

Past JETRO Client

Earthquake Protection Systems More Committed to Japan after Quake, Plans Asia Expansion

August 2011--Earthquake Protection Systems, Inc. (EPS) develops seismic isolation bearings that help structures and their contents avoid damage due to earthquake ground shaking. EPS has been exporting its products to over 20 seismically-prone countries around the world and recently established an office in Japan. We spoke with company President and CEO, Dr. Victor Zayas Ph.D. and P.E., about the opportunities in Japan, working with JETRO to set up the subsidiary, and the company's outlook moving forward.



Opportunities in Japan

Not only does Japan lie in a major seismic area, said Dr. Zayas, but “there is in particular in Japan a public consciousness to avoid earthquake damage.” Many seismic codes around the world require that structures be built to avoid collapse in an earthquake, but in Japan, not only are structures expected to avoid collapse, they are also expected to avoid damage, which is exactly what EPS's products are designed to do. With the recent expiration of a product patent and license EPS had sold to a Japanese company 22 years ago, and upon seeing the strong performance of EPS's competitor products in Japan, the company decided to establish its own presence in the Japanese market.

Timeline of Market Entry

2007	EPS product patent and license in Japan expires
2008-2010	EPS products used to protect Todaiji Temple Museum in Nara, Japan housing 2,000-year-old ancient Japanese artifacts
2011	EPS uses JETRO services to set up Japan subsidiary

JETRO's Free Office Setup Services Used

- **Guidance on establishing a subsidiary:** “JETRO navigated us through the requirements for establishing a company in Japan, for taking care of payroll requirements, and some of the other cultural expectations regarding having a physical office, rather than a virtual office,” said Dr. Zayas. EPS also received consultations on business start-up procedures, such as visa, tax and human resources. “They gave us the road map, and then we were able to just follow that. That process in Japan would have been much more difficult without JETRO's assistance.”

“The process in Japan would have been much more difficult without JETRO's assistance.”

- **Introductions to professionals:** “JETRO put us in contact with the support professionals that organized the incorporation and the other accounting requirements. The most important part was that because of their relationship with JETRO, we knew we could trust them to treat us fairly and to be competent in what they were doing.”

Outlook

EPS is currently awaiting government approval to be able to broadly sell its products in Japan. After establishing itself in Japan, EPS plans to expand to the rest of the Asia market. “Japan is a country that has very high building standards and very high performance expectations for seismic design,” said Dr. Zayas. “Once we’re well established in Japan and proven there, I think that will help us easily gain acceptance throughout all of Asia.”

When asked whether the March 11 earthquake affected EPS’s decision to establish a Japan office, Dr. Zayas said, “We’re more committed to moving forward because of the March 11th earthquake, not less.”

On August 17, 18 and 19, 2011 at the E-Defense seismic testing laboratory in Hyogo, EPS Japan demonstrated the ability of its Triple Pendulum bearings, the company’s most advanced technology, for avoiding damage from the strongest-ever recorded earthquakes.

Japan Company Profile

Japan Company: Earthquake Protection Systems Japan, K.K.
Established: June 2011
Employees: 2
Business: Engineering and manufacture of seismic isolation systems for continued functionality of buildings, bridges, and industrial facilities
Location: Kubota Bldg, #203, 3-4-2 Minami-tsukushino
Machida-shi, Tokyo 194-0002
URL: <http://EarthquakeProtection.com/>
Parent company: Earthquake Protection Systems, Inc., California USA

Get this article online at www.jetro.go.jp/usa/pdf/earthquake_protection_systems.pdf

For more information about establishing your business in Japan, contact us at www.jetro.org/usa/contact

**Note: The opinions contained in this article are based on the experiences of the interviewee. They are not representative of all experiences in Japan or working with Japanese companies, and do not reflect the opinions of JETRO.*

**This material is distributed by JETRO San Francisco on behalf of Japan External Trade Organization, Tokyo, Japan. Additional information is available at the Department of Justice, Washington, D.C.*