



WORLD EYE REPORTS BELGIUM



'Belgian wisdom' for a new Europe

Look at a map of Belgium and you'll see a nation divided by a line stretching west to east that separates the two dominant cultures — the Dutch-speaking Flemish to the north and the French-speaking Walloons to the south. While history has shown these two cultures occasionally clash over political issues, they are, when combined with the central Brussels Capital Region, an economic force to be reckoned with.

Ironically, despite the amount of international exposure in the press it receives on a daily basis, the nation still struggles to be more recognized. While the city of Brussels consistently makes the news as the base of the European Union and the headquarters of the North Atlantic Treaty Organization, Belgium somehow remains a quiet footnote. Locals joke that when they ask non-Europeans where Belgium is, the most common reply is "Isn't that the capital of Brussels?"

As a result of this, all three regions undertook major efforts to embrace a new-found identity as the "Capital of Europe." Besides being a cultural and political center of activity, the country is also placed in a geographically central position in terms of trade. Imagine a European zone that has a spine running from Liverpool, England to Genoa, Italy.

Within this zone, 65 percent of all of Europe's economic activity takes place and 70 million inhabitants reside. Belgium is located precisely at the heart of all this activity.

Luc Willame, president of the Belgium-Japan Association and Chamber of Commerce, and chief executive officer of AGC Flat Glass, says that Belgium is "a very good introduction to Europe. It serves as a mirror to the Continent because it reflects the diversity of culture as well as the business climate of the region."

Each of the three abovementioned regions have found their individual strengths within the context of Europe and now concentrate on developing these for a stronger, more unified Belgian economy.

Traditionally labeled as the "poor cousin" in Belgium, Wallonia is fast leaving its reputation for decaying steel mills and coal mines of a former industrial heartland behind to assume a more service and knowledge-based role. Currently, Wallonia is considered the first European bio-center with the highest level of investment per capita in Europe. Walloons account for 68 percent of total national biotech workers, despite the fact Wallonia only has 33 percent of the entire population.

Flanders, on the other hand, has strategically focused its efforts on four major sectors: automotive, life sciences, petrochemicals and digital signal processing. Much of Flanders' activities go through Antwerp, which has the second largest seaport in

Europe, and is the second largest petro and chemical hub in the world after Houston.

Both Flanders and Wallonia have established "valleys" within their own regions to promote the relationship between academe and industry. Brussels is, of course, the center of all activity within Belgium. Because it is the geographical, political and financial center of Europe, many companies come to Brussels to be at the center of all the action. Although separated by culture and language, each region has assumed its assigned role in the context of this national economy to help it run like a well-oiled machine.

"The three regional authorities are competent for granting financial incentives. The amount of the intervention depends on criteria such as employment creation, locational aspects, etc. Some domains, such as most tax and social security issues, remain federal," points out Marc Verwilghen, federal minister of economy.

The most recent World Investment Report released by the United Nations Conference on Trade and Development (UNCTAD) places Belgium and Luxembourg third in its list of the world's most transnational countries, just behind Hong Kong and Ireland.

Belgium has truly made itself a multinational country, as 80 percent of the national GDP is derived from foreign sales, one of the highest percentages among industrialized nations. In practical terms, this means that three out of every four citizens of Belgium work in the export business.

UNCTAD has also ranked Belgium No. 1 for

inward foreign direct investment, a position that the nation has held for the past seven years. This is facilitated in no small part by a strong Japanese presence in the country. Presently, there are close to 250 Japanese companies based in Belgium, with almost 50 of those choosing to use the country as a base for their European operations. "Belgium is an attractive place for investment for Japanese companies since it offers a fluid transition into localization," says Willame.

Shohei Naito, Japan's ambassador to Belgium, adds that the strong Japanese presence is due to

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Belgium sees no vanishing point to its growth. Like its airport in Brussels, the country has become a major hub for business and international organizations, such as the European Union and NATO.



Marc Verwilghen, federal minister of economy



Shohei Naito, ambassador of Japan to Belgium

A focused vision on reliability

Founded over 20 years ago as an offshoot of the University of Leuven, ICOS Vision Systems has built itself into a leading developer and supplier of inspection equipment for the semiconductor industry. Currently, over 60 percent of all sales come from Asia while 11 percent comes from the U.S., making Heverlee-based ICOS a truly global company.

In the early days of the company, ICOS was involved in a myriad of different applications ranging from a sorting system for fruits and vegetables to inspecting telephone exchanges. However, it finally found its niche when the company focused its efforts on the semiconductor industry.

Specialization was the crucial turning point for the company's success story. "The more we focused, the more successful we became," says Anton De Proft, president and chief executive officer of ICOS Vision Systems. In 1985, it decided to concentrate entirely on the back-end semiconductor and electronic assembly industries, and this sparked a period of rapid growth that resulted in the company entering into its first OEM contracts — some of which are still in force today.

"With this new focus, we needed to expand geographically. Japan was our second destination outside of Europe, after the U.S.," De Proft explains.

Fifteen years ago, ICOS entered the Japanese market for the first time, and since then its



During a working visit to the ICOS headquarters in Heverlee in October 2004, Belgium's King Albert II (left) talks with CEO Anton De Proft about the success of the high-tech company.

Japanese customers have played an important role in the success of the company. "When we started in Japan, I went there essentially every

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Belgium's official Web site serves as a highly useful launch pad for learning nearly everything about the country. Created by the federal government for Belgians and visitors alike, the site provides facts quickly, as well as maps and other interesting details about the country. www.belgium.be

Founded in 1991, the Belgium-Japan Association and Chamber of Commerce is a non profit organization that promotes business and cultural relations among its 400 Belgian, European and Japanese members. Participation in the group's events provides access to an extensive network of executives in Belgium. A schedule of events is available on their Web site. www.bja.be

The Ministry of Economic Affairs of Belgium's, Service for Foreign Investments site aims to provide comprehensive information for foreign investors interested in setting up at the crossroads of Europe. It includes information on legal issues, tax issues, investment incentives and basic country facts. www.investinbelgium.fgov.be

Success from a new market focus

In the past, the brand "Pioneer" was synonymous with quality home audio equipment. Recently, it has undergone a major shift in focus. In 2000, new initiatives put the focus on plasma TVs, DVD players and recorders, and car navigation markets — all outlined in the multinational's global directive dubbed "Pioneer 2005 Vision."

"We are now shifting all our resources to the new core areas of plasma TV, DVD and car navigation," says Susumu Kotani, chairman and managing director of Pioneer Europe. This huge shift in product line has proven to be a good decision, as Pioneer recently won awards from the European Imaging and Sound Association in each of these three new product lines.

With the change, Pioneer also faces the challenge of dealing with new competitors. "In the past, our competitors were other audio manufacturers, among whom we were large. But now, since we are concentrating on plasma screens and DVD components, our competitors have completely changed. We are now a small fish in a big pond," says Kotani.

In this competitive market, Kotani points to quality as the key to success. "We may have high prices but we offer a product that is equal to that price. Every day, we try to develop new and advanced technology to offer to our customers," he says.

The company also keeps competitive by staying one step ahead of its competitors. A good example of this is its presence in the car navigation market. Currently, the fastest growing segment for this sector in Europe is large screen map-type displays. Pioneer introduced this style of navigation to the European market and as a result enjoys 50 percent of the entire market share.

"Currently, the market is still very small but it's growing exponentially each year," Kotani says. "In Europe, it will be very important to have this type of navigation, especially as more people drive outside their own borders."

Since its establishment of a European headquarters in the country in 1970, Pioneer's relationship with Belgium has only gotten stronger. Kaneo Ito, president of Pioneer Corporation, also heads the Belgium-Japan Society in Japan.

In 2002, Ito received one of Belgium's highest honors — the *Commandeur de l'Ordre de la Couronne* (Commander of the Order of the Crown), which the royal family of Belgium presents to people in the private sector for distinguished achievements in public service and cultural life.

"Ever since we set up this office, Pioneer has played an important role in promoting relations between Japan and Belgium," says Kotani. "We like to contribute to the cultural side of the relationship in addition to its business aspect."

As an established company in Belgium entering new markets in Europe, Kotani sees a clear road ahead. "With our new product line, we are quite happy and confident that we have made the right decision," he concludes. ♦

www.pioneer-eur.com



Susumu Kotani, chairman & managing director of Pioneer Europe

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BELGIUM

Total GDP: \$333 billion (2004)
GDP real growth: 2.9% (2004)
GDP per capita: \$33,706 (2003)
Inflation: 2.1% (2004)
Unemployment: 7.8% (2004)
Total exports: \$233.87 billion (2003)
Total imports: \$221.82 billion (2003)

Top five imports: Machinery and equipment, chemicals, diamonds, pharmaceuticals, foodstuffs

Top five exports: Machinery and equipment, chemicals, diamonds, metals and metal products, foodstuffs

Sources: CIA World Fact Book, The Belgium National Social-Economic Database

Creating the intelligent car

Fifteen years ago, Aisin AW started its European headquarters in Braine-l'Alleud, Belgium to help service the automatic transmission needs of Europe's automobile manufacturers. Today, AW Europe is at the leading edge of innovation for both automatic transmission and in-car navigation systems as it takes steps to create the "smart cars" of the future.

Under the leadership of AW Europe's new President Susumu Kasai, the company is integrating its two product lines to create a more "intelligent" car. Kasai, appointed in September 2004, says that this integration will be one of the main activities



Susumu Kasai, president of AW Europe

of AW Europe in the coming years. "When you drive a car, you want it to follow exactly as you have intended. That is our company's philosophy for development," says Kasai. The first step was to create a reliable automatic transmission. "This way, drivers can concentrate on driving safely. There's no need to change gears and a person can concentrate fully on the road," Kasai explains.

Next, he focused on the development of the navigation system. "It was a brainchild of our former chairman," he continues. "Aisin AW was actually the first company in the world to develop such technology and introduce it to the market. AW Europe introduced its navigation technology to the European market in 1996."

Currently, the company's biggest challenge is to create brand awareness of its navigation system products. Kasai admits that AW Europe needs a way to stand out from the larger consumer electronic brands already in the market.

"We are traditionally a hardware manufacturer, and we are trying to break into this market," he says. "We need to expand

the added value service we offer around the navigation system." This, along with growing consumer demand for "smart" cars, has led AW Europe to combining its two main products.

"Our company's ultimate goal is to fuse navigation with transmission," he says. "Eventually the car should have a brain. The car itself should know where it is driving."

Kasai points to the latest technology from AW Europe as an example. "We've already developed a navigation system with the automatic system function. If the navigation system 'sees' a curve coming ahead on the road, the transmission will automatically shift down." Eventually, he envisions the car of the future to have driving capabilities, as well security functions such as stolen vehicle tracking via an onboard GPS system.

As the new president, Kasai has also outlined his personal goals for AW Europe. "I want our company to make a strong contribution to the Belgian and the Japanese communities," he concludes. "To achieve this, I need to add to and maintain our high-quality employees. One of the things I want to emphasize here is employee motivation — for everyone from our engineers to our janitors. Motivation is a key factor, without which we cannot realize our dream." ◆ www.aveurope.net

Strong European input boosts a Japanese cooling giant

Located in the eastern port city of Oostende, Daikin has established itself as a strong market leader in air-conditioning equipment in Europe. Since its inception in 1972, Daikin Europe has grown from a small six-person operation to one of the largest Japanese companies in Belgium. It now employs over 1,500 people both in Oostende and Brussels, and shows no signs of slowing down.

Daikin Europe has proven itself to be a model of success in the region, growing through the acquisition of distributors, territorial expansion and increased sales from complementary businesses. "In terms of operational profits, the Daikin group has been growing consistently for the past 11 years," says Frans Hoorelbeke, the company's executive vice president.

The historic European heat wave of 2003 certainly helped expedite growth: Industry sales swelled 50 percent as a result, and its after-effects were felt even the next summer as nervous consumers began buying their units early to ensure installation. "The big boom was from the residential market. For some models, we enjoyed growth of 70 percent," says Hoorelbeke.

Because of the growth in sales, Daikin's headquarters decided to build a new factory in the Czech Republic to alleviate the burden placed on its Thailand facility. "This allows us the freedom of flexibility. We can shorten lead times and we are able to respond fast to fluctuating market demands and of course, provide additional production capacity," he continues. Between 1998 and 2004, Daikin acquired six companies in Germany, Spain, Poland, Italy, Portugal, and Central Europe. In Britain, three acquired companies were merged into one new company. This was done to have more operational control over major markets. "We have successfully completed this acquisition and growth phase, and Daikin Europe is now directly in control of 90 percent of the sales in Europe," says Hoorelbeke.

The next major step for the company is territorial expansion. "Japan has handed over to us the responsibility of expanding our territory," he adds. "We are now analyzing and studying the markets but we know that from the middle of 2005, we will be responsible for the whole of the Middle East and Africa in addition to Europe."



Frans Hoorelbeke, executive vice president of Daikin Europe

The European office's contributions to Daikin Japan's overall operations are significant. "Daikin Europe plays a very important role in the group: 25 percent of the group's profit and 16 percent of the group's turnover comes from here. We are growing continuously, and the expectation is that we will continue in the same direction," says Hoorelbeke, who is also the only non-Japanese on Daikin's board of directors.

Hoorelbeke, who has been with the company since its beginnings, outlines his goals for the coming years. "Our immediate plan is to reach the magic figure of 1 billion euros in turnover," he announces. "That requires growth of 30 percent, and we are well within striking range of doing so. We also plan to double turnover by 2008. Within the next few years, we are also looking to have as much production in Europe as possible, close to the markets."

Part of this success, he says, is attributed to Daikin Europe's strong emphasis on being a "local" company to better understand its markets. "Many people ask me whether Daikin Europe is a Japanese or European company. My answer is 'both.' Daikin Europe is a mixture of Japanese and European elements, and has its own 'Daikin Europe' culture. Or as mentioned in our group philosophy: Best practice, our way!" ◆ www.daikineurope.com

Cornerstone of a global network

Established in 1970, Kaneka's facility in Westerlo, Belgium was not only the company's first venture outside of Japan but was the first Japanese chemical production unit in Europe. Today, Kaneka Belgium is one of the biggest PVC Modifier production sites in the world, and a leading player in the international market.

In September 2004, Kaneka Belgium celebrated its 30th year since commencing commercial operations in Europe. Since 1974, it has grown to become a cornerstone of the Kaneka global network covering interests in Europe, the Middle East and Africa.

Atsushi Ikenaga, president of Kaneka Belgium, attributes this success partly to the company's central location in Europe and the excellent infrastructure in Flanders and Belgium. "Our site is exceedingly well placed. We border the Albert Canal at the back of our facility, from where we can bring in raw materials by barge," he says. "We also have a highway right next to us that enables us to receive and dispatch goods in a timely manner to our customers all over Europe. In this sense, Belgium is perfectly situated to meet our business needs."

Ikenaga also places much emphasis on the synergy that has been created by bringing together Belgian and Japanese culture. "Belgians are a tolerant, loyal and open-minded people, so there is a good harmony between the local Belgian

culture and our Japanese ways," he explains. "We currently have more than 50 local employees that are also celebrating, because they have been working for Kaneka Belgium for 30 years. That shows a lot of dedication and commitment to our business."

The company also owes its success to its adaptability and flexibility. Originally, Kaneka's European operations were focused on servicing the PVC bottle industry. However, in the early 1990s, the industry shifted from using PVC to PET plastics. "We reacted immediately by shifting our market segment from packaging to building products," says Ikenaga. This flexibility is the basis of Kaneka's ultimate strategy.

"We need to be quick to grasp changes and trends in the European market in order to survive and thrive," he adds. "Our Japanese headquarters is very supportive in this respect. They allow us to be proactively



Atsushi Ikenaga, president & managing director of Kaneka Belgium

flexible to respond to new and changing market needs." "EPERAN-PP is another example of Kaneka Belgium's ability to rapidly respond to ever-changing market needs," Ikenaga continues. "Its patented expansion technology makes it one of the most environmentally friendly processes to produce materials that serve a wide range of industries."

Building on an established and successful history in Europe, Kaneka Belgium is looking expectantly at the future. In early 2004, the company expanded its facilities, doubling the production capacity of its unique

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A Belgian company reaches out

Though geographically smaller than most of its neighbors in Europe, Belgium — the center of much political and social activity on the continent — is home to some of the continent's larger and more successful companies. One example is the Belgian company Alcopa, which maintains its headquarters in Kontich, close to Antwerp. Over the years it has expanded its presence throughout Europe and formed strong ties with some established Japanese companies.

Through its three core activities — car distribution, two-wheelers and office furniture — Alcopa has managed to penetrate important markets such as Switzerland, Poland and Russia in a continuing expansion drive. Dominique Moorkens, chief executive officer of Alcopa explains: "Our group is very active in many countries. This year, only 40 percent of our turnover is from Belgium."

When asked how Alcopa has reached success so quickly, Moorkens has a simple answer: its strategy is to establish a local sales unit with local people in order to be more familiar with the market. The Belgian traits of openness and adaptability to other cultures have greatly contributed to this.

In addition, Moorkens feels that Alcopa's strength comes from its structure. "We are still family-owned but are professionally managed," he comments. "There are very strong corporate governance rules, and we are very strict in having the best of both worlds."

Just as remarkable is the relationship that Alcopa has with its Japanese partners. The alliance first formed by Moorkens' father nearly 50 years ago with Suzuki has allowed the group to offer its services to other companies like Isuzu and Mitsubishi.

Over the years, Moorkens has come to appreciate the ways and values of Japanese business. He feels that it is important to look at business from a long-term perspective and establish relationships based on confidence.

When asked about the future of Alcopa, Moorkens states: "This year we expect important growth in our activities. As a group, we expect to increase our turnover by 30 percent — reaching over one billion euros." ◆ www.alcopa.be



Dominique Moorkens, CEO of Alcopa

Sky-high service for Japanese carrier

At present, there are no direct flights from Belgium to Japan on All Nippon Airways. Yet it is a fact that the airline remains a top choice for Japanese travelers when flying between the two countries. Olivier Cornil, manager of sales and marketing for the Benelux region, shares the secrets of ANA's success.

Olivier Cornil admits that ANA has a "problem" — other companies would love to have: "We are 'suffering' from demand that may be due to the quality of our service and product, and we need more capacity," he says.

Over the next few years, that capacity will increase in accordance with the expansion of airports in Japan. In the meantime, however, Cornil has another strategy in mind: to focus on increasing business from the non-Japanese corporate market.

"We are already well-known in the Japanese community," he says. "I would like to make it known to others that they have the choice of ANA as a major carrier to Japan." He would also like to see an increase in tourist traffic since 80 percent of the airline's current business comes from business travelers. As a Japanese company, All Nippon Airways also assumes the role of unofficial tourism board and

ambassador of culture for Japan in the region.

The following services ensure that flying with ANA is the



Olivier Cornil, ANA's sales and marketing manager for the Benelux region

ultimate experience: door-to-door pick-up and drop-off for first and business class passengers from the major departure points in the Benelux region to the Paris Charles de Gaulle airport, and pre-arranged mobile phone rentals in Japan.

"We do not only sell a ticket — we sell a service," Cornil

states. "From the moment they make a reservation to their destination, we give as much assistance as possible." Indeed, it is easy to see how this can spoil travelers.

Cornil feels that it is important to increase the awareness of ANA in the region especially in light of the Aichi Expo this year. Belgium has a strong presence in the Expo with its own pavilion, and heavy traffic is expected between the two countries from March to September.

As the official carrier of the Belgian government for the Expo, ANA will have the chance to attract more international travelers on its routes. Cornil is hopeful that the attention lasts beyond the Expo and 2005. He says: "I hope that the publicity made during the Aichi Expo will help to start tourism business to and from Japan." ◆ www.ana.co.jp/eng/

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Food packaging meets high technology

Recent product releases from Kureha/Krehalon unveil plastic packaging technologies that are set to be industry leaders.

The Japanese and Dutch company, created through the acquisition of the Dutch converter by Kureha Chemical Industry in 1973, has once again pioneered an advancement in plastics and packaging with the innovation of their Form/Shrink packaging system for perishable foods such as meat, cheese and processed food.

Along with their German partner and worldwide market leader in thermoforming machines, Multivac, it has developed a packaging solution that incorporates a higher level of barrier properties with shrinkability, while offering greater productivity in the packaging process.

The new generation shrink barrier film, developed in cooperation with Krehalon's parent company Kureha, offers a significantly improved preservation of food quality through the use of advanced layer engineering combined with excellent shrinkability, enabling extended shelf-lives and an attractive displaying opportunity of the packed products.

By jointly developing the Form/Shrink system with Multivac, the company maximized the potential qualities of the special film offering producers to reach a far higher packaging output than previously possible.

And due to the high sealed seam strength and excellent "drawability" of the film, it also offers the ability to precisely package non-traditional food shapes through its ability to mold to the contours of the product with minimized unsightly ears, while enhancing product presentation and consumer appeal with a superior gloss and transparency.

Hitoshi Kaneda, the president of Kureha Europe, says: "Form/Shrink is the world's first fully shrinkable film system to run on a roll stock thermoforming machine. We offer automation of the packing process with an improved appearance of the packaging. Our packaging material is glossier and more transparent compared to competitor materials. More importantly, it also offers improved ma-

chinability compared to other materials, leading to increased production efficiency for the customer."

Driven by the extensive research and development efforts of Kureha's Polymer Processing Technical Center and the Food Science Laboratory in Japan, the company is continuing its history of innovation and already has become a leader of Japan's domestic barrier packaging industry.

Recently Kureha released in Europe its ultra-high barrier film "Besela," which enables food processors to replace the conventional retort packaging materials like metal cans and glass bottles with a flexible, lightweight, microwaveable, eye-catching transparent packaging material. It also offers long shelf-life, a large decoration surface and improved safety features as the packaged product can be inspected by using metal detectors.

Kureha Chemical Industry, established in Japan in 1944 as a manufacturer of caustic soda and chlorine-based chemicals and fertilizers, has long been recognized as a leader and innovator in its specialized fields and has evolved into a producer of pharmaceuticals, agrochemicals, household products, advanced materials and processed plastic products for the packaging industry.

Still focused on developing products attuned to consumer needs, such as the top-selling "Besela" and Form/Shrink film, Kureha seems set to continue making a mark in every industry they challenge. ◆
www.kureha.co.jp

(Editor's Note: This is a revised version of an article in the report on the Netherlands, which was published on Nov. 6, 2004. Since the publication of the article, Kureha has appointed a new president for its operations in Europe.)



Hitoshi Kaneda, president of Kureha Europe



The new generation shrink-barrier film from Kureha extends the shelf life of food.

'Belgian wisdom' for a new Europe

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more personal reasons as well. "Japanese companies choose to move their European centers to Belgium not only for strategic reasons but also for the quality of life," he says. "Japanese residents in Belgium feel well received by their neighbors. This is a very encouraging phenomenon."

The ties between Belgium and Japan have traditionally been very strong. Business conferences organized by the Japanese Ministry of International Trade and Industry and the Belgian Ministry of Economic Affairs have taken place almost annually for the past 20 years.

That relationship is also reflected by the close friendship shared by the countries' royal families. VIP visits between the two nations occur almost annu-

ally as well: in June of this year, Prince Philippe will be coming to Japan to lead an economic mission to encourage more business interactions between the two nations.

This economic mission will coincide with the 2005 Aichi World Expo, in which Belgium will be a very active participant. "The Belgian presence in the Aichi Expo will be watched by many Asian countries. It will be a good opportunity for Belgians to be present in an Asian market," emphasizes Ambassador Naito. Expect the pavilion to be reflective of the current Belgian mindset — highlighting the cultural differences within the country, but also showing how these very differences can create a stronger nation.

As the three regions of Belgium continue to learn to work off each other's strengths, the

nation as a whole is benefiting. Despite political calls from some far-right parties of Flanders to secede, a majority of Belgians agree that success in this new European landscape will only come from a unified front. "Bel-

gians have been able to keep the unity of this country despite their differences," says Ambassador Naito. "This is very useful and will always attract Japanese business — it can be called 'Belgian Wisdom.' ◆

A focused vision on reliability

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month for three years. It was, and still is, very important for us to establish and maintain solid, long-term relationships," says De Proft.

Because of this strategy, ICOS has been able to work with the same Japanese distributor — Marubun — for the past 15 years. "We also established a local office in Yokohama to show support for our customers and our distributor," De Proft says. "In Japan, it is much more logical to have both, and it shows our commitment to the market."

As the company's global presence grows by the year, De Proft points to flexibility as a key factor in maintaining the success of ICOS. One good example of such flexibility is the company's recent establishment of a research and development center in Hong Kong and a factory in Shenzhen, China. "In every quarter for the past year, we have had to incrementally increase our production and installation, yet we've still been able to keep our lead times to within four weeks. That kind of ramp-up is very difficult to achieve. Our China facility is allowing us the flexibility to do this."

The presence of ICOS Vision

Systems in China is also an advantage when servicing its Japanese customers. "Historically, Japanese companies kept manufacturing much more onsite in Japan, but now for the first time they're moving out en masse and setting up plants in China. In this case, we are in a much better position than our competitors in Japan because we can service our customers' needs in China more efficiently."

As the semiconductor industry moves from being IT-based to being more consumer-driven, De Proft fully intends to keep ICOS a step ahead of the pack. He emphasizes the increasing importance of quality. "There is a very strong need for more reliable packaging on the IC side. In-specification is an integral part of that whole process of improving quality and yields. We believe that gives us a tremendous opportunity in the coming years."

De Proft is confident in the company's future, despite the cyclical and erratic nature of the market. "We keep developing new technology, and we emphasize customer support. If our customers know we are there to support them, even if the market is depressed at any point in time, when it comes back, it will come back to us." ◆
www.icos.be

Cornerstone of a global network

CONTINUED FROM PAGE 13

MS Polymer technology. Since its introduction, MS Polymer technology has been well received in the European market for a wide range of applications.

Primarily used as the principle component in sealants and adhesives, MS Polymer technology stands out from other sealant technologies in terms of versatility. MS Polymer-based formulations are isocyanate-free and solvent-free, improving working conditions dramatically. Ikenaga foresees a bright future for the product. In his words: "This unique technology

will keep offering solutions to a variety of market needs."

As Kaneka Belgium continuously expands, Ikenaga spells out his goals for the coming years. "We want to look for new business opportunities for the unique Kaneka Corporation technologies," he says. "Ultimately, our function is to match our innovative technological solutions with European needs and demands. It's not easy to find new business opportunities, but there is good potential for many of Kaneka's new products here in Europe." ◆
www.kaneka.be

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BUSINESS FEATURE

ENTERING FIFTH YEAR OF OPERATION

USJ chief foresees turnaround in Hollywood movie theme park

By KEISUKE OKADA

Staff writer

OSAKA — The Universal Studios Japan theme park here will soon enter its fifth year of operation with high expectations for business turnaround under the stewardship of its American top executive.

Glenn Gumpel, president and CEO of USJ Co., which runs the first Hollywood theme park of its kind outside of the United States, said he is rather optimistic about the prospects of a turnaround in the company's business performance.

He cited such factors that would help to attract visitors to the park as the upcoming opening of the Aichi World Expo, the government-initiated "Visit Japan" campaign to dramatically increase international visitors to the country and the opening in February of the Central Japan International Airport, dubbed Centrair, in Nagoya.

USJ Co. is a joint venture formed by the city of Osaka, Universal Studios Inc., the Rank Group, or a British investment firm, Sumitomo Metal Industry, Sumitomo Corp., Hitachi Zosen, and other Osaka-based Japanese companies and financial institutions.

The Hollywood movie theme park drew 11 million people in the first 12 months after it opened in March 2001 — much higher than the earlier estimate of 8 million.

However, the park's business performance has since been stagnant. The company especially suffered a major setback in its second business year, following a spate of operation blunders, including the use of expired foods in its restaurants, serving untreated industrial water in its drinking fountains and the use of an excessive amount of gunpowder in fireworks displays, which led to the resignation of the then Japanese president.

Attendance in the 2002 business year plummeted to 7.6 million with yearly revenues dropping 35.8 percent from the year before to ¥75.8 billion, resulting in a loss of ¥9.3 billion.

Performance improved slightly in the 2003 business year with the addition of three attractions, including one featuring the box-office hit movie "Spiderman," and sales of discount tickets. The attendance leaped to 9.9 million, up 29 percent, and the yearly loss was trimmed to ¥5.2 billion.

Gumpel, 57, said upon assuming the USJ top post last June, he revised downward the estimated attendance for the 2004 business year ending later this month "because the forecast that USJ used was exceedingly optimistic."

"I brought the forecast down to about 7.7 million, which I thought was a good number. I would think the year will end between 7.8 million and 7.9 million, which is higher than my expectation and quite good for the company." The final result will be



GLENN GUMPEL (above and below), president and CEO of USJ Co., poses in front of the giant trademark symbol at the entrance of Universal Studios Japan in Osaka. KEISUKE OKADA PHOTOS

announced in June.

Downplaying the media's single-minded focus on year-to-year changes in attendance and yearly losses, the 20-year veteran of the Hollywood entertainment business argued that net profit, albeit important, is not the most important number in the initial state of theme parks. "When you first build a theme park, you have a great deal of depreciation, so the value is masked by the great deal of depreciation. I think the attendance is not a key in theme parks. It's how much revenue (they can generate)," he said.

In this sense, Universal Studios Japan is a "very successful" theme park. "In the world, there's a few Disneylands that do better. But USJ does better than many of the Disney parks. It does better than any Universal park (in California and Florida). There is no theme park that does better (than USJ), except Disneylands," Gumpel said.

According to a U.S. amusement business magazine, USJ ranked sixth on the list of the world's top 10 theme parks in terms of attendance. Since his inauguration, Gumpel has launched a series of reform measures to streamline the operation of the company, which is a typical third-sector venture involving public- and private-sector interests.

He created a cross-functional task force to prod quick decisions and actions, introduced a performance-based reward scheme and promoted women employees to semi-management posts, while pursuing drastic cost-saving measures in a way not to deteriorate the quality of services, according to a USJ official.

Gumpel's management philosophy is simple: motivation and empowerment. "There are many companies in many places in the world that need to streamline their decision-making, give more responsibility to people, allow people



to be accountable and for people to be rewarded for their successes.

"So coming here, my view is to enable people to do the jobs they are hired to do without impediment and to try to reward them for success," he emphasized.

He distributed to all 900 regular employees and some 5,000 part-timers a card on which his message is printed. The obverse side of the card reads, "Everything is possible. Swing the bat!" The reverse side reads, "Management Philosophy: Accountability, Transparency, Communication, Build on Strength of Different Cultures, Urgency, Execution, Empowerment." "That's my message. That's what we try to live by, and it's new and it takes time and effort to change people's behavior," he said.

He believes USJ's international corporate culture is its strength, not its Achilles' heel. "USJ is an international company. It has a British shareholder, an American shareholder and Japanese shareholders. We are built on the strength of various cultures. We are trying to take the best of the Japanese, the American and the European," Gumpel said. In saying so, he compared USJ to the Oriental

Land Co., operator of Tokyo Disneyland, a totally Japanese company with mainly Japanese shareholders, but a company with American culture also at its core.

Returning to USJ's business performance, Gumpel is now implementing new measures to increase the number of women visitors by putting more emphasis on park characters, new parades or stage shows that women like. The share of women visitors is already in excess of 60 percent.

"We're making every attempt to make the park more accessible to women and their kids," he said. Hello Kitty has newly joined the lineup of park characters that include Snoopy, Elmo and Shrek.

By region, USJ ardently desires to attract more visitors from Tokyo and its adjacent prefectures, or the Kanto area. In the latest business year, the share of visitors from Kanto was a mere 13 percent, whereas those from Osaka and its outlying areas accounted for the largest at 58 percent.

"We have increased our sales team there substantially," he said of the Kanto area.

And USJ is now zeroing in on international visitors. In the first three years since its opening, the share of international visitors to USJ wavered at a negligible 2 to 3 percent. Since the April-June period of last year, the corresponding share suddenly leaped to 9 to 10 percent. Many of these visitors are from China, Taiwan and South Korea, where the company now has offices in Hong Kong, Taipei and Seoul. "We're a very important element in the entertainment offering (in western Japan), and there are very few world-class theme parks (in this part of the world). We're privileged to be one of them. So when people come from Taiwan, they want to see what's that like and see a little bit about what America is like," he added.

Four companies bring to life hero robot character

By MARIKO YASUMOTO

Contributing writer

OSAKA — With robots making a splash across Japan these days, four small companies in the Kansai area have just unveiled a particularly unique humanoid robot, which is based on the hero robot character of the popular Japanese comic book "Tetsujin 28 (Iron Man 28)."

The four companies are three Osaka-based firms: Vstone Co., an omnidirectional sensor and robot developer; Sanwa Electronic Instrument Co., a remote control maker; and Sunpac Co., a planning company, as well as Kyoto-based robot designer Robo Garage.

The introduction on Thursday of the 38-cm-high robot came just two weeks before the opening of live-action film "Tetsujin 28," directed by

Shin Togashi. "Tetsujin 28" first appeared in comic magazine form in 1956 and became a TV cartoon in 1963, mesmerizing boys and girls with an unprecedented plot in which the main character, a boy named Shotaro, operates the giant humanoid robot using a remote control.

"I hope that those who enjoyed watching the cartoon 50 years ago can make their dream come true and become Shotaro controlling Tetsujin 28," Susumu Kanei of Sunpac said at a news conference. One other feature of the robot is a new technology that enables it to walk more smoothly than ever, according to Robo Garage's Tomotaka Takahashi.

The Tetsujin 28 robot, weighing some 2.5 kg, will carry a recommended retail price of ¥280,000.

Vstone handles all sales operations and is now accepting orders. A special accessory kit that includes a remote control will be available at ¥55,000. A customer can put together the Tetsujin 28 robot by him or herself.

If the customer has basic skills in computer software and simple tools, the Tetsujin 28 robot can be assembled in about eight to 10 hours, according to Vstone.

The four companies belong to a business network for next-generation robot development organized by the Osaka Municipal Government, which recently concentrates on robotics.

As part of efforts to promote their technologies, the companies went to Dentsu Inc., one of the "Tetsujin 28" film producers, last year, and proposed the joint manufac-



"Tetsujin 28" robot

turing of a Tetsujin 28 robot. The development started last August, they said. The companies are considering demonstrating the robot at some theaters on opening day of the film on March 19, according to Sunpac's Kanei.

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