

**ONTARIO
SUPERIOR COURT OF JUSTICE
(EAST REGION)**

BETWEEN:

HER MAJESTY THE QUEEN

-and-

YAZAKI CORPORATION

Accused

STATEMENT OF ADMISSIONS AND AGREED STATEMENT OF FACTS

THE ACCUSED

1. **Yazaki Corporation** ["Yazaki"] is a corporation organized and existing under the laws of Japan with its principal place of business in Tokyo, Japan.

THE PRODUCT

2. The relevant products for the purpose of this statement of admissions are wire harnesses, which includes motor vehicle electrical wiring, lead wire assemblies, cable bond, motor vehicle wiring connectors, motor vehicle wiring terminals, electronic control units and electrical boxes, including fuse boxes, relay boxes and junction blocks, [collectively, the "product"].
3. Wire harnesses are electrical distribution systems used to direct and control electronic components, wiring and circuit boards in motor vehicles.

THE RELEVANT REQUESTS FOR QUOTATION

4. Yazaki is engaged in, among other things, the business of manufacturing and selling the product to certain Japan-based original equipment manufacturers of motor vehicles ["OEMs"] for installation in vehicles manufactured and sold in Canada and elsewhere. The relevant OEMs in this matter are Honda Motor Co., Ltd. ["Honda"] and Toyota Motor Corporation ["Toyota"].

5. Yazaki engaged in agreements and/or arrangements with other suppliers of the product contrary to the former bid-rigging provisions of the *Competition Act*, R.S.C. 1985, c. C-34, s. 47 [the “Act”] in respect of the following:
 - (a) submissions made in response to a request for quotations [“RFQ”] covering the product in respect of the 2005.5 model Honda Ridgeline [the “Ridgeline RFQ”];
 - (b) submissions made in response to an RFQ covering the product in respect of the 2006 model Honda Civic [the “Civic RFQ”]; and
 - (c) submissions made in response to an RFQ covering the product in respect of the 2006 model Toyota Corolla/Matrix [the “Corolla/Matrix RFQ”].
6. Collectively, the Ridgeline RFQ, the Civic RFQ and the Corolla/Matrix RFQ are referred to as the “relevant RFQs”.

THE PROCUREMENT AND SUPPLY OF THE PRODUCT IN CANADA

7. Based on information available to the Commissioner of Competition [the “Commissioner”], which Yazaki does not dispute for the purpose of this proceeding:
 - (a) Both Honda and Toyota have a corporate presence in Canada and each manufactures motor vehicles in Ontario and has affiliates operating in the United States and elsewhere;
 - (b) Motor vehicles produced at Honda’s and Toyota’s Canadian facilities are sold in Canada or exported for sale elsewhere;
 - (c) Honda and Toyota also sell motor vehicles in Canada that are produced elsewhere, mainly in the United States and Japan;
 - (d) With respect to the procurement of the product for use in the production of motor vehicles in Canada, both Honda and Toyota have United States-based affiliate(s) that ordinarily act for their Canadian-based affiliates;
 - (e) The Canadian-based affiliates of Honda and Toyota are known, respectively, as Honda Canada Inc. and Honda of Canada Manufacturing Inc. [collectively, “Honda Canada”] and Toyota Canada Inc. and Toyota Motor Manufacturing Canada Inc. [collectively, “Toyota Canada”];
 - (f) Honda and Toyota usually issue RFQs for major design changes on a model-by-model basis in order to solicit competitive bids or price quotations from pre-qualified suppliers of the product;
 - (g) With respect to the Ridgeline RFQ, Yazaki, Lear Furukawa Corporation [currently a wholly-owned subsidiary of Furukawa Electric Co., and now known, collectively with its affiliates, as “Furukawa”] and Sumitomo

Electric Industries, Ltd. and its affiliates ["Sumitomo"] were the principal pre-qualified suppliers of the product.

- (h) With respect to the Civic RFQ, Yazaki, Furukawa and Sumitomo were the principal pre-qualified suppliers of the product.
- (i) With respect to the Corolla/Matrix RFQ, for the North American segment of the RFQ, Yazaki, Delphi Corporation (or an affiliate) and Sumitomo were the principal pre-qualified suppliers of the product.

THE OFFENCES

- 8. The vehicles subject to the relevant RFQs were each in production for approximately five years. The 2005.5 model Honda Ridgeline that was the subject of the Honda Ridgeline RFQ was produced in Canada beginning 2005. The 2006 model Honda Civic that was the subject of the Honda Civic RFQ was produced in Canada beginning 2005. The 2006 model Toyota Corolla/Matrix that was the subject of the Corolla/Matrix RFQ was produced in Canada beginning 2006.
- 9. With regard to the relevant RFQs, Yazaki was aware that these motor vehicles were assembled by Honda Canada or Toyota Canada in Ontario and that the agreements and arrangements referenced in paragraphs 5 and 11-14 would have a direct effect on commerce in Canada.
- 10. With regard to the relevant RFQs, Yazaki, Furukawa and/or Sumitomo [collectively, the "parties"] engaged in conduct contrary to s. 47(2) of the Act by engaging in conduct described in s. 47(1)(b) of the Act. In particular, in response to the relevant RFQs, Yazaki and one or more of the other parties submitted bids or tenders that were arrived at by agreement or arrangement. Further, the parties did not make it known to Honda or Toyota that the bids or tenders were arrived at by agreement or arrangement at or before the time when the bids or tenders were submitted to Honda or Toyota, as the case may be.
- 11. Certain Yazaki sales management level personnel participated in meetings and engaged in other communications with their counterparts at Furukawa and/or Sumitomo in order to, among other things, discuss the relevant RFQs and coordinate their respective responses. These personnel were, at all material times, authorized by Yazaki to act for it in connection with these matters. All such meetings and other forms of communications took place outside of Canada, and did not involve any personnel resident in Canada.
- 12. With respect to the Honda Ridgeline RFQ, bilateral discussions between Yazaki and Sumitomo and Sumitomo and Furukawa resulted in an agreement between the parties that, among other things, Yazaki would win the RFQ for certain products. Yazaki and Sumitomo submitted bids that were in accordance with the agreement. Yazaki's sales of the product to Honda Canada between 2004 and 2008 in respect of the Ridgeline RFQ totalled an estimated US\$64.37 million.

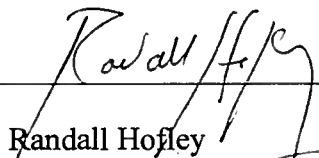
13. With respect to the Civic RFQ, Yazaki agreed with the other parties to, among other things, be the lower bidder for certain products; and agreed with Sumitomo with respect to the price to be submitted for certain other products. The parties submitted bids that were in accordance with the agreement. Yazaki's sales of the product to Honda Canada between 2005 and February 2010 in respect of the Civic RFQ totalled an estimated US\$111.46 million.
14. With respect to the Corolla/Matrix RFQ, Yazaki agreed with Sumitomo that Yazaki would win the North American segment of the Corolla/Matrix RFQ. Both parties submitted bids that were in accordance with the agreement. Yazaki's sales of the product to Toyota Canada between 2005 and February 2010 in respect of the Corolla/Matrix RFQ totalled an estimated US\$84.38 million.
15. Yazaki admits the foregoing pursuant to s. 655 of the *Criminal Code* solely for the purpose of dispensing with its proof at trial in this proceeding.
16. Yazaki acknowledges, on the basis of the facts set out herein with respect to the agreements alleged in the indictment, that all constituent elements of s. 47(2) of the Act have been established.

AGREED STATEMENT OF FACTS RELEVANT TO THE DETERMINATION OF THE FINE

17. Yazaki has agreed with the Director of Public Prosecutions that a fine totalling C\$30 million is appropriate in this matter.
18. With respect to the Commissioner's investigation of the product, Yazaki is the second-in leniency applicant under the Commissioner's Leniency Program [the "Leniency Program"].
19. The determination of the recommended fine was informed by the Leniency Program and consideration of the objectives of, and principles in, ss. 718 to 718.21 of the *Criminal Code*.
20. Yazaki has published that in its 2011 fiscal year it had consolidated sales of ¥1,232 billion (approximately C\$15.3 billion).
21. The volume of Yazaki commerce relevant to the 2005.5 model Honda Ridgeline, the 2006 model Honda Civic and the 2006 model Toyota Corolla/Matrix that were manufactured in Canada and associated with the bid rigging conspiracy is approximately US\$260 million. This figure does not represent profit or loss associated with the anti-competitive activity.
22. Representatives of the parties took steps to ensure that their anti-competitive conduct would be kept secret and not be detected by communicating by telephone and having meetings in locations where they were unlikely to be discovered by other competitors and customers.

23. Certain aspects of the bidding process in this matter are relevant to an assessment of the advantage realized by the successful bidder. These factors are:
- a. target prices were set by Toyota and Honda to be met by suppliers;
 - b. post-bidding price negotiations and pre-mass production design changes were common features;
 - c. there was transparency of supplier costs to Toyota and Honda due to exchange of engineering employees and information during bidding, design and production phases.
24. Yazaki has never been convicted of a criminal offence, whether under the *Criminal Code*, the *Competition Act*, or otherwise, in Canada.
25. Yazaki has updated and implemented a competition compliance program to prevent a further recurrence of any anti-competitive activity.
26. Knowledge of, participation in and/or acquiescence with the agreements and/or arrangements with the other parties reached sales management levels in Yazaki. The individuals involved either had the power to determine product pricing or reported, directly or indirectly, to persons with such authority.
27. Pursuant to the terms of the Leniency Program, Yazaki has agreed to provide its full and frank cooperation. This cooperation has saved the Commissioner considerable costs of further investigation and advanced the Commissioner's investigation of other conspirators.
28. Yazaki voluntarily agrees to appear and attorn to the jurisdiction of the Canadian courts solely for the purpose of pleading guilty to three counts under s. 47(2) of the Act, thus saving considerable costs of complicated court proceedings.
29. This document may be executed in counterparts.

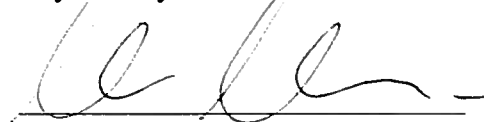
Yazaki Corporation
By its duly authorized counsel



Randall Hopley

This 18th day of April 2013.

Her Majesty the Queen, as
represented by the Director of
Public Prosecutions
By its duly authorized officer



Belinda Peres

This 18th day of April 2013.