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NISSAN ANNOUNCES PRODUCTION STRATEGY FOR CANTON PLANT

Production suppliers bring additional jobs, investments to Mississippi

JACKSON, Miss. (July 17, 2001) – Announcing the first wave of production suppliers to its new vehicle assembly plant in Canton, Miss., Nissan North America will take the next step toward totally integrated vehicle assembly. According to Emil Hassan, senior vice president, North American Manufacturing, Purchasing, Quality and Logistics, three production suppliers will supply vehicle modules or components from facilities adjacent to the Nissan plant, and five other production plants will be built within two miles of the new Nissan plant in Madison County. (Module manufacturers produce complete sections of vehicles for delivery to the assembly plant.)

“At our Canton plant, we’ll place a major emphasis on sequence manufacturing,” said Hassan. “Nissan’s manufacturing operations are widely acclaimed as competitive, productive plants, so expanding the use of modular assembly will complement the integrated assembly practices we already use.”

In addition to the 3,000 jobs and \$930 million investment Nissan’s Canton plant represents, these automotive suppliers will bring significant investments and more jobs to the state. Although many of these suppliers are still early in the planning phase, approximately \$120 million is expected to be invested in new Mississippi manufacturing plants, and approximately 1,000 new jobs will be available for local employees.

[Insert Musgrove quote]

CalsonicKansei North America will build two new plants in Mississippi – a 36,000-square-foot plant adjacent to the Nissan property in Canton and an 80,000-square-foot plant in Vicksburg. Calsonic plans to partner with a minority-owned company to supply front-end modules, exhaust systems, catalytic converters and A/C plumbing to Nissan.

Johnson Controls will supply seats for the vehicles to be built in Canton. The company will build a 120,000-square-foot facility in the Canton South Industrial Center.

Mi-Tech Steel will process coiled steel from an 80,000-square-foot plant that will be built in the Canton Industrial Center.

Systems Electro-Coating Inc., a joint venture between **PPG Industries Inc.** and Jackson-based **Systems Consultants Associates Inc.**, will supply various parts and components coated with anti-corrosion electrodeposition primer from a 125,000-square-foot plant to be built in the Canton Industrial Center. From its plant in Cleveland, Ohio, PPG will also supply automotive coatings for the Nissan vehicles and plastic bumper produced in Canton.

T&WA will supply tire and wheel assemblies to Nissan from a new 36,000-square-foot plant to be built adjacent to the Nissan plant.

Tower Automotive will supply vehicle frames from its new plant in the Canton Industrial Center. The plant will cover 160,000 square feet.

Visteon and Jackson-based **Lextron Corporation** will supply front-end modules and cockpit modules from a 97,500-square-foot plant that will be built adjacent to the Nissan plant.

Construction of new plants will begin in the third and fourth quarters of 2001. Production will begin according to the schedule required to support Nissan's vehicle launch timing. The first vehicles will be launched in Canton in the summer of 2003.

Nine executives from the automotive suppliers joined Hassan and Gov. Ronnie Musgrove at the press conference held at the state Capitol, including:

- CalsonicKansei North America, Inc. – Shiro Haraguchi, president;
- Johnson Controls, Inc. – Tom Bobo, vice president and general manager;
- Lextron Corporation – Charles Doty, president and CEO;
- Mi-Tech Steel – Stewart Ray, president;
- PPG Industries Inc. – Richard Zahren, vice president, Automotive Coatings;
- Systems Electro-Coating Inc. – Toni Cooley, president;
- T&WA – Tommie Burns Jr., chairman and CEO;
- Tower Automotive – David Krohn, president; and
- Visteon Corporation – Susan Skerker, senior vice president, Business Strategy and Corporate Relations.

Three of the suppliers – Lextron, Systems Electro-Coating and T&WA – are minority-owned companies. Lextron and Systems Electro-Coating are both headquartered in Jackson, Miss.

“With this announcement, we are confirming some of the goals we talked about at the supplier conference we held in Jackson in February,” says Hassan. “At that time, we said we

wanted to work with high-quality, competitive suppliers with a long-term view. We also said we are committed to a diverse supply base, and these supplier companies reflect that approach. The partnership between these local minority firms and Tier 1 automotive suppliers such as Visteon, Tower and PPG demonstrate a win-win situation that will be good for each company, for Nissan and for Mississippi.”

Hassan also indicated that such partnerships could have applications throughout the supply chain, saying: “As we’re reviewing sourcing proposals directly from minority-owned firms, we’re also encouraging our suppliers to look at possibilities as they consider their Tier 2 choices.”

In North America, Nissan's operations include automotive styling, engineering, consumer and corporate financing, sales and marketing, distribution and manufacturing. More information on Nissan in North America and the complete line of Nissan and Infiniti vehicles can be found online at www.nissandriven.com or contact the corporate media line at (310) 771-5631.

Contact: Vicki Smith, Nissan Corporate Communications, (615) 459-1487.

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