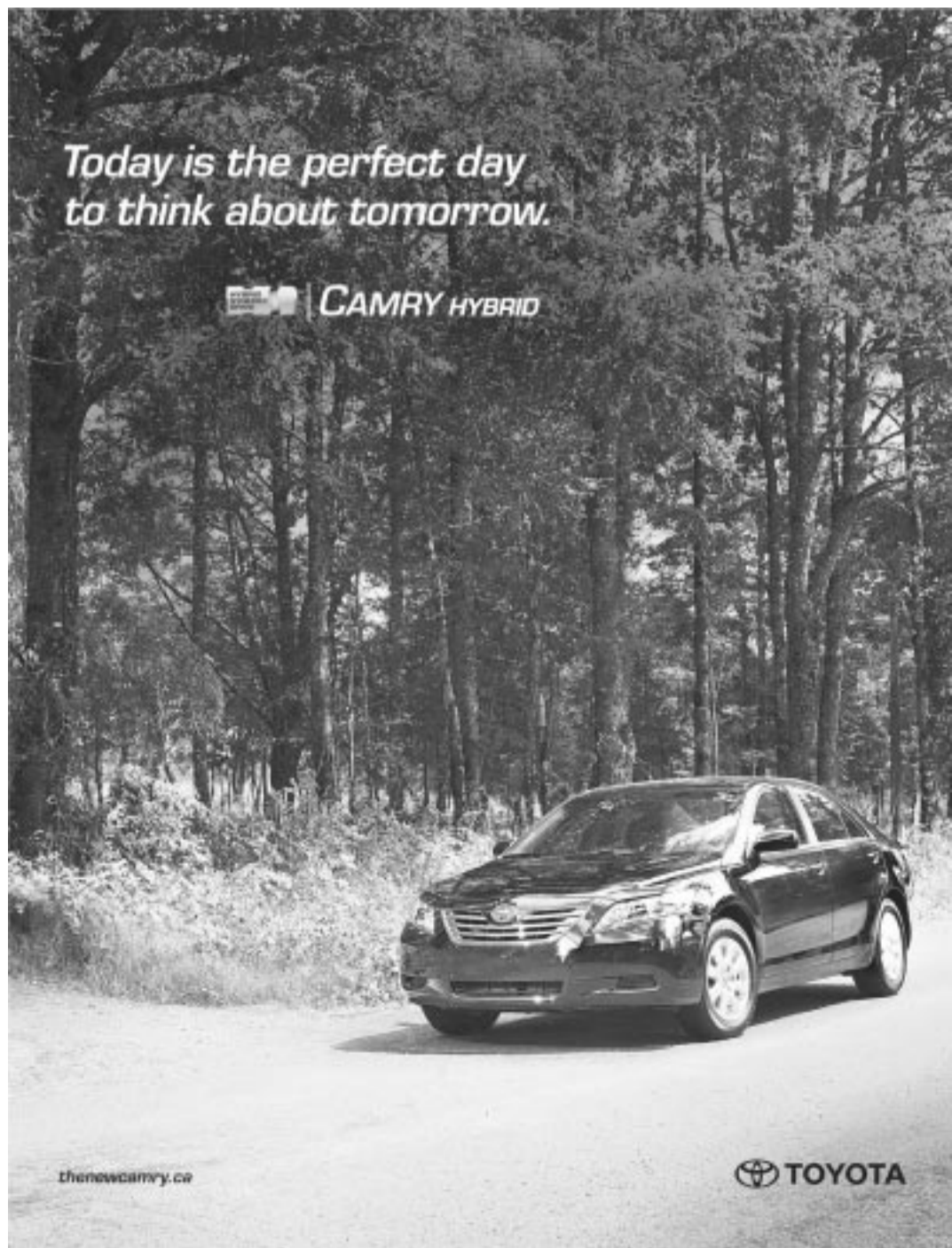
Yamaha's plant in Ontario



Toru Osugi, president of Yamaha Canada

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# Adaptability in a rapidly changing market leads to quick growth

At one time, Ricoh Canada sold its products to purchasing managers or strategic planners, whose decisions hinged mostly, if not solely, on cost and the bottom line. But as offices grow increasingly network-oriented, the purchasing of equipment has been delegated to chief information officers or chief technical officers, who have a broader technical background.

This development has thrust Ricoh Canada, traditionally a leader in printers and copiers, into a much more competitive but financially rewarding business landscape. But, the Japan-based company is not shrinking from the challenge.



Martin Brodigan, president and CEO of Ricoh Canada

"This has led to one of the transitions for us — to no longer be a traditional copier company. Ricoh now has a full range of multifunction printers that integrate many different devices. We've since found ourselves in new markets with new competitors, and we've since had to relearn how to sell our products," explains Ricoh Canada President and CEO Martin Brodigan.

During the past five years, the company has grown tremendously, almost doubling its revenue, partly due to the flexibility it has shown in meeting market demands.

"If you look at the Ricoh organization in Canada now as opposed to four years ago, probably 10 percent of the staff have titles that we've never had before. Today, we have 'software engineers,' 'systems engineers' and 'integration specialists.' It is much more

company, not a company that's in it for short-term success. Our mission is to enable businesses to impact their bottom line through the use of our models and solutions. Ricoh Canada has the breadth of resources to deliver on our mission," he says. x [www.ricoh.ca](http://www.ricoh.ca)

of a team effort to get a sale. As for after-sales service, when a client buys a Ricoh product, they get access to a team of technology specialists," Brodigan says.

"We've had such success in recent years because we've not only been able to show how great our hardware is but we can actually show our clients how to integrate the Ricoh products into the work flow. We maintain committed to this mission and at times, even fly engineers in from Japan to go on-site and ensure that our interface can be combined with our clients' systems," he adds.

For Brodigan, customer service is the way to sustain Ricoh's growth in Canada now that it is capable of meeting the evolving demands of the workplace.

"We are about helping to build a sustainable company, not a company that's in it for short-term success. Our mission is to enable businesses to impact their bottom line through the use of our models and solutions. Ricoh Canada has the breadth of resources to deliver on our mission," he says. x [www.ricoh.ca](http://www.ricoh.ca)

# Subaru takes on the market on its own terms

Although the catchphrase "Doing common things uncommonly well" was not invented by Subaru Canada President and CEO Katsuhiro Yokoyama, he has taken it to heart in managing Subaru's daily operations.

Since coming to Canada in late 2005, Yokoyama has implemented a more transparent and accountable system internally while at the same time brainstorming with his staff to identify what exactly Subaru does well in Canada and what it needs to improve.

"Subaru is known for two things: a) its all-wheel-drive (AWD) system balanced with good stability and handling; and b) its safety standards. Other makers have AWD systems, but Subaru's goes anywhere, in any weather. We sacrifice neither comfort nor stability with our AWD. Similarly, all manufacturers claim to aim for safety, but we consider ourselves ahead," claims Yokoyama.

With Canada being one-tenth the market size of the United States, systems and products are often developed for the U.S. and then shifted to Canada by default. But, Subaru has learned that this strategy may not be an optimal one.

"I am vocal in claiming that the Canadian market is slightly different from the U.S., and should be approached differently in line with Canadian tastes and preferences. In Canada, for example, price and fuel economy are important when purchasing an automobile while in the U.S., exterior styling and quality are more important," says Yokoyama.

"Demographically, it is interesting to note that Subaru's largest customer base is the retiree group. In order to increase our business, we need to attract a younger base. As price is important to younger customers, one of our new compact models in 2007, the Impreza, will target this group by carrying a more affordable price range," he adds.



Katsuhiro Yokoyama, chairman, president and CEO of Subaru Canada

This new market approach should help Subaru Canada achieve its goal of selling 25,000 units by 2010, a considerable increase over the 16,190 sold in 2006.

Although educating Canadians on the merit of Subaru vehicles is high on Yokoyama's list, what is more important is getting them inside an actual vehicle. "We know our cars are great for the climate of Canada, but it is not so important what we think. What is more important is what our customers think. If any one customer gets into the driver's seat of a Subaru, we are confident that they will be pleased. Our mission, then, is to get them behind the wheel," Yokoyama stresses.

As the front man of Subaru, Yokoyama has put energy and effort into its dealer network by way of increased training programs and the Subaru Advantage initiative. This program, initially undertaken in Quebec in the spring of 2006, looks to reverse the dealer strategy of talking to a potential customer 80 percent of the time about the price of the car and 20 percent about the car itself.

"By reversing this ratio, the chances of showing our customers how Subaru is a better fit for them increase tremendously. This is the time we encourage our customers to get behind the wheel and feel the Subaru experience. This is when we remind our customers exactly why driving is such an enjoyable activity. After all, there is no magic solution in the auto industry. We have to focus on the very basics. We have to do common things uncommonly well!" he says. x [www.subaru.ca](http://www.subaru.ca)

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# Sony leads the high-definition entertainment revolution in Canada

Sony products first reached Canada in 1955, when 41-year-old entrepreneur Albert Cohen from Winnipeg shipped a batch of TR-55 transistor radios to his country. From those beginnings, Sony grew into the premier entertainment company in Canada.

Doug Wilson, president and chief operating officer of Sony of Canada, carries the pride of this heritage and success as an honor. Today, Sony not only dominates the audiovisual market but has a strong presence in gaming, music, movies and cell phones.

Sony is at the forefront when it comes to promoting consumer high-definition entertainment solutions in Canada. Wilson states, "I'm pleased with what our people have done in marketing our products effectively. We just did not focus on the product, but the total entertainment solution combining all the strengths of Sony companies."

Customer centricity is the key buzzword within Sony's marketing team. In fact, it is this uniqueness and marketing creativity that has helped Sony of Canada make its mark among Sony companies worldwide. "We focused on the basics of marketing and work to understand the current media clutter in the marketplace. Sony made the decision to focus on the consumer — specifically, interacting one-on-one with the consumers and creating a memorable experience for them, which, ultimately would prompt them to actively think about Sony before making any buying decisions," Wilson says.

After thorough research on its consumer segment, Sony partnered with various organizations involved in sports-related activities such as hockey, football, soccer, golf and rugby associations. It also demonstrated its Bravia LCD TV's and SXRD products to these sports enthusiasts who are shown to be early adopters of new technology.

Those unique marketing activities have helped Sony gain No. 1 market share in LCD TVs. "We are confident that we will be No. 1 in total flat panel TVs by next year. We have gained expertise in sports marketing, which is a key competitive advantage," Wilson explains.

Another strategy that has helped Sony of Canada reach the top in almost every electronics category has been the success of the Sony retail store. By October 2006, Sony of Canada had 77 Sony stores nationwide.

"Our Sony stores are certainly something that other Sony companies around the world try to learn from. These stores are the destination for the full HD experience, integrating our televisions, high-definition Handycam, VAIO, Blu-ray, PlayStation 3 and movies. We have over 500 people working in our stores who are experts on new technology," says Wilson.

"With rapid changes in technology we need to be able to educate our consumers quickly. For example, it's quite critical that they understand the benefits of LCD over plasma so that they can enjoy the best possible entertainment today and in the future. We are confident that customers leave our stores knowing exactly what Sony can offer them and how Sony can enhance their lifestyles," he adds.

With its chain stores, Sony also highlights the value of its products that other electronic brands don't have — access to a complete entertainment portfolio, from Sony BMG Music Entertainment to Sony Pictures to Sony Ericsson Mobile Communications to Sony Computer Entertainment. This network allows Sony to leverage the media content it owns along with the hardware.

Underlying all this success are the employees of Sony of Canada. "We are a company that is fortunate to be the recipients of great products with great technology, design and quality. I believe the key to our success in the past and in the future is our employees, and the dedication all 1,100 of them have to our products and our brand. They create a memorable experience for consumers while buying Sony. They are our backbone and have made us the dominant electronics brand in Canada," says Wilson. x [www.sony.ca](http://www.sony.ca)



Doug Wilson, president and COO of Sony of Canada

## A FEW REASONS TO BUY A SONY BRAVIA LCD TV.

### FROM WOMEN ACROSS CANADA:

**BARBARA ATKIN, FASHION DIRECTOR, HOLT RENFREW**  
Design integrity is important to me and the BRAVIA offers the total package. It's thin, sleek, and stylish and adds beauty to my décor. It's like a piece of art.

**SARAH THOMSON, PUBLISHER, WOMEN'S POST**  
I hooked up my laptop to the BRAVIA and searched the web for a holiday destination. The whole family was able to see the places I had picked and give the thumbs up, or thumbs down to it.

**AMANDA BLAKLEY, NATIONAL MANAGER OF SPECIAL EVENTS, RETHINK BREAST CANCER**

**LAUREN MICHELL, NATIONAL MARKETING MANAGER, LABATT BREWERIES OF CANADA**

With its high definition, sharp contrast and vibrant colour the BRAVIA really brings the in-stadium or front-row experience to your couch while watching anything from sports to fashion shows.

The detail and true-to-life colour are surprisingly accurate. It's like being there. Actually, it's even better than being there, because you're in the comfort of your own living room!

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THE BIG PICTURE? BRAVIA BRINGS THE BEST PICTURE WITH FULL HD 1080. When we mean best picture, we mean best picture. BRAVIA offers Full High Definition 1080 resolution - the highest definition available on the market today.

The Full HD 1080 BRAVIA can display every single pixel that comprises a true "Full High Definition" image. And by every single pixel, I mean 2 million of them. Most televisions that claim to be HD

show HD images, but not necessarily at the best definition available.

The native resolution of BRAVIA's 1920 x 1080 pixels is double the amount of pixels found in standard HDTV's and more than 3 times that of EDTV Plasma models.

Whether it's HD television, Blu-ray Disc players, computers or HD camcorders, BRAVIA brings images to life like you've never seen before, so you'll enjoy a new level of true-to-life, three-dimensional depth and realism.

HIGH CONTRAST RATIO DOESN'T MEAN HOW MUCH YOU'LL HATE YOUR OLD TV. High contrast ratio may sound like scientific mumbo jumbo, but it's really quite a simple measurement of picture contrast. It's the difference between the

blackest blacks and the whitest whites of the picture. And BRAVIA has one of the best contrast ratios available today.

BRAVIA's own technology called ACE (Advanced Contrast Enhancer) automatically senses the contrast levels of the incoming video signal and constantly adjusts the intensity of the backlight to match the scene. Technically speaking, BRAVIA XBR models have a 1000:1 dynamic contrast ratio with ACE or an industry-leading 1300:1 on-screen contrast ratio. In non-mumbo jumbo, that means a crisp, sharp image you won't be able to tear your eyes off of.

SPEND YOUR TIME WATCHING IT, NOT HOOKING IT UP. What good is a great television if you can't hook things up to it? BRAVIA has all the hookups you'll ever need. All the industry standard connections are included: HDMI, Component, S-Video, Composite, PC and Audio. Take your pick from

those inputs and connect cable, HD satellite, DVD, digital camera, camcorder or computer. Pick your favourite source - BRAVIA can connect to it.

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See BRAVIA at [sony.ca/bravia](http://sony.ca/bravia) or visit your Sony store, authorized Sony retailer or call us at 1-888-299-7569. And remember, style changes everything. \*Comparison made between the BRAVIA 43 inch LCD and a 52 inch Plasma television from a leading competitor, based on published power spec features.