

From Japan External Trade Organization (JETRO) San Francisco Office

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“Innovation-minded business eco-system that integrates California and Japan”

Dear Sir/Madam in the California Business Community,

Today, I would like to discuss about Innovation-Minded business eco-system that integrates California and Japan.

Both the Japanese and Californian economies have matured and advanced, but at the same time, have increased competition from emerging economies. Especially, the Japanese economy needs what it can get to be back on the growing track. For this goal, more dynamic industrial and economic interaction such as significantly reinvigorating foreign direct investment is one of the key factors.

Japanese Economy obviously has enormous accumulation of technologies and related industrial activities including human resources especially in such sectors as automobile, machinery, robotics, advanced materials and electric/electronics parts and components as the suppliers' side, which could provide overseas technology companies with various opportunities for activities leading to the innovation.

Regarding the demand or market side, one of the most pressing needs is involving the nation's electric grid as I mentioned in the first letter. As following the reality revealed by the 3.11 earthquake, for the Japanese electricity supply, the share of nuclear power plants is supposed to go down. Furthermore, the portion of renewable sources will have to increase and accordingly supply-demand management of less ample and more vulnerable electricity resources in electric grid will need to be more subtle and sophisticated in various ways. This is where new technologies and

business models are necessary. Other than that, already significantly aged population in Japan presents the most advanced state of the aging societies' consumer markets, especially in health care and wellness related spaces.

As these issues stated above are unprecedented and challenging, companies from both sides of the Ocean that decisively cope with inexperienced new frontiers could get opportunities. Also, experiences in Japan would be very beneficial in exploring opportunities later on or even concurrently doing so in Californian markets. For this sake, collaboration based on "Innovation-mindset" and "Business eco-system" is critically important to the business community as we have seen many successful cases in Silicon Valley's "Business eco-system". In this regard, it is very important that Californian business communities shall pay more attention to Japan. Japanese business community shall be familiarized with the way how "Innovation-minded business eco-system" works and we together can help create "Innovation-minded business eco-system" that integrates California and Japan".

Following this context, we are planning to hold a possible seminar that is intended to forge the movement beginning of next year in San Francisco. As soon as we materialize the contents, I will provide with more information.

Best regards,



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