

**JETRO Toronto**  
**Canada – Japan Symposium**  
**November 4<sup>th</sup>, 2009**

Patrick R. Bothwell  
EHC Global

- Japan requires a Long-term Investment
- Japanese Companies, make all of their important decisions in Japan.
- Know the importance of your intellectual property and its potential to generate income.
- Yokohama; why look anywhere else?

- 1977
  - Established in Oshawa Ontario to manufacture handrails for escalators
- 1982 ~ 1992
  - Expanded into the USA and Europe
- Late 80's
  - Japanese market enters the radar but very little success dealing from abroad through trading companies
- 1995
  - Began looking at expansion to Asia; but selected a move to China instead
- 1997
  - Japan expansion plan drafted and approved; initial patents filed in Japan
- 1999
  - Yokohama Branch opened using JETRO business support center; initial efforts spent cold-calling all potential customers.

- 2001
  - Incorporated as a Japanese Corporation and expanded to include field services
- 2002
  - still not breaking even, but starting to see product approvals come back positive
- 2003
  - Began licensing of downstream manufacturing processes to a competitor; volumes begin to climb
- 2004
  - Patent infringement by a competitor significantly chills our product's growth in Japan.
- 2005
  - Patents issues resolved in our favor, growth finally begins to meet expectations

- 2007
  - Finally reached break-even but expansion required to meet increased demand
  - Expanded technology licensing and partnering program determined to be the best course of action.
- 2009
  - Joint technology project to further expand partner's Japan-side manufacturing capacity
  - On track to have our best ever year in Japan; exceeding expected returns

- Having a Japanese business base pays even greater dividends at overseas subsidiaries of Japanese companies:
  - Builds understanding and facilitates communication and builds trust; especially with engineers
  - Generates a great-deal of good-will and the assumption that you already know Japan

- Protecting your intellectual property is key to success in Japan:
  - missteps can be irrecoverable
  - patent translations should be triple checked for accuracy as should Japanese prior art.
- Effectively Licensing I/P has proven to be a key element of success

- Why look anywhere else?
  - Prime Location; access to Tokyo within 20 minutes, close to business logistics, easy domestic & inter-Asia travel;
  - Lower Costs; typically save 30% to 40% on business facilities and housing
  - Services; international schools, YC&AC, parks and recreation, culture, shopping (Costco)

