

Supplemental Statement
Pursuant to Section 2 of the Foreign Agents Registration Act
of 1938, as amended

For Six Month Period Ending June 30, 2007
(Insert date)

I - REGISTRANT

1. (a) Name of Registrant

(b) Registration No.

JETRO New York

1643

(c) Business Address(es) of Registrant

1221 Ave of the Americas, 42nd Floor
New York, NY 10020

2. Has there been a change in the information previously furnished in connection with the following:

- (a) If an individual:
- | | | |
|-----------------------|------------------------------|-----------------------------|
| (1) Residence address | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) Citizenship | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) Occupation | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

- (b) If an organization:
- | | | |
|--------------------------|------------------------------|--|
| (1) Name | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (2) Ownership or control | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (3) Branch offices | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(c) Explain fully all changes, if any, indicated in items (a) and (b) above.

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IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4 AND 5(a).

3. If you have previously filed Exhibit C¹, state whether any changes therein have occurred during this 6 month reporting period.

Yes No

If yes, have you filed an amendment to the Exhibit C? Yes No

If no, please attach the required amendment.

N/A

¹ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, U.S. Department of Justice, Washington, DC 20530.)

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name	Position	Date connection ended
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Please refer to Attachment A

(b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name	Residence address	Citizenship	Position	Date assumed
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Please refer to attachment A

5. (a) Has any person named in item 4(b) rendered services directly in furtherance of the interests of any foreign principal? Yes No

If yes, identify each such person and describe his service.

Please refer to attachment A

(b) Have any employees or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name	Position or connection	Date terminated
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Please refer to attachment A

(c) During this 6 month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? Yes No

If yes, furnish the following information:

Name	Residence address	Citizenship	Position	Date assumed
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Please refer to attachment A

6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(c) of the supplemental statement? Yes No

If no, list names of persons who have not filed the required statement.

II - FOREIGN PRINCIPAL

7. Has your connection with any foreign principal ended during this 6 month reporting period?
Yes No

If yes, furnish the following information:

Name of foreign principal

Date of termination

8. Have you acquired any new foreign principal² during this 6 month reporting period?
Yes No

If yes, furnish the following information:

Name and address of foreign principal

Date acquired

9. In addition to those named in Items 7 and 8, if any, list foreign principals² whom you continued to represent during the 6 month reporting period.

Japan External Trade Organization (JETRO), Tokyo, Japan
Ishikawa Prefectural Government
Kanagawa Prefectural Government

10. EXHIBITS A AND B

(a) Have you filed for each of the newly acquired foreign principals in Item 8 the following:

Exhibit A³ Yes No N/A
Exhibit B⁴ Yes No

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during the 6 month period? Yes No

If yes, have you filed an amendment to these exhibits? Yes No

If no, please attach the required amendment.

N/A

² The term "foreign principal" includes, in addition to those defined in Section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a) (9).) A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

³ The Exhibit A, which is filed on Form CRM-157 (Formerly OBD-67), sets forth the information required to be disclosed concerning each foreign principal.

⁴ The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65), sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

III - ACTIVITIES

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11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, and 9 of this statement? Yes No

If yes, identify each such foreign principal and describe in full detail your activities and services:

Please refer to attachment B

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12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity⁵ as defined below? Yes No

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates and places of delivery, names of speakers and subject matter.

Please refer to attachment C

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes No

If yes, describe fully.

⁵ The term "political activities" means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS-MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes No

If no, explain why.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies⁶

Date	From whom	Purpose	Amount
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Please refer to attachment D

\$10,694,456

Total

(b) RECEIPTS - FUND RAISING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fund raising campaign⁷, any money on behalf of any foreign principal named in items 7, 8, and 9 of this statement? Yes No

If yes, have you filed an Exhibit D⁸ to your registration? Yes No

If yes, indicate the date the Exhibit D was filed. Date _____

(c) RECEIPTS - THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁹ other than money from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal? Yes No

If yes, furnish the following information:

Name of foreign principal	Date received	Description of thing of value	Purpose
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6, 7 A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. (See Rule 201(e).)

8 An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fund raising campaign and transmitted for a foreign principal.

9 Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) **DISBURSEMENTS - MONIES**

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, and 9 of this statement? Yes No

(2) transmitted monies to any such foreign principal? Yes No

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To whom	Purpose	Amount
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Please refer to attachment E

\$9,004,637

Total

(b) DISBURSEMENTS - THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value¹⁰ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, and 9 of this statement?

Yes No

If yes, furnish the following information:

Date disposed	Name of person to whom given	On behalf of what foreign principal	Description of thing of value	Purpose
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(c) DISBURSEMENTS - POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value¹¹ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes No

If yes, furnish the following information:

Date	Amount or thing of value	Name of political organization	Name of candidate
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^{10, 11} Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks" and the like.

V - INFORMATIONAL MATERIALS

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials ^{12?}
 Yes No

IF YES, RESPOND TO THE REMAINING ITEMS IN SECTION V.

17. Identify each such foreign principal.

Japan External Trade Organization (JETRO), Tokyo, Japan
 Ishikawa Prefectural Government
 Kanagawa Prefectural Government

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes No

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- Radio or TV broadcasts Magazine or newspaper articles Motion picture films Letters or telegrams
 Advertising campaigns Press releases Pamphlets or other publications Lectures or speeches
 Internet Other (specify) _____

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

- Public Officials Newspapers Libraries
 Legislators Editors Educational institutions
 Government agencies Civic groups or associations Nationality groups
 Other (specify) _____

21. What language was used in the informational materials:

- English Other (specify) _____

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes No

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act? Yes No

¹² The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

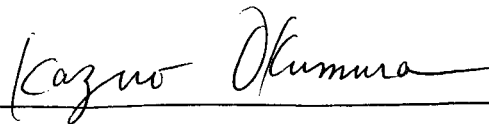
VI - EXECUTION

In accordance with 28 U.S.C. §1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature)

(Type or print name under each signature¹³)

July 30, 2007



Kazuo Okumura

President, JETRO New York

¹³ This statement shall be signed by the individual agent, if the registrant is an individual or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf

UNITED STATES DEPARTMENT OF JUSTICE
FARA REGISTRATION UNIT
National Security Division
WASHINGTON, D.C. 20530

NOTICE

Please answer the following questions and return this sheet in triplicate with your Supplemental Statement:

1. Is your answer to Item 16 of Section V (Informational Materials -- page 8 of Form CRM-154, formerly Form OBD-64-Supplemental Statement):

YES _____ _____ or NO _____

(If your answer to question 1 is "yes" do not answer question 2 of this form.)

2. Do you disseminate any material in connection with your registration:

YES _____ or NO _____

(If your answer to question 2 is "yes" please forward for our review copies of all material including: films, film catalogs, posters, brochures, press releases, etc. which you have disseminated during the past six months.)

Signature

July 30, 2007

Date

Tomohiro Tsuchiya

Please type or print name of
Signatory on the line above

Director, General Affairs

Title

SHORT-FORM REGISTRATION INFORMATION SHEET
SECTION A (ATTACHMENT)

LAST NAME	FIRST NAME	REGISTRATION DATE	REMARKS	TERMINATION DATE	ROLE
Ackroyd	James Cameron	2006/7/24	Still with JETRO New York	-	Researcher, Research & Planning
Akiyama	Hiroyuki	2004/10/19	Still with JETRO New York	-	Director, General Affairs
Fujii	Shinya	2002/6/17	As reported in our supplemental statement for the 6 month period ending June 30, 2007	2007/5/18	Executive Director, Public Affairs
Fukuda	Naoto	2006/3/21	As reported in our supplemental statement for the 6 month period ending June 30, 2007	2007/3/28	Trainee, Research & Planning
Hirabara	Kenji	2006/9/19	As reported in our supplemental statement for the 6 month period ending June 30, 2007	2007/5/25	Director, Public Affairs
Ichikawa	Tagui	2007/6/20	As reported in our supplemental statement for the 6 month period ending June 30, 2007		Director, Information Technology
Iino	Kazumi	2005/11/28	Still with JETRO New York	-	Business Advisor, Tennessee
Inoue	Noriyoshi	2005/11/18	Still with JETRO New York	-	Business Advisor, North Carolina
Iwata	Tsuyoshi	8/6/2004	Still with JETRO New York	-	Director, Agriculture & Fishery
Kajita	Akira	8/14/2006	Still with JETRO New York	-	Executive Director, Resesarch & Planning
Keller	Simon	7/3/2006	Still with JETRO New York	-	Project Coordinator, Public Affairs
Kimura	Keiichi	2005/4/8	Still with JETRO New York	-	Director, Public Affairs
Kohama	Teruhiko	2006/6/14	Still with JETRO New York	-	Director, Ship Building
Minami	Ryo	2007/6/22	Stillwith JETRO New York	-	Director, Trade Insurance
Mitsumata	Hiroki	2006/5/16	Still with JETRO New York	-	Director, Industrial Research
Moro	Kengo	2004/8/11	Still with JETRO New York	-	Director, Research & Planning
Nakao	Yasuhisa	2005/8/1	Still with JETRO New York	-	Director, Industrial Research
Nakayama	Takashi	2004/4/20	Still with JETRO New York	-	Director, Ishikawa Prefecture
Nakayama	Yoshihiro	2004/10/19	Still with JETRO New York	-	Director, Intellectual Property
Nishimoto	Keiichi	2006/8/27	Still with JETRO New York	-	Executive Director, Public Affairs
Nishihira	Kenya	2006/8/23	Still with JETRO New York	-	Director, Health & Welfare
Nishina	Takayuki	2005/7/25	Still with JETRO New York	-	Director, Research & Planning
Okumura	Kazuo	2006/8/17	Still with JETRO New York	-	President
Ono	Yota	2004/7/20	As reported in our supplemental statement for the 6 month period ending June 30, 2007	2007/6/29	Director, Trade Insurance
Reda	William	2007/2/12	Still with JETRO New York	-	Project Coordinator, Public Affairs
Sato	Taku	2007/4/17	Still with JETRO New York	-	Director, Business Development
Sawai	Tomoki	2005/6/15	Still with JETRO New York	-	Director, Intellectual Property
Shih	Dorothy	2006/5/23	As reported in our supplemental statement for the 6 month period ending June 30, 2007	2007/1/15	Researcher, Pension & Welfare
Silverbush	Mark	3/10/2004	Still with JETRO New York.	-	Researcher, Research & Planning
Tada	Akihiro	7/30/2004	As reported in our supplemental statement for the 6 month period ending June 30, 2007	2007/7/22	Executive Director, General Affairs
Takahashi	Kei	10/02/2006	Still with JETRO New York	-	Trainee, Research & Planning
Tanaka	Hiroyuki	7/1/2006	Still with JETRO New York	-	Director, Trade Insurance
Tanaka	Yumiko	1/27/2006	Still with JETRO New York	-	Project Coordinator, Public Affairs
Toda	Shigehiko	2004/7/20	As reported in our supplemental statement for the 6 month period ending June 30, 2007	2007/3/28	Director, Ship Machinery
Toyama	Tsuyoshi	2005/7/18	Still with JETRO New York	-	Director, Industrial Research
Tsuchiya	Tomohiro	07/31/2002	Still with JETRO New York.	-	Director, General Affairs
Ueda	Yoji	6/22/2005	Still with JETRO New York	-	Director, Research Technology
Watanabe	Hiroyoshi	7/30/2004	As reported in our supplemental statement for the 6 month period ending June 30, 2007	2007/6/22	Director, Information Promotion
Watanabe	Yumiko	7/9/2006	Still with JETRO New York	-	Director, Pension & Welfare

SHORT-FORM REGISTRATION INFORMATION SHEET
SECTION A (ATTACHMENT)

LAST NAME	FIRST NAME	REGISTRATION DATE	REMARKS	TERMINATION DATE	ROLE
Yajima	Haruko	7/24/2006	Still with JETRO New York	-	Researcher, Intellectual Property
Yamada	Ryohei	10/19/2004	Still with JETRO New York	-	Director, Research & Planning
Yamaguchi	Kazuki	2006/4/3	Still with JETRO New York	-	Trainee, Public Affairs
Yamazaki	Kunihiro	2007/3/22	Still with JETRO New York	-	Trainee, Research & Planning

JETRO New York (Reg. #1643)

Response to Item 4(a)

The following individuals have ceased acting as officials of the registrant during the six-month period ending June 30, 2007.

<u>Name</u>	<u>Position</u>	<u>Date Connection Ended</u>
Shinya Fujii	Director, Public Affairs	5/18/07
Naoto Fukuda	Trainee, Research & Planning	3/28/07
Kenji Hirabara	Director, Public Affairs	5/25/07
Yota Ono	Director, Trade Insurance	6/29/07
Dorothy Shih	Researcher, Pension & Welfare	1/15/07
Akihiro Tada	Executive Director, General Affairs	7/22/07
Shigehiko Toda	Director, Ship Machinery	3/28/07
Hiro Yoshi Watanabe	Director, Information Promotion	6/22/07

Response to Item 4(b), 5(a) & 5 (c)

The following individuals have become officials of the registrant during the six-month period ending June 30, 2007.

Name: William Richard Reda
Resident Address: 40-39 48th St., Apt D2, Sunnyside, NY 11104
Citizenship: American
Position: Project Coordinator, Public Affairs
Date Assumed: 2/12/07
Description of Service: As a Project Coordinator of Public Affairs at JETRO New York, he oversees Public Affairs' activities on behalf of JETRO Tokyo and promotes mutually beneficial trade and economic relations between the United States and Japan. His activities may include provision of information and material relating to Japanese economy and business.

Name: Kunihiro Yamazaki
Resident Address: 30 River Road, Apt 3E, New York, NY 10044
Citizenship: Japanese
Position: Trainee, Research and Planning
Date Assumed: 3/22/07
Description of Service: As a trainee in the Department of Research and Planning of JETRO New York, he engages in information gathering research and analysis of economic and trade issues involving the United States for JETRO Tokyo.

Name: Taku Sato
Resident Address: 210 East 68th St., #4M, New York, NY 10017
Citizenship: Japanese
Position: Director, Business Development
Date Assumed: 4/17/07
Description of Service: As Director of Business Development at JETRO New York, he oversees Business Development activities on behalf of JETRO Tokyo and promotes mutually beneficial trade and economic relations between the United States and Japan. His principal activities may include provision of information and material relating to Japanese economy and business.

Name: Tagui Ichikawa
Resident Address: 125 West 31st St. #55H, New York, NY 10001
Citizenship: Japanese
Position: Director, Information Technology
Date Assumed: 6/20/07
Description of Service: As Director of Information Technology at JETRO New York, he oversees Information Technology activities on behalf of JETRO Tokyo and promotes mutually beneficial trade and economic relations between the United States and Japan. His activities may include provision of information and material relating to Japanese economy and business.

Name: Ryo Minami
 Resident Address: 93 Cos Cob Ave., Cos Cob, CT 06807
 Citizenship: Japanese
 Position: Director, Trade Insurance
 Date Assumed: 6/22/07
 Description of Service: As Director of Trade Insurance at JETRO New York, he oversees Trade Insurance activities on behalf of JETRO Tokyo and promotes mutually beneficial trade and economic relations between the United States and Japan. His activities may include provision of information and material relating to Japanese economy and business.

Response to Item 5(b)

The following individuals (who have filed a short-form registration statement) left their respective positions during the six-month period ending June 30, 2007.

<u>Name</u>	<u>Position</u>	<u>Date Connection Ended</u>
Shinya Fujii	Director, Public Affairs	5/18/07
Naoto Fukuda	Trainee, Research & Planning	3/28/07
Kenji Hirabara	Director, Public Affairs	5/25/07
Yota Ono	Director, Trade Insurance	6/29/07
Dorothy Shih	Researcher, Pension & Welfare	1/15/07
Akihiro Tada	Executive Director, General Affairs	7/22/07
Shigehiko Toda	Director, Ship Machinery	3/28/07
Hiro Yoshi Watanabe	Director, Information Promotion	6/22/07

JETRO New York (Reg. #1643)

Response to Item 11:

Japan External Trade Organization (JETRO), Tokyo, Japan:

The Japan External Trade Organization (JETRO), established by a special law in Japan, is a non-profit, Japanese-government supported organization dedicated to promoting mutually beneficial trade and economic relations between Japan and other countries.

In the United States, JETRO currently maintains offices in New York, San Francisco, Chicago, Los Angeles, Houston, and Atlanta. These offices provide information relating to the Japanese economy and business as well as U.S.-Japan economic and trade relations and engage in various activities to promote trade and direct investment between Japan and the United States. JETRO offices in the United States are believed to serve similar functions as those of the United States Trade Center (of the United States Department of Commerce) established in Japan.

As the New York-based office of JETRO, JETRO New York provides to public officials, corporations, associations, individuals and any other interested parties information and materials relating to various aspects of Japanese economy and business as well as U.S.-Japanese economic and trade relations. JETRO New York also monitors the development of U.S. economic and market conditions for JETRO.

Ishikawa Prefectural Government:

JETRO New York also serves as a branch office of the Ishikawa Prefectural Government. As such, JETRO New York engages, to a limited extent, in activities to promote mutually beneficial economic and business relations between the United States and the Ishikawa Prefectural Government. As part of such activities, JETRO New York provides information and materials relating to the Ishikawa Prefectural Government. It also monitors U.S. economic and market conditions for the Ishikawa

Prefectural Government.

Kanagawa Prefectural Government

JETRO New York also serves as a branch office of the Kanagawa Prefectural Government. As such, JETRO New York engages, to a limited extent, in activities to promote mutually beneficial economic and business relations between the United States and the Kanagawa Prefectural Government. As part of such activities, JETRO New York provides information and materials relating to the Kanagawa Prefectural Government. It also monitors U.S. economic and market conditions for the Kanagawa Prefectural Government.

JETRO New York (Reg. #1643)

Response to Item 12:

During this six-month period, JETRO New York organized or participated in the following activities:

Date	Activities	Location	Speaker (including Non-JETRO speakers)
1/08/07-1/11/07	Organized Business Matching Event at Consumer Electronics Show (CES)	Las Vegas, NV	No Speakers
1/25/07	Organized a seminar on U.S. pension issue	JETRO, NY	Mr. David Zion, Credit Suisse Securities
1/24/07	Made a presentation on Japanese Invalidation Trial System	New Orleans	Mr. Tomoki Sawai, American Intellectual Property Law Association, (AIPLA) IP Practice in Japan Committee Meeting
1/28-2/01/07	Organized New York Int'l Gift Show	New York, NY	No Speakers
2/28/07	Organized a seminar on U.S. pension issue	JETRO, NY	Mr. Jeffrey Collins, Wellington Management
3/04-3/06/07	Organized Int'l Restaurant & Foodservice Show of NY	New York, NY	No Speakers
3/04-3/06/07	Organized Japanese food market exploration mission and	New York, NY	Mr. Keizo Tsuchiya, President JETRO Los Angeles

	seminar				Mr. Osamu Mizutani, President JETRO Toronto Mr. Tsuyoshi Iwata, JETRO NY; Mr. Karou Ishiguro, Freelance Writer Mr. Kazuhiro Kinoshita, Clearance Advisor, Kino's Office
3/05/07	Organized Japanese Food Culture Symposium		New York, NY		Mr. Yusaburo Mogi, Chairman & CEO, Kikkoman Corp. Mr. Masaharu Morimoto, Chef-Owner, Morimoto NY and Philadelphia Mr. Daniel Boulud, Chef-Owner, Daniel Ms. Elizabeth Andoh, Japanese Culinary Consultant Mr. Jeffrey Steingarten, Food Critic
3/05/07	Organized Seminar on Gastronomic Discovery-An Evening of Japanese Food Culture		New York NY		Ms. Elizabeth Andoh, Japanese Culinary Consultant Ms. Jonathan Reynolds, Journalist and Playwright Mr. Masahiro Kuris and Motoi Kuris, Owner-Chef, Tankuma Mr. Kenichi Hashimoto, Owner-Chef, Ryozanpaku Mr. David Bouley, Owner-Chef, Bouley
3/28/07	Organized a seminar on U.S. pension issue		JETRO NY		Mr. Robert Tipp, Prudential Financial

5/2/07	Organized a seminar on U.S. pension issue	JETRO NY	Mr. Masaharu Usuki, NLI Research Institute
5/07/07	Organized BIO2007 Int'l seminar on Agriculture R&D in Biomass Conversion for Renewable Energy	Boston, MA	<p>Mr. Hiroshi Tsukamoto, President, JETRO Tokyo</p> <p>Mr. Shinya Yokoyama, Ph.D., Professor, The University of Tokyo</p> <p>Mr. Hideaki Yukawa, Ph.D. Chief Researcher and Group Leader, Microbiology Research Group, Research Institute of Innovative Technology for the Earth (RITE)</p> <p>Mr. Satoshi Ohara, Dep. Manager, Engineering & Tech Dev. Lab, Asahi Breweries, Lt.</p> <p>Mr. Akio Nishijima, Ph.D .Senior Advisor for Int'l Affairs, National Institute of Advanced Industrial Science and Technology (AIST)</p>
5/08/07	Organized BIO2007 International seminar on Partnering with Japanese Biotech	Boston, MA	<p>Mr. Hiroshi Tsukamoto, President JETRO Tokyo</p> <p>Mr. Thomas Foster, Vice President, IMS Health</p> <p>Mr. Hiromichi Kimura, Ph.D. CEO and Partner, Fast Track Initiative, Inc.</p> <p>Mr. Goro Takeda, Kauffman Fellow, Itochu Corporation</p> <p>Mr. Hongzhi Bai, MD.,Ph.D., Vice President .Product Management & Medical Affairs, AnGes Inc.</p>

5/8/07	Organized seminar on Japan's New Policy toward East Economic Integration	Boston, MA Harvard Univ.	Mr. Hiroshi Tsukamoto, President, JETRO Tokyo
5/8/07	Organized seminar on Discovering "Japanese Cool"	Medford, MA Tufts University	Mr. Hiroshi Tsukamoto, President, JETRO Tokyo
6/04-6/05/07	Participated in Trade Show	Louisville, KY	
6/6/07	Organized a seminar on U.S. pension issue	JETRO, NY	Mr. Yugo Nakamura, RNK Capital
6/27/07	Organized a seminar on U.S. pension issue	JETRO, NY	Mr. Keiichi Omura, New York University

JETRO New York (Reg. # 1643)

Response to Item 14(a) Receipts-Monies:

During this six-month period, JETRO New York received the following amount of money for general purposes from Japan External Trade Organization (JETRO), Tokyo, Japan.

Month	Amount
January	\$1,167,165
February	\$702,367
March	\$1,209,271
April	\$2,607,600
May	\$2,542,477
June	\$2,465,576
Total	\$10,694,456

JETRO New York (Registration No. 1643)
Supplemental Statement for the six-month period ending June 30, 2007

Response to Item 15.(a)

During this 6-month period, JETRO New York disbursed or expended monies in connection with its activities on behalf of its foreign principal (JETRO Tokyo), Ishikawa Prefectural Government and Kanagawa Prefectural Government as follows:

Month	Item	Purposes	Amount	
January 2007	Salaries		\$217,659	
	Office and Administrative Expenses	Office rent		\$139,850
		Insurance and employee		\$20,147
		Housing Allowance		\$108,383
		Telephone, facsimile, mail, courier and other communications-related expenses		\$12,953
		Equipment leasing and office supplies		\$10,263
		Business travel		\$72,983
		Renovation		\$19,505
		Outside service (Legal Service)	Fragomen, Del Rey, Bernsen & Loewy, LLP, 515 Madison Ave. New York NY 10022	
	Bingham McCutchen Murase, 399 Park Avenue, New York, NY 10022-4689			\$16,959
	Outside services (Research & Consulting)	International Marine Associates, 1250 24th St. NW, Washington DC 20037		\$5,000
		Washington Nichibei Consultant, 2001 North Adams St., Unit #707, Arlington, VA 22201		\$1,800
		Washington Core, 4340 East West Highway, Suite 1110, Bethesda, MD 20814		\$11,350
		Sally J. Campen, 1350 Beverly Road #278, Mclean, VA 22101		\$4,000
		Cumix, Inc. 950 Lexington Ave., New York, NY 10021		\$35,168
		En Group International, LLC, 350 West 50th St, #3K, NY NY 10019		\$2,600
		Shigeyuki Yamamoto, Mystic River Partners, 123 Wyman St., Medford, MA 02155		\$2,500
		East Wing LLC, 2208 Haniman Park Dr., Cary, NC 27513		\$2,000

Month	Item	Purposes	Amount
		Mira Design Corp, 231 West 39th St., #1012, NY NY 10018	\$6,000
		Copeland Consulting, 1638 Sunset Circle, Dimmitt, TX 79027	\$22,500
		ITTA Inc, 2120 L St., NW, Ste. 400, Washington DC 20037	\$16,500
		Conservation Strategies, LLC, 1920 L St. NW, Ste. 500, Washington, DC 20036	\$10,000
		Malmgren Global LLC, 648 Holly Corner Rd, Fredericksburg, VA 22406	\$10,000
		Washington Policy Analysis, 1025 Thomas Jefferson St., NW, Ste. 530 East, Washington DC 20007	\$10,000
	Outside Services, (Public Relations)	Manny Stone Decorators, 5 Candeub Ct., Manalapan, NJ 07726	\$25,000
	Other miscellaneous expenses		\$98,684
TOTAL			\$885,339

Month	Item	Purposes	Amount
February 2007	Salaries		\$222,077
	Office and Administrative Expenses	Office rent	\$144,611
		Insurance and employee	\$26,146
		Housing Allowance	\$108,383
		Telephone, facsimile, mail, courier and other communications-related expenses	\$13,901
		Equipment leasing and office supplies	\$9,425
		Business travel	\$67,821
		Renovation	\$133,329
		Outside service (Legal Service)	Fragomen, Del Rey, Bernsen & Loewy, LLP, 515 Madison Ave. New York NY 10022
	Morrison & Forester LLP, 1290 Ave. of the Americas, NY NY 10104		\$4,299
	Bingham McCutchen Murase, 399 Park Avenue, New York, NY 10022-4689		\$6,202
	Outside services (Research & Consulting)	Meridian Strategies, 1800 K Street, NW, Suite 1122, Washington DC 20006	\$15,000
		Washington Nichibei Consultant, 2001 North Adams St., Unite #707, Arlington, VA 22201	\$1,800
		Global Policy Group, 1101 16th St, NW, Washington DC 20036	\$8,500
		Gaeon International Strategies, Inc. 555 Main St., #204, New York, NY 10044	\$15,000
		En Group International, LLC 350 West 50th St, #3K, New York, NY 10019	\$2,600
		Hall Firer, Inc. 135 West 26th St., #10B, New York, NY 10001	\$2,329
		Washington Core, 4340 East West Highway, Suite 1110, Bethesda, MD 20814	\$2,250
		AALC Limited Company, 1550 Wilson Blvd., Ste. 701, Arlington, VA 22209	\$20,000
		Samuels International, 1140 Connecticut Ave., NW, Ste. 950, Washington, DC 20036	\$10,000
		Arnold & Porter LLP, 399 Park Ave. New York, NY 10022	\$12,500

Month	Item	Purposes	Amount
		Hudson Institute, 1015 15th St. NW, 6thFl., Washington DC 20005	\$42,500
		The MITA Group, LLC, 1101 30th St., NW, Ste. 500, Washington DC 20007	\$10,000
		Global USA, Inc. 2121 K St., NW, Ste. 650, Washington, DC 20037	\$7,500
		Carnegie Council for Ethics in International Affairs, 170 E. 64th St., New York, NY 10021	\$10,000
		LPI Consulting, Inc. 1031 31st St.NW, Washington DC 20007	\$20,000
		Center for Strategic and International Studies (CSIS), 1800 K St., NW, 4th Fl, Washington DC 20006	\$10,000
		ConservationaStrategies, LLC, 1920 L St., NW, Ste. 500, Washington, DC 20036	\$10,000
		Eurasia Group, 475 5th Ave., 14th Fl., New York, NY 10017	\$20,000
		Covington & Burling, 1201 Pennsylvania Ave., NW, 11th Fl, Washington, DC 20004	\$10,000
		Strategic Energy and Global Analysis, LLC, 1919 Rhode Island Ave., McLean, VA 22101	\$12,500
		Washington Policy Analysis, 1025 Thomas Jefferson St., NW, Ste. 530 East, Washington DC 20007	\$10,000
		Halper and Associates, 126 Commonage Dr., Great Falls, VA 22066	\$11,000
	Outside Services, (Public Relations)	Manny Stone Decorators, 5 Candeub Ct., Manalapan, NJ 07726	\$21,997
		Spoon Exhibit Services, Inc., 1260 Research Forest Dr., Macedon, NY 14502	\$147,047
		Mao Public Relations, 580 Broadway, Suite 560, New York, NY 10012	\$5,000

Month	Item	Purposes	Amount
		MSA Partners LLC, 526 Fifth Ave., 9th Fl, New York, NY 10036	\$15,000
		New York Media Plus, 215 Park Ave. South #1405, New York, NY 10003	\$1,154
		Conde Nast Publications, PO Box 5350, New York, NY 10087	\$35,476
	Other miscellaneous expenses		\$380,325
TOTAL			\$1,615,504

Month	Item	Purposes	Amount	
March 2007	Salaries		\$214,854	
	Office and Administrative Expenses	Office rent		\$144,611
		Insurance and employee		\$37,696
		Housing Allowance		\$103,443
		Telephone, facsimile, mail, courier and other communications-related expenses		\$21,482
		Equipment leasing and office supplies		\$40,768
		Business travel		\$140,636
		Renovation		\$40,151
		Outside service (Legal Service)	Fragomen, Del Rey, Bernsen & Loewy, LLP, 515 Madison Ave. New York NY 10022	
	Morrison & Forester LLP, 1290 Ave. of the Americas, NY NY 10104			\$1,238
	Outside services (Research & Consulting)	East Wing LLC, 2208 Haniman Park Drive, Cary, NC 27513		\$3,800
		Washington Nichibei Consultant, 2001 North Adams St., Unite #707, Arlington, VA 22201		\$7,300
		MSA Partners 516 Fifth Ave, New York, NY 10036		\$6,300
		Center for Strategic and Int'l Studies, 1800 K Street, NW, Washington DC 20006		\$10,000
		Global Policy Group, 1101 16th St, NW, Washington DC		\$10,000
		KSK Communications, 45 Beth Drive, Fairfield, CT 06825		\$5,000
		China Strategic Advisory, 90 Park Avenue, Suite 1700, New York, NY 10016		\$8,000
		Int'l Technology and Trade Associates, 2120 L Street NW, Suite 400, Washington DC 20037		\$3,000
		Masaoka & Associates, Inc., 1000 Connecticut Avenue, NW, Suite 304, Washington DC 20036		\$4,000
		Washington Nichibei Consultant, 2001 North Adams St., Unite #707, Arlington, VA 22201		\$3,600

Month	Item	Purposes	Amount
		Kaoru Ishiguro, 330 East 38th St., New York, NY 10016	\$1,500
		Miguel Cardona, 3184 Grand Concourse Apt 6-E, Bronx, NY 10458	\$3,000
		International Access Corporation 1015 18th St., NW #504, Washington DC 20036	\$6,000
		En Group International, LLC 350 West 50th St., #3K, New York, NY 10019	\$11,000
		East Wing LLC, 2208 Haniman Park Drive, Cary, NC 27513	\$11,300
		Shigeyuki Yamamoto, Mystic River Partners, 123 Wyman St., Medford, MA 02155	\$7,000
		Hall Firer, Inc. 135 West 26th St, #10B, New York, nY 10001	\$25,000
		Mira Design Corporation, 231 West 39th St., #1012, New York, NY 10018	\$12,000
		Akiko Katayama, 250 West 50th St., #16U, New York, NY 10019	\$5,000
		Bridge Global Strategies, LLC 575 Lexington Ave., 15th Fl, New York, NY 10022	\$17,122
		Miguel Cardona, 3184 Grand Concourse Apt 6-E, Bronx, NY 10458	\$3,000
		Washington Nichibei Consultant, 2001 North Adams St., Unite #707, Arlington, VA 22201	\$15,300
		CoreMed America, LLC, 2111 Wilson Blvd., Suite 600, Arlington, VA 22201	\$3,000

Month	Item	Purposes	Amount
		Cogtec Corporation, 28 Church St., Suite 2, Winchester, MA 01890	\$10,000
		MSA Partners LLC, 526 Fifth Ave., 9th Fl, New York, NY 10036	\$31,000
		Bio Info Design, Inc., 5204 Tucheran Lane, #206, North Bethesda, MD 20852	\$3,000
		International Marketing Solutions, Inc., 250 West 57th St., New York, NY 10019	\$4,500
		Gaeon International Strategies, Inc., 555 Main St., #204, New York, NY 10044	\$950
		Sughru Mion, PLLC, 2100 Pennsylvania Ave., NW, Washington DC 20037-3213	\$20,000
		The Global Business Dialogue, Inc., 1140 Connecticut Ave., NW, Ste. 950, Washington DC 20036	\$3,000
		Constantine Canon, 1627 I St., NW, 10th Fl, Washington, DC 20006	\$20,000
		The MITA Group, LLC, 1101 30th St., NW, Ste. 500, Washington DC 20007	\$10,000
		Copeland Consulting, 1638 Sunset Circle, Dimmit, TX 79027	\$22,500
		Washington Policy Analysis, 1025 Thomas Jefferson ST. NW, Ste. 530 East, Washington DC 20007	\$10,000
		O'mara and Associates, 1255 23rd St., NW, Ste. 200, Washington DC 20037	\$10,000
		Halper and Associates, 126 Commonage Dr., Great Falls, VA 22066	\$11,000

Month	Item	Purposes	Amount
		Samuels International, 1140 Connecticut Ave., NW, Ste. 950, Washington DC 20036	\$10,000
		Arnold & Porter LLP, 399 Park Ave, New York, NY 10022	\$12,500
		Fauver Associates, 15211 Baufhman Dr., Silver Spring, MD 20906	\$20,000
		Strategic Energy and Global Analysis, LLC, 1919 Rhode Island Ave., McLean, VA 22101	\$12,500
	Outside Services, (Public Relations)	Waddy Studio, 648 Broadway, Suite 910, New York, NY 10012	\$15,259
		Spoon Exhibit Services, Inc., 1260 Research Forest Dr., Macedon, NY 14502	\$28,120
		Marriot New York Marquis, 1535 Broadway, New York, NY 10036	\$18,140
		Lebhar-Friedman, Inc., 425 Park Ave., New York, NY 10022	\$7,531
		Azix, Inc., 309 Fifth Ave., #302, New York, NY 10016	\$22,000
		Mao Public Relations, 580 Broadway, Suite 506, New York, NY 10012	\$5,000
		Gorgeous Entertainment, 226 West 47th St., New York, NY 10036	\$10,000
		Nikkei America, Inc., 1325 Ave. of the Americas, #2500, New York, NY 10019	\$12,000
		New York Media Plus, 215 Park Avenue South, #1405, New York, NY 10003	\$8,700
		Conde Nast Publications, 4 Times Square, 17th Fl, New York, NY 10036	\$70,953
		University City Science Center, 3701 Market St., Philadelphia, PA 19104	\$5,000
		Defined Exhibits, Inc., 4936 S. Rockwell, Chicago, IL 60632	\$45,586

Month	Item	Purposes	Amount
		Windover Information, Inc., 10 Hoyt St., Norwalk, CT 06851	\$8,000
	Other miscellaneous expenses		\$155,909
TOTAL			\$1,555,435

Month	Item	Purposes	Amount	
April 2007	Salaries		\$208,098	
	Office and Administrative Expenses	Office rent		\$139,211
		Insurance and employee		\$53,534
		Housing Allowance		\$102,751
		Telephone, facsimile, mail, courier and other communications-related expenses		\$8,229
		Equipment leasing and office supplies		\$10,317
		Business travel		\$21,404
		Renovation		\$97,981
		Outside services(Legal Service)	Fragomen, Del Rey, Bernsen & Loewy, LLP, 515 Madison Ave. New York NY 10022	
	Bingham McCutchen Murase LLP, 399 Park Ave., New York, NY 10022-4689			\$25,635
	Outside services (Research&Consulting)	Meridian Strategies, 1800 K Street, NW, Suite 1122, Washington DC 20006		\$5,000
		Global Trade Information, 2218 Devine St, Columbai, SC 29205		\$209,615
		Copeland Consulting, 7005 Westbury Drive, Amarillo, TX		\$20,000
		Bereskin & Parr, Scotia Plaza, 40 King St West, 40th Floor, Tronto, Ontario, Canada M5H 3Y2		\$20,000
		Center for Strtegic and Int'l Studies, 1800 K Street, NW, Washington DC 20006		\$60,000
		Global Intellectual Porperty Strategy Center, P.C. 910 17th St., NW, Suite 800, Washington DC 20006		\$25,000
		Bingham McCutchen Murase LLP, 2020 K Street, NW, Washington DC 20006		\$18,500
		International Technology and Trade Associates, 2120 L St., NW, Suite 400, Washington DC 20037		\$12,000
		Malmgren Group, 1000 Connecticut Avenue, NW, Suite 304, Washington, DC 20036		\$28,000

Month	Item	Purposes	Amount
		Masaoka & Associates, Inc., 1000 Connecticut Avenue, NW, Suite 304, Washington DC 20036	\$50,400
		Washington Core, 4340 East West Highway, Suite 1110, Bethesda, MD 20814	\$62,100
		Washington Nichibei Consultant, 2001 North Adams St., Unite #707, Arlington, VA 22201	\$3,600
		Linda J. Malin, Esq., 555 West 23rd St, Suite S-3N, New York, NY 10011	\$1,500
		Westerman, Hattori, Daniels, & Adrian, LLP 1250 Connecticut Ave., NW, Suite 700, Washington, DC 20037	\$40,000
		Global Policy Group, 1101 16th St., NW, Washington DC 20036	\$8,500
		Washington Core, 4340 East West Highway, Suite 1110, Bethesda, MD 20814	\$21,000
		Zinger Planning, 61-22 168th St., 1st Floor, Fresh Meadows, NY 11365	\$2,500
		Global Intellectual Property Strategy Center, 910 17th St., NW, Ste. 800, Washington DC 20006	\$7,500
		Global USA, Inc., 2121K St. NW, Ste. 650, Washington, DC 20037	\$7,500
		e-Regs, Inc. 7272 Wisconsin Ave., Ste. 300, Bethesda, MD 20814	\$20,000
		Canonbury Advisors, LLC, 1001 G ST., NW, Ste. 460 West, Washington, DC 20001	\$10,000
		ITTA, 2120 L ST., NW, Ste. 400, Washington, DC 20037	\$16,500

Month	Item	Purposes	Amount
		Asiamerica Research Associates, 450 7th Ave., Rm 808, New York, NY 10123	\$27,500
		DTB Associates, LLP, 901 New York Ave., NW, 3rd Fl, Washington DC 20001	\$18,000
		O'mara and Associates, 1255 23rd St., NW, Ste. 200, Washington, DC 20037	\$20,000
		AALC Limited Company, 1550 Wilson Blvd., Ste. 701, Arlington, VA 22209	\$40,000
		Covington & Burling, 1201 Pennsylvania Ave., NW, 11th Fl, Washington DC 20004	\$80,000
		Center for Strategic and International Studies (CSIS), 1800 K ST., NW, 4th Fl, Washington DC 20006	\$30,000
		Armitage International, 2300 Clarendon Blvd., Ste. 601, Arlington, VA 22201	\$10,000
		Henry L Stimson Center, 1111 19th St., NW, 12th Fl, Washington DC 20036	\$25,000
		Carnegie Council for Ethics In'tl Affiars, 170 E. 64th St., New York, NY 10021	\$10,000
		Conflict Securities Advisory Group, 1002 Wisconsin Ave.,NW, Townhouse Levels 3 & 4, Washington DC 20007	\$12,000
		World Perspectives, Inc., 1025 Thomas Jefferson ST.,NW, Ste.530 East, Washington, DC 20007	\$15,000
		Alston & Bird, LLP, The Atlantic Bldg., 950 F St., NW, Washington, DC 20004	\$10,000

Month	Item	Purposes	Amount
		TKC International, 1800 K ST., NW, Ste. 1122, Washington, DC 20006	\$10,000
		Carnegie Endowment for Int'l Peace, 1779 Massachusetts Ave., NW, Washington DC 20036	\$25,000
		DTB Associates, LLP, 901 New York Ave., NW, 3rd Fl, Washington DC 20001	\$18,000
		Eurasia Group, 475 5th Ave., 14th Fl., New York, NY 10017	\$95,000
		Strategic Energy and Gloval Analysis, LLC, 1919 Rhode Island Ave., McLean, VA 22101	\$15,000
		The Middle East Institute, 1761 N St., NW, Washington DC 20036	\$6,500
		Malmgren Global LLC, 648 Holly Corner Rd, Fredericksburg, VA 22406	\$10,000
		Hudson Institute, 1015 15th St., NW, 6th Fl, Washington DC 20005	\$30,000
		Canonbury Advisors, LLC, 1001 G ST., NW, Ste. 460 West, Washington, DC 20001	\$10,000
	Outside services (Public Relations)	Defined Exhibits, Inc., 4936 S. Rockwell, Chicago, IL 60632	\$68,380
		The New York Times Company, 229 West 43rd St., New York, NY 10036	\$99,575
	Other miscellaneous expenses		\$430,975
TOTAL			\$2,448,409

Month	Item	Purposes	Amount
May 2007	Salaries		\$216,351
	Office and administrative expenses	Office rent	\$139,136
		Insurance and employee benefits	\$17,621
		Housing Allowance	\$95,517
		Telephone, facsimile, mail, courier and other communications-related expenses	\$16,965
		Equipment leasing and office supplies	\$7,087
		Business travel	\$47,932
		Renovation	\$224,542
		Outside service (Legal Service)	Morrison & Foerster LLP, 1290 Avenue of the Americas, NY NY 10104
	Fragomen, Del Rey, Bernsen & Loewy, LLP, 515 Madison Ave. New York NY 10022		\$73,300
	Outside services (Research & Consulting)	White & Case LLP, 701 13th St, NW, Washington, Dc 20005	\$50,000
		Washington Nichibei Consultant, 2001 North Adams St., Unit #707, Arlington, VA 22201	\$1,800
		Linda J. Malin, Esq. 555 West 23rd St., Suite S-3N, New York, NY 10011	\$1,500
		Zinger Planning, 61-22 168th St., 1st Floor, Fresh Meadows, NY 11365	\$3,000
		Bridge Global Strategies LLC, 575 Lexington Ave., 15th Fl, New York, NY 10022	\$2,400
		Washington Core, 4340 East West Highway, Suite 1110, Bethesda, MD 20814	\$5,850
		Rader, Fishman & Grauer PLLC, 1233 20th St., NW, Suite 501, Washington DC 20036	\$10,000
		PFC Energy, 1300 Connecticut Ave., NW, Ste. 800, Washington, DC 20036	\$11,400
		Global Intellectual Property Strategy Center, 910 17th St., NW, Ste. 800, Washington DC 20006	\$7,500

Month	Item	Purposes	Amount
		Eurasia Group, 475 5th Ave., 14th Fl, New York, NY 10017	\$25,000
		Fauver Associates, 15211 Baughman Dr., Silver Spring, MD 20906	\$5,000
	Outside services (Public Relations)	Defined Exhibits, Inc. 4936 S. Rockwell, Chicago, IL 60632	\$131,824
		New York Media Plus, 215 Park Ave., South #1405, New York, NY 10003	\$2,529
		George Little Management, LLC, 10 Bank St., White Plains, NY 10606	\$14,283
		American Chemical Society, 1155 16th St., NW, Washington DC 20036	\$4,680
		Biotechnology Industry Organization, 1201 Maryland Ave., SW #900, Washington, DC 20024	\$3,200
		Other miscellaneous expenses	
TOTAL			\$1,419,593

Month	Item	Purposes	Amount
June 2007	Salaries		\$284,216
	Office and administrative expenses	Office rent	\$139,254
		Insurance and employee benefits	\$25,077
		Housing Allowance	\$92,269
		Telephone, facsimile, mail, courier and other communications-related expenses	\$13,387
		Equipment leasing and office supplies	\$8,636
		Business travel	\$46,406
	Outside services (Legal Service)	Fragomen, Del Rey, Bernsen & Loewy, LLP, 515 Madison Ave. New York NY 10022	\$12,420
	Outside services (Research & Consulting)	Saunders & Company, 1015 Duke St, Alexandria, VA 22314-3511	\$13,000
		International Marine Associates, 1250 24th St. NW, Washington DC 20037	\$11,500
		Washington Nichibei Consultant, 2001 North Adams Street, Unite #707, Arlington, VA 22201	\$1,800
		Global Policy Group, 1101 16th St., NW, Washington DC 20036	\$8,500
		NYCOARA, 6 Sealey Avenue, Apt #6G, Hempstead, Ny 11550-1233	\$2,000
		Washington Core, 4340 East West Highway, Suite 1110, Bethesda, MD 20814	\$9,925
		East Wing LLC, 2208 Haniman Park Dr., Cary, NC 27513	\$2,000
		Shigeyuki Yamamoto, Mystic River Partners, 123 Wyman St., Medford, MA 02155	\$2,000
		Carnegie Endowment for Int'l Peace, 1779 Massachusetts Ave., NW, Washington, DC 20036	\$25,000
Eurasia Group, 475 5th Ave., 14th Fl, New York, NY 10017		\$25,000	

Month	Item	Purposes	Amount
		Carnegie Council for Ethics in International Affairs, 170 E. 64th St., New York, NY 10021	\$10,000
		Center for Strategic and International Studies (CSIS), 1800 K St., NW, 4th Fl., Washington DC 20006	\$20,000
	Outside services (Public Relations)	Mao Public Relations, 580 Broadway, Suite 506, New York, NY 10012	\$5,000
	Other miscellaneous expenses		\$322,967
TOTAL			\$1,080,357

JAPAN CONSOLIDATES ITS GAINS AND ACHIEVEMENTS

FEBRUARY 2007

As investors recognized the extent of Japan's economy recovery in 2005, its primary Nikkei 225 index rose by an extremely strong 40%+. This performance exceeded all other major markets. The index appreciated an additional 6.9% in 2006 -- its fourth consecutive annual increase. In comparison, the US Dow Jones Industrial Average closed about even during 2005 and rose 16% last year.

This change in relative performance, whereby Japan followed a dramatic 2005 rise with a less vigorous advance in 2006 -- combined with less media attention, the inauguration of a new government -- has led many analysts to question whether progress in Japan has stalled, and to ask what the country has been doing to maintain positive momentum.

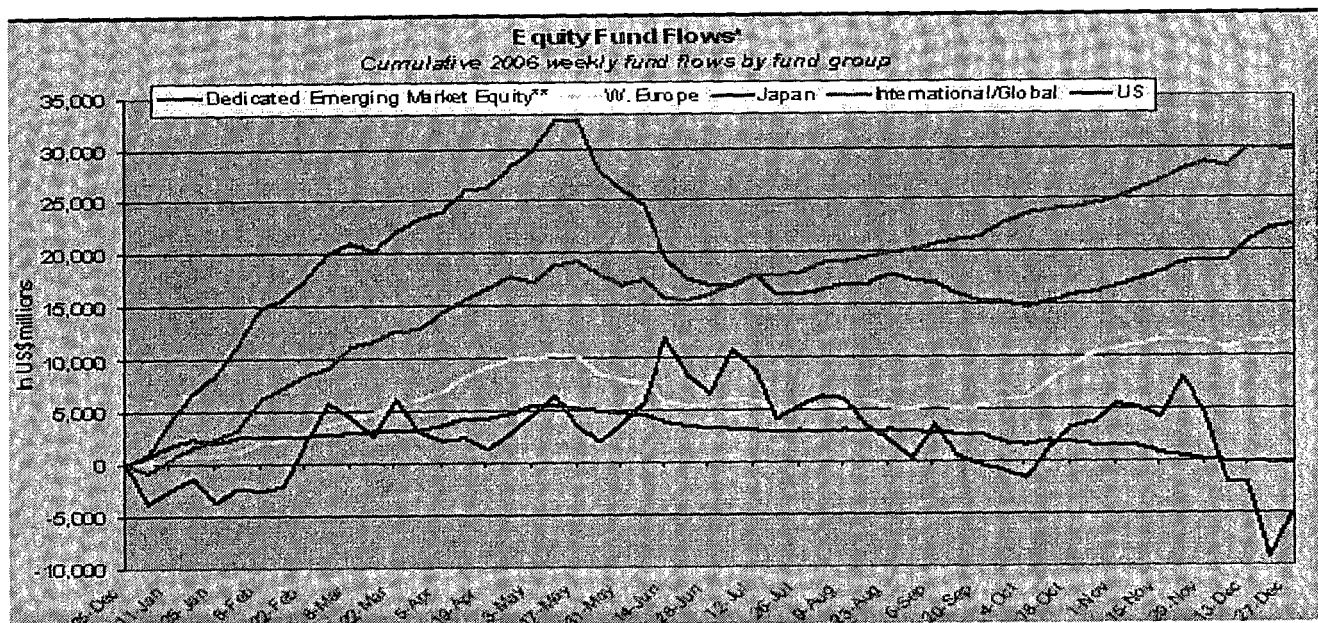
To maintain sustainability, however, every economic advance must be followed by a period of consolidation. This is a time when gains are absorbed, adjustments made, and a foundation laid for further progress. In Japan's case, this has meant preserving a social consensus behind necessary economic adjustments, bolstering Japan's capacity to promote innovation, and developing value-added industries and services. Furthermore, it has involved efforts to broaden the reform agenda first adopted in 1996 and other subsequent policy measures, and to further advance the economic integration and dynamism of East Asia.

IN THIS ISSUE:

- **Japan Maintains Investor Confidence Despite Movement Toward More Risky Assets**
- **Japan Enhances Innovation, Education and Development of Value-Added Industries and Services**
- **Japan is Maintaining its Commitment to Reform and Rationalization**
- **Japan is Moving to Enhance the Economic Integration of East Asia**
- **Some Economic Indicators Show Strength While Others Show Signs of Moderation**
- **There is Optimism over the Prospects for the Japanese Economy in 2007**

Japan Maintains Investor Confidence Despite Movement Toward More Risky Assets

While most US market indices outperformed Japan in 2006, it is interesting to note many investors pulled back on their US investments while maintaining their enthusiasm for Japan. This can be seen in funds flow data in equity funds tracked by emergingportfolio.com, which indicates that Japan-related funds remained relatively level while US Equity Funds registered outflows of more than \$10 billion over the past year. The ability of Japan to maintain investor confidence after their large 2005 advance, however, and to not only hold onto these gains but to advance further, is a very positive sign, despite the slower advance seen over the past year.



Source: Emerging Portfolio Fund Research (EPFR)

One can ask why investors have maintained their holdings, particularly given the gains and momentum seen in emerging markets and other markets that achieved higher gains. Partly this is a matter of their having been far underweight Japan for almost a decade. It is also recognition of the progress that Japan has achieved in addressing the diverse range of economic and social issues that had been constraining its economic performance.

Although Japan adopted a variety of policy initiatives after the economic bubble burst in 1990,

Japan's recovery began in earnest in 2001 after Prime Minister Junichiro Koizumi assumed office. Prime Minister Koizumi proved willing to challenge established interests and political, social and economic conventions, while moving to push through the reforms necessary to reinvigorate the country. This included transformation of the old development model into a new structure that would enhance Japan's productivity, competitiveness, and overall ability to meet the challenges of the 21st century. His administration cleaned up the banking sector, and introduced measures to enhance corporate governance, and privatize Japan's \$3 trillion Postal Savings System (PSS). His administration also began to privatize some government services, cut public works spending, and create a regulatory and financial environment more supportive of R&D.

For their part, Japanese businesses reduced debt, eliminated unprofitable divisions, unwound cross-shareholdings, introduced stricter management controls, and moved to devote greater attention to profitability and shareholder value as opposed to market share. They also began to invest abroad--not only to tap into sales opportunities -- but also to lower production costs. Noteworthy, too, was a rise in business investment and R&D expenditures. This, along with a rationalization of the work force, helped to increase productivity. In total, these changes enabled major Japanese firms like Mitsubishi, Matsushita and Toyota to bolster profits, returns on equity, and dividend payouts.

These much needed changes helped to introduce market-based incentives, spur economic growth, elevate corporate profits, and reduce unemployment. Concurrently, however, they induced a variety of dislocations such dramatic changes in corporate values and an increasing reliance on part-time, rather than traditional full-time employees. Given this, and the rapidity of the changes which transpired before assuming office, it is not surprising, and not entirely undesirable that the Abe administration is taking extra care to build the bureaucratic, legislative, and social base required to maintain social consensus. This is necessary to maximize the gains achieved from past initiatives as it moves to lay the foundation for the next stage of advances.

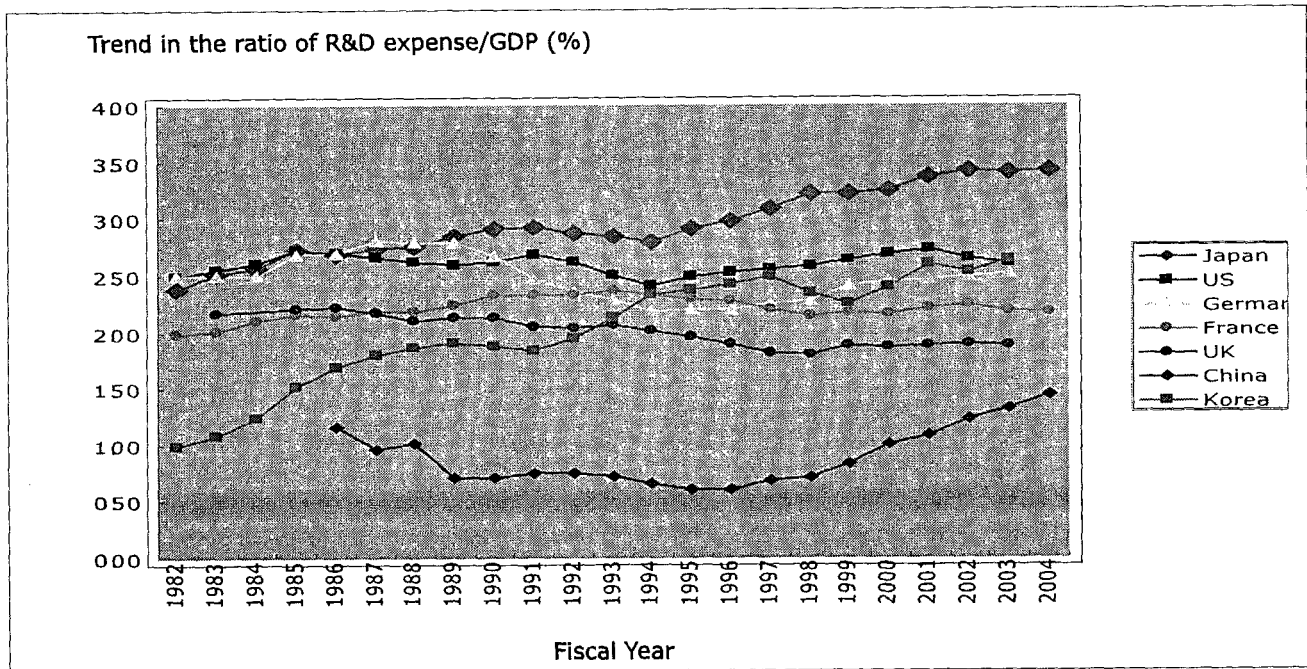
Japan Enhances Innovation, Education and Development of Value-Added Industries and Services

Until the late 1980s Japan was able to compete based on its ability to manufacture products more efficiently -- not only more efficiently than competitors in the US and Western Europe but

also emerging economies -- who had not yet achieved the same level of technical proficiency.

Over the last two decades, however, a host of other economies, including, but not limited to South Korea, Taiwan and the Peoples Republic of China have absorbed Japanese techniques and methods. When combined with demographic trends and rising labor costs/living standards, Japan, has been required to make a concerted effort to maintain its competitive position by supporting innovation. This includes expanding value-added industries and services, and developing its own intellectual property. It has become important to reform the Japanese education system as well.

The chart below reveals that Japan has historically compared well with other major economic players on an R & D expenses to GDP basis.



Source: METI (calculated from Science & Technology Summary published by MEXT)

Even so, the government recognizes the need to facilitate innovation in Japan. For this reason, it has developed an Innovation Super Highway program, which is working to facilitate

interactions between knowledge workers, domestic and foreign, businesses and academia. This will help to catalyze technological advances and the creation of intellectual property. Additionally, the government is subsidizing "intellectual cafes" or communities where individuals can gather both physically and virtually to exchange ideas.

As for higher value-added industries and services, the government is offering financial support in areas such as nanotechnology, industrial robotics, and new generation batteries for automobiles. It is also considering the modification of Japan's Copyright Law to allow for search-engine servers to be located in Japan, to facilitate advances on next-generation technologies.

Such policies would build upon programs launched between 2005 and the beginning of 2007. These are designed to create the world's fastest patent examination system, to increase punishments for patent infringement, trademark rights, and trade secrets, and to create programs on intellectual property at law and graduate schools. Joined with measures to reduce patent fees and support local government intellectual property strategies, these actions will facilitate Japan's acquisition of its own intellectual property.

Particularly encouraging for Japan's future growth prospects is the fact that research outlays by companies, universities, and government-supported research institutes hit a record 17.85 billion yen in fiscal 2005. This was an increase of 5.4 percent over fiscal 2004 and the 6th straight fiscal year of increase.

With respect to educational reform, Prime Minister Shinzo Abe recently shepherded an amendment of the Fundamental Law of Education through the Japanese Diet. This was done, in the Prime Minister's words, partly to promote "a spirit of public-mindedness and self-discipline, moral values and attachment to and affection for one's own community and the nation." Also important, however, is a desire to improve the skills of Japanese youth. This is essential to ensure the availability of the skilled workforce necessary to support higher value-added production activities. Related to this, a government panel on education reform is expected to propose, in coming months, a more stringent curriculum, teacher

licensing system, and national achievement test.

Japan is Maintaining its Commitment to Reform and Rationalization

Many commentators have remarked that Prime Minister Koizumi's greatest achievement was to use his personal charisma to overcome traditional Japanese "conservativeness", established political coalitions, and a general aversion to radical change. This helped to push forward an agenda that emphasized the need for reform and the dramatic adjustments necessary to overcome the structural inefficiencies that had been constraining Japan's economic performance.

Newly elected Prime Minister Abe seems to have a very different style than his predecessor. It would be a mistake, however, to believe Japan has reversed course and is no longer dedicated to the course embarked upon with the adoption of the Action Plan for Economic and Structural Reform in 1996. Indeed, the Abe administration is moving on a variety of fronts to address remaining political, budgetary, and social issues.

For example, to bolster its political integrity, the Liberal Democratic Party (LDP) readmitted 11 of its 12 former members, who were ousted for opposing the Postal Savings System privatization, only after they signed a pledge accepting the privatization. To enhance the public's trust -- which is vital for new reform initiatives -- the LDP-led Diet passed legislation in early December which imposes tougher penalties on bureaucrats involved in bid-rigging and criminalizes the act of abetting the practice. Later in the same month, Prime Minister Abe appointed Yoshimi Watanabe, who has strong reformist credentials, as his Minister of State for Regulatory Reform. Watanabe's appointment is said to be a signal of Abe's commitment to reduce government debt and to deregulate and decentralize.

On the budgetary front, the Abe administration has drafted a budget which, as a result of an improved revenue situation, includes a record 4.5 trillion reduction in new bond issuances from the current year to 25.4 trillion yen in 2007. This will result in the ratio of new government bond issuance to expenditures falling from 37.6% in fiscal 2006 to 30.7% in 2007. In the words of Finance Minister Koji Omi, the draft budget shows that "the fiscal reform drive will carry on." Naoko Nemoto, a manager director of Standard &

Poor's Tokyo branch, observed that the improved revenue might allow the government to accelerate its goal of bringing the country's primary balance back into the black by one or two years. Continuing a trend begun in fiscal 2002, the government's draft budget reduces public works spending to its lowest level in 20 years. It also cuts the fiscal investment and loan program to its lowest level in 30 years. Beyond this, Prime Minister Abe has made additional progress in addressing Japan's budgetary situation by getting authority from the LDP to shift surplus road-tax revenues to the general fund. The agreement he negotiated still represented the first change in the allocation of road-tax revenues since 1954.

Regarding the social front, the Abe administration has taken concrete as well as rhetorical measures to support increased child care opportunities, a better work-life balance, and maternity leave, to improve Japan's declining birthrate. Its draft fiscal 2007 budget also allocates funds for job training, aid to small firms, assistance to regional economies, and an expansion of expenditures on pensions and health insurance.

Japan is Moving to Enhance the Economic Integration of East Asia

Global growth over much of the postwar era has been driven by consumption in the US and Western Europe, while emerging nations in Asia and other markets have sought to achieve economic development largely through development of an export capacity to sell into these more mature and affluent economies.

As the BRIC economies, Brazil, Russia, India and China, and other emerging markets continue their advance, however, billions of new people are entering the workforce. This is rapidly giving rise to new sources of demand. Compounded with lower growth and a maturation of demand in the US and Western Europe, the old dynamic is rapidly changing. Markets such as East Asia now constitute some of the largest and most vibrant markets in the world. One analyst quoted by Bloomberg recently noted the market for luxury products in China alone is forecast to grow larger than that in the US within the next decade.

In diverse ways, Japan is moving to take advantage of these opportunities while allowing investors the stability offered by allocating funds to a more stable and established economy.

This will allow it to reduce its reliance on the U.S. and European markets. An increased focus on East Asia also allows Japan to tap into new production venues and to develop ties with consumers. Osamu Watanabe, Chairman and CEO of JETRO, reports that the efforts of Japanese businesses to build production and procurement networks in East Asia, following the region's move towards increased integration after 2000, has paid off in the form of increased profits (For full text of Chairman Watanabe's speech, please visit: <http://www.jetro.go.jp/en/jetro/profile/speeches/>). Suzanne Berger, a political science professor at the Massachusetts Institute of Technology, notes that the presence of Japanese companies in markets such as China has enabled Japanese firms to develop knowledge about consumer preferences that is lacking in many competitor firms.

On an official level, Japan has done much to enhance integration in the region. First, Prime Minister Abe moved to improve ties with China and South Korea shortly after taking office. Second, Japan has proposed measures such as the establishment of an Economic Research Institute for ASEAN and East Asia. Third, Japan has struck a number of deals with countries in the region. To illustrate, in late November, Japan and Indonesia signed a Free Trade Agreement (FTA), which reduces tariffs and opens borders to service workers and follows in the wake of the FTAs Japan has concluded with Malaysia, the Philippines and Singapore.

Some Economic Indicators Show Strength While Others Show Signs of Moderation

In early December, the Japanese government announced that the economy had posted a 0.8% growth rate in the third quarter (July-September) as a result of slowing capital expenditures and more tepid consumer spending. This led the Bank of Japan (BOJ) to refrain from increasing interest rates. Nevertheless, the government expressed the view that "the basic trend of economic recovery remains unchanged" while the BOJ took the stance that the economy would continue to expand. These positive outlooks received validation when the government released industrial production figures for November. In November, industrial production grew a seasonally adjusted 0.7 percent over the previous month, hitting a new high as a result of strength in automobile and mobile phone part production.

Positive news could also be found on the inflation front. November wholesale prices surged 2.7 percent in November year over year (YOY), while consumer prices moved up 0.2 percent YOY. The former represented the 33rd consecutive monthly increase, while the latter represented the 6th consecutive month of CPI gains. There was good news, too, on the job front with the headline unemployment rate falling to 4.0 in November from 4.1% in October, though the jobs-per-applicant ratio remained flat.

Retail sales were somewhat sluggish in November, registering a 0.1% decline YOY. However, there was room for optimism as consumer confidence rose in November, both over the previous month and YOY. Increasing the prospects for continued improvement in consumer confidence was the fact that almost 80% of firms surveyed by the government, intend to, or have, raised average employee pay. The 80% figure represents the highest ratio since comparable data began to be collected eight years ago. Since consumer spending represents around 57% of Japan's GDP, higher wages have the potential to significantly catalyze increases in economic growth.

In November, the Japanese economy also continued to receive support from exports, with Japan recording a 54.1% explosion in its trade surplus YOY. Exports of cars, steel, and electronics fared particularly well. Yasuo Yamamoto, a senior economist at Mizuho Research Institute, said, "the trade surplus was bigger than expected as exports were stronger than we thought." Furthermore, "as crude oil prices continue to decline, this trend may be here to stay for a while."

The BOJ Tankan Survey revealed solid business confidence at large, midsize, and small companies, with the business sentiment for large manufacturers rising from 24 in September to 25 by December and business sentiment for midsized manufacturers rising from 6 to 10. Favorable business sentiment filtered into corporate capital spending, which expanded 12.0% from July-September YOY for the 14th straight quarterly increase. It also is demonstrated by National Tax Agency reports on entertainment expenses, which grew by 2.7% YOY, the first increase in nine years.

There is Optimism over the Prospects for the Japanese Economy in 2007

The reforms and economic data noted above as well as continued improvement in the conditions and profitability of Japanese firms have made a number of analysts and investors optimistic about the prospects for the Japanese economy and stock market in 2007. For example, Tsuyeoshi Segawa, equity strategist at Shinko Securities, contends that strong business earnings growth in the years ending March 2007 and March 2008 should boost stocks. Hiroaki Kuramochi, head of equity sales at Bear Stearns (Japan) Ltd., believes that foreign investors will increase their acquisition of Japanese stocks to profit from the continuing undervaluation of Japanese equities. Furthermore, there are some who conclude that a shift of domestic savings into the stock market will drive Japan's economic recovery.

For investors, there seem to be two main concerns. One is Japan's ability to maintain economic growth. In this regard, there is encouraging news from the World Bank which forecasts 2.4% GDP growth in 2007 and 2.5% growth in 2008 based on expectations of "vigorous growth in developing East Asia, renewed consumer and business confidence [detailed above], and reduced drag from consolidation" as well as the return of positive inflation. Another concern is whether or not reform will continue. As this Focus newsletter has shown, reform is indeed underway and there are a number of new initiatives on the horizon as well. In the words of Robert Feldman, chief economic and a managing director with Morgan Stanley (Japan), Prime Minister Abe has "the philosophy and fortitude to persist" with reform, the Japanese public wants reform, and reform "implies that equity prices...should be strong."

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"JAPAN COOL" RISES IN GLOBAL IMPORTANCE AND SIGNIFICANCE

MAY 2007

Most people are aware of Japan's formidable business and economic achievements. They are not nearly as cognizant, however, of Japan's important role as a global cultural and trend leader. Its impact has been pervasive and is growing over time. The world's second largest economy manifests its influence in many diverse realms including, but not limited to, entertainment, food, fashion, animation and video games. Japanese Prime Minister Shinzo Abe mentioned this development in his first policy speech to the Diet, noting that "we will also formulate 'The Japanese Cultural Industry Strategy', which will enhance the competitiveness of areas that represent the good traits and uniqueness of Japan and present them to the world".

These days, Japan's already impressive cultural influence is expanding due to a number of factors. One has been the nation's steady economic recovery. Another are efforts by Japanese firms to add value to sustain their competitiveness. Equally important is the evolving desires of an increasingly mature, affluent and sophisticated population. This is coupled with Japan's long and rich cultural tradition of innovation and refinement of cultural inputs from other nations – as well as a wide range of other social trends. The impact of these developments are becoming increasingly important -- not only in Japan -- but throughout markets all over the world.

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The Rise of “Japan Cool” and its Impact on the Nation’s Domestic Economy

Past *Focus* issues have examined how Japan is undergoing numerous changes relating to its macroeconomy, its companies, and its society. As for the macroeconomy, more importance is being given to consumption and the provision of services. With respect to Japanese companies, changes are witnessed in their efforts to shed debt, to obtain cost and operational efficiencies, and to rationalize their workforce. Japanese society is also ageing, lifestyle options are expanding, and employment practices are in transformation. This is causing a transformation in Japanese attitudes and the way in which they live and spend their leisure time.

All of these changes are fueling a newfound emphasis on cultural life. For their part, Japanese firms seek to move up the value added chain. This is essential to meet challenges from firms in emerging and other foreign economies as well as to meet the evolving needs of the Japanese market. Japanese youth, workers, and retirees seek new services, consumption, and entertainment opportunities to satisfy their life goals and personal needs.

Young people in Japan are able to focus on the consumption of goods and services due to the considerable disposable income they enjoy. This is a function not only of Japan’s wealth, but also the fact they are living longer at home and marrying later. This demographic has provided an important resource for Japanese firms. They have found it profitable to develop goods for Japanese youth as well as to tap into the novel trends that emerge from youth congregating in Tokyo hot spots like Harajuku or Shibuya.



Photo courtesy of Laura Totten, Chin Music Press

The emerging focus on consumption by Japanese workers is also a reflection of the growth of part-time work as well as changing attitudes and government and firm encouragement. In various government and private surveys, many part-time workers have noted they like having more personal time and new opportunities for personal fulfillment. Part-time work is also opening up opportunities for Japanese women to garner income they can use to purchase goods and services.

Japanese Content and Cultural Exports are Increasingly Popular around the World

The developments noted above have led to a number of exciting advances in animation (*anime*), fashion, film, food, and other cultural areas. These advances are proving to be popular not only in Japan -- but around the world. This is encouraging a new international appreciation of Japanese culture -- not only in a traditional sense, identifying it with its distinctive art, food, and long history, but also as a vibrant source of new ideas and change. Key developments include:

• **Anime/Manga:** The birth of Japanese *anime* can be traced back to the Toei Animation Co., which in the late 1950s and early 1960s produced Japan's first animated film and television program. In the 1970s, Japan began to export *anime* products. It was not until 20 years later, however, that the industry -- which currently generates more than \$20 billion in revenues through film, games and merchandising agreements -- gained a big international following. Much of this was driven by characters like *Pokémon*, *Dragon Ball*, *Yu-Gi-Oh*, and *Naruto*, many of which had their origins in Japan's video game industry. According to the Japan External Trade Organization (JETRO), the US market alone for anime products is \$4.35 billion.



Photograph of Japanese Anime Festival in United States JETRO

John Lasseter, an executive vice-president and creative chief at Pixar Animation Studios, which produced the hit animated movie *Cars* and numerous other productions, describes Japanese *anime* as "hugely influential." As a *Business Week* reporter observed, Japan's

influence is all the more extraordinary when you consider that the outside world sees so little of what Japan comes up with. Lasseter comments, "The Japanese have been the largest animation producers for years, but 99% of the stuff stays in Japan." Japanese *anime* not only has become immensely popular on foreign television but also has spawned numerous card games, comic books, and toys.



Photo courtesy of Laura Totten, Chin Music Press

In Japan, most *anime* as well as some television programs or films have their origins in *manga*. *Manga* specifically refers to Japanese comic books, which have nearly a 300 year history. Today, the manga industry sustains nearly 4,000 comic artists and 20,000 assistants. A special feature of Japanese *manga* is its girls' genre, one example being *Fruits Basket*. These books have achieved great popularity throughout Asia, and are now also seen in the US and Europe. In recent years, Japanese publishers have also begun to focus more resources on the United States. Some of the more prominent US *manga* launches are *Raijin Comics*, *Shonen Jump*, and *Style School*. Similar publications have proven to be very successful in Germany, South Korea, and Thailand. JETRO estimates

Japanese sales of *manga*, both direct and through licensing, in East Asia generate nearly ¥4 billion annually.



Photo courtesy of Laura Totten, Chin Music Press

Anime also serve as the basis for several successful Japanese movies. For example, *Howl's Moving Castle* and *Pocket Monsters Mew and the Wave Guiding Hero*, respectively the 1st and 7th highest grossing films in Japan in 2005, were based on *anime* characters. They also have influenced or are influencing movies like *The Matrix*, American music videos by groups such as Linkin Park, and television series such as *Afro Samurai*.

Importantly, *anime* and *manga* have become a force for cross-cultural exchange and understanding. This is reflected by the success of the ASEAN Cartoon Exhibition, the Japan-China Anime and Manga Cultural Exchange Conference, and the Asia Manga Summit and other related events in the United States such as SakuraCon, an annual conference held in Seattle, which defines itself as a Japanese Animation (*anime*) manga (*comics*), gaming and Asian-culture convention. It has grown from 12 exhibitors and 313 paying attendees in 1998 to 92 exhibitors and 7500 paid attendees last year.

- **Film:** Japanese films are becoming far more important in foreign markets. Between 2005 and August 2006 alone, Japanese studios released 10 films in the US. It is noteworthy that several Hollywood studios, have demonstrated considerable interest in obtaining the rights to remake Japanese films. Prominent examples include *The Ring (Ringu)* and a sequel *The Ring Two, Eight Below (Nankyoku Monogatari)*, and *The Grudge (Juon)*.

Japanese film has spawned clubs around the world including the US based Kinema Club. This group has more than 300 members from the academic community and general public, and held conferences all over the world including Montreal, Canada, New York, and Frankfurt, Germany.

Japanese actors/actresses, directors, and others are also achieving more prominence within the global movie industry. At the 2004 Cannes Film Festival, Yuya Yagira won the first best actor award ever for a Japanese actor for his appearance in *Nobody Knows (Dare mo shiranai)*. The next year, Hayao Miyazaki won the *Leone d'oro alla carriera (Golden Lion for Career Achievement)* at the 62nd Venice Film Festival -- the first anime director so honored. Additionally, Japanese films like *Tokyo Story* and *Rashomon* continue to be designated as some of the best films of all time. The rising influence of Japan as a trend leader has also resulted in its selection as a location for, and integral part of, such prominent recent films as *Kill Bill*, *The Last Samurai*, *Lost in Translation*, *Babel*, *Letter from Iwo-jima*.

- **Video Games:** Japanese firms have long dominated the game console and handheld game markets. As reported in the March 16 edition of the *Mercury News*, Nintendo's 335,000 Wii game console sales in February 2007 made it the best selling game system in the US for the second straight month. Wii sales were far ahead of those for Microsoft's Xbox 360, which sold 228,000 units. Moreover, Nintendo's DS was the top selling handheld game system with 485,000 units sold.



Photo courtesy of Laura Totten, Chin Music Press

Japan has also been a powerful force on the content side of the video game business. This is important because it has allowed Japan to assume a key role in the development and nurturing of leading characters such as *Super Mario Bros.*, *Pokémon*, and others. Japanese influence on the video game content side has allowed it to leverage its characters/themes into other entertainment sectors such as film. Two examples include *Biohazard* and *Super Mario Bros*, the movie.

- **Music:** Japanese pop music "J-POP" has had great appeal in East Asia for many years, particularly in Hong Kong, Taiwan, and mainland China. Japanese pop stars draw big crowds when they tour and have achieved great success throughout the region. In addition to Chage & Aska, many Japanese pop stars, like Wind-s, Arashi, Ayumi Hamasaki and Namie Amuro launch sold-out tours in Asian countries.

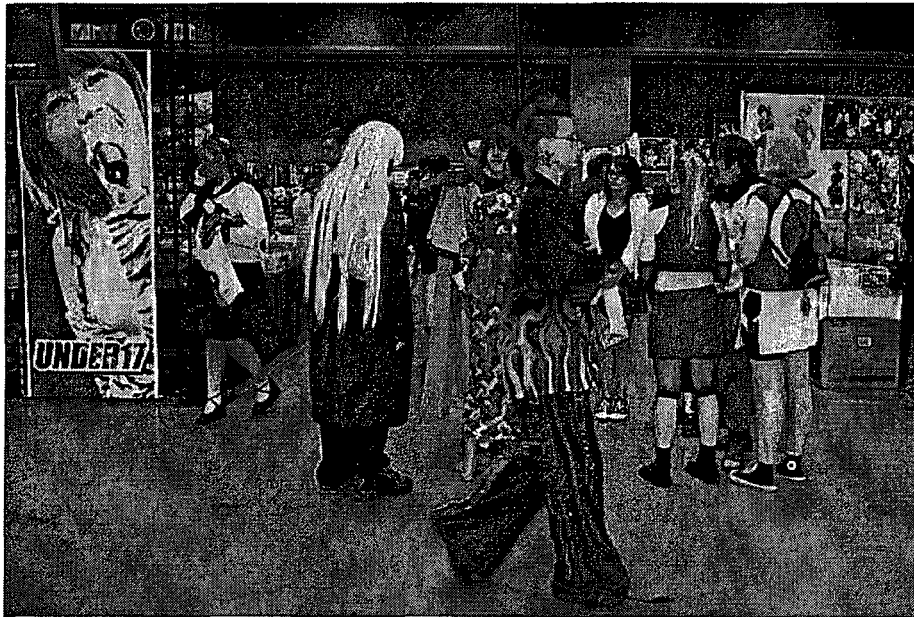


Photo courtesy of Laura Totten, Chin Music Press

While J-POP has traditionally had little influence in the West, this is starting to change. Americans and other foreign audiences are now becoming more familiar with the style as a result of the inclusion of Japanese music in *anime* and video games such as *Kingdom Hearts*. A pair of young females, named "Puffy Ami Yumi" is a good example of how this music is being introduced into American life.

- **Fashion/Lifestyle:** In recent decades, western consumers have become well aware of the attractive designs coming from contemporary Japanese designers. This includes such high-profile individuals as Issey Miyake, Yoji Yamamoto, Rei Kawakubo:COMME des GARCONS, and Kenzo. As a result, American and European designers now believe it is critical to monitor fashion trends in Japan. This is not surprising. Camouflage motifs caught fire in Japan before migrating around the world. Additionally, a surge in interest in jeans in Japan in the 1990s led firms such as Armani to launch their own jean labels to capture share within the Japanese market. This was an attractive revenue source they might otherwise have ignored. Another example is the success of plaid mini-skirts in Japan, which was later followed by the

adoption of such skirts elsewhere in the world. Japan's new role as a trend-setter is forcing big fashion houses to hold regular focus groups in Japan to see if their design ideas will succeed.

Aside from clothing and accessories, Japanese firms like Shiseido, one of the top five cosmetic companies in the world, exert an important influence on style. Shiseido, which also is one of the oldest cosmetic companies in the world, is seen as a leader in makeup and skin-care products, fragrances, and professional hair care products.

- **Food:** Japanese food is known throughout the world. Its appeal is demonstrated by a continuing increase in the number of Japanese restaurants abroad, rising opportunities to consume Japanese themed food such as sushi, the increased consumption of Japanese foods such as ramen and green tea, a proliferation of Japanese cookbooks, the growth of Japanese food chains such as Yoshinoya, and the astounding success of the Japanese cooking show *Iron Chef*.

It has been reported that there are more than 600 Japanese restaurants in France, the home of *haute cuisine*. There are also 9,000 restaurants in the United States claiming to serve Japanese food. That is double the number that existed a decade ago. This is a clear sign that Japanese cuisine is entering the mainstream. According to the 2005 Zagat Survey, five of the nation's top 20 restaurants are New York based Japanese restaurants. The Japanese government forecasts the number of Japanese restaurants worldwide will leap to 48,000 by 2009. This is twice the number of Japanese restaurants that exist today.

As for sushi, what is interesting is not so much that sushi is being consumed, as it first gained popularity in the US in the 1970s, but that it has become available in an increasing number of non-traditional venues. People all over the US can now buy it at local grocery stores such as *Whole Foods* or *Publix*. They can purchase it at sporting events such as baseball games. And a growing number of high-school children in Illinois, among other places, can even purchase sushi in their cafeterias!



Japanese food has become popular because it is healthy, uniquely prepared, and uses high-quality ingredients. Several Japanese food names such as *miso*, *sake*, *teriyaki*, *tofu*, *wasabi*, *wagyu*, and *yuzu* are even becoming part of the English vocabulary. In addition, Japanese foods and flavors that had formerly been considered too foreign for the American palette are beginning to attract attention. One example is *Matcha*, "ground green tea," which is now being blended into soft drinks and ice cream.

One recent Japanese food rage in the US is Satura Cakes. These bakery products use high quality ingredients and a Japanese visual style (involving an interplay of colors, textures, shapes, and overall design), that is proving very popular in US bakeries. Satura currently has operations in California and Hawaii.

Architecture: Japanese architectural influence is pervasive throughout the world. Internationally renowned architect Frank Lloyd Wright as well as the Greene Brothers, best known in California, were heavily influenced by Japanese architecture. East Wind (Higashi Kaze), Inc., an architecture and design firm in California, currently runs a thriving business designing Japanese baths, entryways, kitchens, and the like for clients in the San Francisco Bay Area and other areas. The Naples Grande Resort & Club in Naples, Florida has integrated Japanese architecture, gardens, koi ponds, and lanterns into a recent spa development to provide its clients with an "artful balance of style and substance."

Japanese tea gardens, one of many different types of Japanese gardens, can be found in many different areas. Among other places, there are prominent, public tea gardens in Portland, Oregon, Philadelphia, Pennsylvania, and Rockford, Illinois.

It is even possible to find sellers of Koi ponds and Koi in locales like Nevada and Texas, which have not traditionally embraced Japanese culture.

Japanese architects themselves are also exerting significant influence on the contours of design. One leading light is Tadao Ando, a recipient of the prestigious Pritzker Architecture Prize and an AIA Gold Medal, 2002. Ando designed the Pulitzer Foundation for the Arts in St. Louis and the Modern Art Museum in Fort Worth. Yoshio Taniguchi has also won fame for designing the expansion of the Museum of Modern Art in New York, in the process transforming the old and new spaces into a unified whole.

- **Language:** Japanese is a widely studied language and has been growing in popularity in recent years. This is especially true among young people who have become familiar with Japan through *anime* and video games. According to one source, more than 2 million individuals are studying Japanese. This includes more than 500,000 Australians and Americans, who are working to develop a proficiency in the language. Beyond this, almost 100,000 foreign students are studying Japanese in Japan.

- **Sports:** In the United States, Cool Japan is perhaps most visible in the sport of baseball. The frenzy over Seibu Lion pitcher Daisuke Matsuzaka, eventually acquired by the Boston Red Sox, has cast into stark relief the considerable talent produced by the Japanese baseball system.

Beyond this, Japanese players such as Ichiro Suzuki and Hideki Matsui continue to rank in the top statistical categories such as hits and RBIs while others such as Tadahito Iguchi and So Taguchi have played critical roles in their team's quest for playoff success and eventual World Series triumphs. They are attracting attention not just because they are superb players, but also because they display dedication to the team they have selected.

Even the fact that they speak only through interpreters does not seem to detract from their popularity.

Cultural Developments Enhance Japan's Capacity for Innovation and Product Development

Part of the reason for this emphasis on culture by Japanese corporations can be attributed to the fact they can no longer rely primarily upon their cost competitiveness or even the quality of their manufacturing capabilities. Higher value-added is essential and the advances seen through the development of "Japan Cool" are resulting in a new range of products that combine these new advances with Japan's proven ability to commercialize new trends and products.

While the Walkman might be seen as the first example of this trend, the fact that Japan leads in so many consumer and leisure products is no accident. Sony and Nintendo's dominance in, respectively, consumer electronics and video game hardware and software demonstrates the clear ability of Japanese firms to develop and successfully launch new market segments. In part, this is achieved by the ability of these firms to take advantage of Japanese culture; that is, *anime*, Japanese characters, and so on. Firms such as Toyota – which will soon become the world's largest car company – are also able to achieve success not just because of their manufacturing capabilities, but their dedication to the Japanese tradition of excellent customer service. This can be seen in its ability to make smaller, energy-efficient vehicles, to the manufacture, sale, and servicing of its cars as well as its emphasis on *kaizen* or continual improvement.

Japanese Content Represents a Growing Revenue Source for Foreign Companies and Investors

The rising popularity of Japanese culture in foreign markets is providing many new business opportunities for foreign companies and investors. For example, the Japanese Food Culture

Festival took place in New York from March 4-10, 2007. It revealed many profit making opportunities for those involved in the production, distribution, and sale of food like ramen, tofu, teas, sake, house wares such as Japanese knives and place settings, as well as restaurateurs interested in offering Japanese cuisine.



Photo of "Gastronomic Discovery: An Evening of Japanese Food Culture" JETRO

During this Food Festival, famed New York restaurateur David Bouley, chef and owner of Bouley, Test Kitchen and Bouley Bakery, spoke about his passion for Japan and its food, as well as dishes he serves with the finest sakes. During this session, Bouley noted his belief that Japanese food was in a similar stage as French food in the US several decades ago and that the arrival of new ingredients was leading to an explosion of new interest and possibilities for food importers and others within the industry. One example of this rising demand can be seen in a recent *New York Times* story. It highlighted the ability of one firm, Massachusetts-based South River Miso, to market eleven kinds of miso through food outlets across the United States.

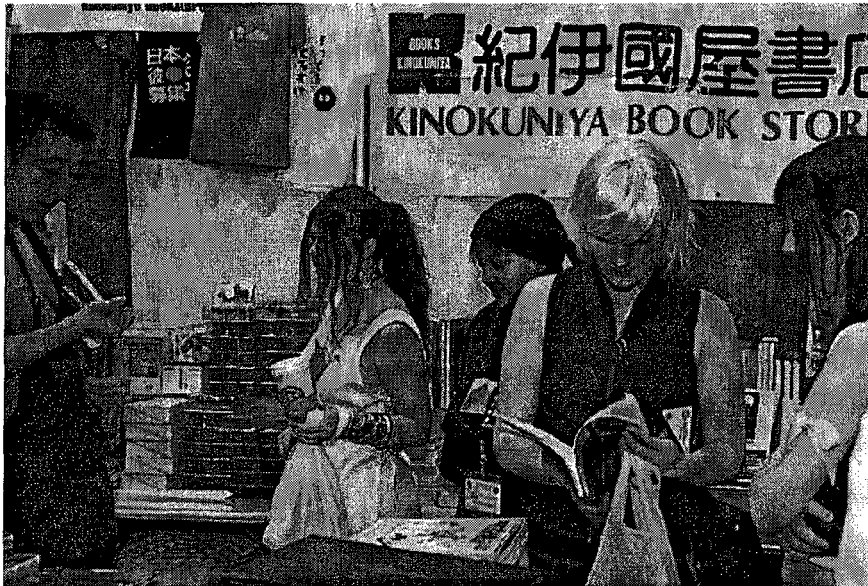


Photo courtesy of Laura Totten, Chin Music Press

Similarly, the spread of Japanese *anime*, *manga*, film, video games, and fashion are providing numerous opportunities to American and other foreign firms. This is yielding a potential boost not only to the economies in which these firms are headquartered, but to the local, regional, and national tax base, and workers, who may find new employment opportunities.

Inside Japan, the quest for culture and services is also creating opportunities for foreign investors who can identify the right kinds of vehicles to provide cultural and service goods to Japanese consumers, both young and old. To date, foreign companies have primarily entered Japan to open up retail operations (Coach-USA), to run resorts (Harmony Resorts-Australia), to provide services to the health care sector (FWBC-Finland), and to supply equipment for bowling alleys (Getronics-Netherlands).

Of course, there are also abundant opportunities for US and other foreign firms to sell goods to Japanese consumers, even without investing in Japan. This is reflected by the strong performance of foreign movies such as *Harry Potter and the Goblet of Fire*, the successful rollout of various

high-tech products in Japan, and the warm reception given to Western luxury goods like Louis Vuitton products.

Indeed, Japan now serves as an important trendsetting market – not only for industrial applications but also for consumer styles and trends. Products adapted to appeal to Japanese tastes and physiques can not only be subsequently marketed to other East Asian countries and growing numbers of Asians living in the West -- but to all those who appreciate the sophistication, high quality and visual appeal, which have always been a hallmark of Japanese style.

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