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## PRESS RELEASE

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### Companies Assess Supplies

Local companies are assessing how ongoing interruptions in supplies from earthquake-ravaged Japan will alter their operations.

Denso Manufacturing, one of Calhoun County's largest employers and a supplier to major automotive makers, is trying to stay flexible as it communicates with customers and its own suppliers, Denso spokeswoman Bridgette LaRose Gollinger said Monday.

Denso has so far had no layoffs at its facility in the Fort Custer Industrial Park, but has reduced overtime and offered employees voluntary time off, Gollinger said.

"Right now, we have been adjusting production to match and meet our customers' needs," she said. "These are fairly routine measure we put into place throughout the year to adjust to our customers' schedules."

Toyota Motor Corp., which gets parts from Denso, said Monday that it's inevitable the company will be forced to shut down all of its North American factories because of parts shortages due to the earthquake that hit Japan.

Gollinger said Denso was assessing the situation with Toyota and may have more details about how local operations could be affected in coming days.

Stewart Industries, which supplies components to Denso, last week let go six temporary workers, or 5 percent of its workforce, operations lead Steve Bishop said.

He said Denso is Stewart Industries' only customer at the moment.

"And we're told we're going to start seeing further interruptions as a result of product not coming into Denso," he said, noting it was hard to predict how long the slowdown will go on.

"If you believe what we read in the newspapers or on the Internet, it's going to be July or August before things are stable back in Japan," Bishop said.

Toyota's temporary shutdowns are likely to take place later this month, affecting 25,000 workers, but no layoffs are expected, spokesman Mike Goss said.

Just how long the shutdowns last or whether all 13 of Toyota's factories will be affected at the same is unknown and depends on when parts production can restart in Japan, Goss said.

So far the North American plants have been using parts in their inventory or relying on those shipped before the earthquake, Goss said. But those supplies are running low.

Toyota, he said, has about 500 companies supplying parts in North America, but many of them get components from Japan that might not be available.

A March 11 earthquake and tsunami damaged auto parts plants in Northeastern Japan, causing shortages that idled most of the nation's car production.

Japan's daily auto output has fallen by more than 500,000 vehicles since the disaster, says Scotiabank Senior Economist Carlos Gomes. Some manufacturers are bringing plants back on line, but only at low speeds due to a lack of parts.

Shortages of parts from Japan are also affecting manufacturers outside the country.

Just last week, Ford Motor Co. and Nissan Motor Co. said that several North American plants would be closed part of this month, and Chrysler CEO Sergio Marchionne has said his company will see disruptions.

During the shutdowns, workers will focus on training and reviewing operations for ways to improve, Goss said. They also can take vacation or time off without pay.

Toyota is running short of multiple parts, mainly electronics and paint pigments, said Yoshimi Inaba, chief operating officer for North American operations.

The company, he said, is looking for alternate parts suppliers.

The Associated Press contributed to this report. Barrett Newkirk can be reached at 966-0692 or [bnewkirk@battlecreekenquirer.com](mailto:bnewkirk@battlecreekenquirer.com).