



World Eye Reports Italy



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Italian economy goes high gear

In April 2008, Silvio Berlusconi and his conservative party regained power for the third time with a clear majority in Parliament, ushering in what many hope to be a sustained period of stability in a country known for having on the average a new government every year.



Hiroshi Azuma, consul general of Japan to Italy

Despite somber economic forecasts around the world, Italians have been forging a pathway to long-term growth and stability to remain one of the world's leading and innovative business cultures.

Berlusconi's fresh mandate means that he will have a strengthened ability to push through many reforms needed to keep Italy more competitive in the global economy.

Among other things, the new prime minister has vowed to reduce the national debt, cut taxes and liberalize the economy. Many see his goal to slash corporate taxes as a step in the right direction to attract further investment in the country.

Move over, Bermuda

Comprised of Milan, Turin and Genoa, the so-called Industrial Triangle of Italy first experienced its boom in the 1960s as it pushed forward a modernization process

that allowed it to surge ahead of its southern counterparts.

Today, the region stands as one of the "Four Engines of Europe," a network made up of the most advanced European regions, which include Baden-Württemberg in Germany, Rhone-Alpes in France and Catalonia in Spain.

The Lombardy region alone has 800,000 companies and generates 296 billion euros a year, which represents 20 percent of the nation's GDP.

Lombardy also has a much lower unemployment rate (around 3 percent) than the national average (6.8 percent), according to the office of the region of Lombardy.

Despite all the changes that have taken place in Italy over many decades, the backbone of the economy remains small and medium-size family businesses, which have been the face of Italian commerce for hundreds of years.

Companies like the publishing giant De Agostini, based in Novara for over 100 years, are thriving in Italy and throughout the world.

"Today, we are operating in over 30 countries and have relations with over 100 countries. Our growth and success can be partially attributed to our Italian identity and the excellent reputation that comes along with it," says CEO Marco Drago.

Geox, a home-grown shoe and apparel company founded by Mario Moretti Polegato, is another prime example of Italian innovation and design that has become the No. 1 shoe company in Italy and No. 2 in the world in the "comfortable shoe" segment.

Already enjoying that sterling reputation for producing some of the world's most coveted goods, northern Italy also holds a geographic advantage over many of its neighbors.

The region is in the center of the area bounded by the 5 Lisbon-Kiev corridor and by the Genoa-Rotterdam and Rome-Berlin north-



One of the world's premier motorcycle brands, Ducati embodies the deeply ingrained spirit of technological and design innovation that Italy has become known for around the globe.

south routes, all vital trade links in the modern European economy.

A modern business renaissance?

With the rise of globalization and stiff competition from other parts of Europe and the world, Milan has had to adapt to the ever-changing economic landscape.

In true Italian style, over the past five years the whole of Italy has taken its cue from Milan and reinvented itself. Italy is currently emerging as one of the world's leading markets in a number of new areas.

Masahiro Hirai, director general of the Japan External Trade Organization (JETRO), points out that new industries such as biotechnology, telecommunications, medical technology and energy as well as the traditional automotive, textile and fashion industries are all thriving in the north.

Meanwhile, Turin has capitalized on the worldwide exposure it gained during the 2006 Winter Olympics and further bolstered its reputation for automotive excellence with the resurgence of ever-present Fiat.

Infrastructure, high technology, and a highly educated, creative and skilled workforce, are just a part of the long list of reasons many foreign companies operate in the north today.

Ducati, regarded as one of the premier motorcycle brands in the world and an Italian flagship company, is based in Bologna.

"Intelligence, design and passion are the three most important things that combine to make up our Italian identity. These go into our products and we come out with something special," says Ducati CEO Gabriele Del Torchio.

Meanwhile, the center and south of Italy continue to grow and attract foreign investment in a number of different sectors.

Many large Japanese and

multinational companies like Toyota are choosing to base their Italian operations in Rome due to its specialized, well-educated workforce, and convenient location as a hub between north and south Italy.

Strengthening infrastructure is another key to the country's long-term growth and potential.

The government has established initiatives for the creation of new roads, subway and railway lines, all with the aim of attracting business and tourism throughout the country.

The long history of relations between Italy and Japan is still paying off today as well.

"The combination of Japanese efficiency and quality coupled with Italian design and innovation is a strong one. There is great respect and admiration between the two complementary cultures," says Consul General of Japan Hiroshi Azuma.

President of the Lombardy Region Roberto Formigoni says, "The Japanese have been a trusted partner of Italians for over 100 years, and we will continue to foster this critical relationship, as it is not only mutually beneficial, but beneficial to the world."

Milan received a huge honor this year when it won the bid to host the World Expo 2015, beating out its chief competitor city Izmir in Turkey.

Amid all these exciting changes, President of the Province of Milan Filipo Penati outlines the best reasons to invest in Italy.

"We should be able to convey our sense of beauty and culture to all who come here. If you invest in Italy, you should be aware that you are buying a piece of the Coliseum, a piece of 'The Last Supper,' a piece of the Italian Renaissance. There is an enormous benefit to all who do this," he says. ●

JETRO Italy, based in Milan, has played a prominent role in sustaining and strengthening bilateral trade and investment between Japan and Italy. JETRO offers its services and advice to all Japanese or Italian companies operating in Italy. www.jetro.go.jp/italy

Regione Lombardia aims to position the region as a highly attractive destination for foreign investment and as a regional platform from which to export its goods and services. Its Web site also contains a comprehensive guide to all investment-related inquiries. www.regione.lombardia.it

Solvay Solexis is a worldwide leader of innovative fluorinated products for specialty markets. With its company headquarters and manufacturing facility in Milan, and offices in over 10 countries around the world, Solvay Solexis is focused on customer-driven research and supports sound environmental practices. www.solvaysolexis.com

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*Source: IRI Audit Tot. lt. without Doc. 2007. Sparkling Vol. Sh.

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The winning strategy of Toyota

Toyota Motor Corp., the world's second-largest carmaker, produces more than 9 million vehicles a year.

For the Japanese giant, the Italian market has been a vital component of growth in Western Europe the past five years. In fact, Toyota Motor Italy ranked No. 1 in sales last year.

Present in the country for over 15 years, TMI has shown no signs of slowing down. Annual sales climbed consistently from 15,000 units in 1996 to 145,217 units in 2007.

"We currently have a 5.6 percent market share and we're implementing strategies now to increase this percentage over the next two years," says Motonobu Takemoto, who has led TMI the past year and a half.

Among Takemoto's strategies is the expansion of its dealer network to boost sales volume.

Currently, there are more than 235 outlets and 228 assistance centers, as well as a parts distribution center in the country.

Offering a wide range of vehicles that appeal to the varying needs of its customers, TMI has enjoyed very brisk sales of its Yaris, Aygo and Rav 4 models.

"The Yaris was designed with the European customer in mind. This particular model has grown in popularity here because of its small size and



With its compact size and high reliability, the Toyota Yaris has emerged as one of the most popular models among European drivers.

reliability," says Takemoto.

To improve the overall quality of TMI's operations, Takemoto has applied the Japanese concept of *kaizen*, or continuous improvement.

"We take the 'customer first' policy seriously, and we have begun to make improvements in all areas of our business to ensure the complete satisfaction of our customers," says Takemoto.

TMI also introduced an after-sales program called "Eurocare" that allows customers to contact a team of experts to help them with car troubles 24 hours a day. For this, TMI employees receive training from one of several Toyota Academies based in Europe.

The company also continues to be a pioneer in ecologically sound technology. In 2007, it launched an "eco-incentives" program.

"Drivers will receive a tax exemption from the government when they purchase certain models of the Aygo, Yaris and Prius," explains Takemoto.

"The success we've experienced in Italy is largely in part to our *kaizen* approach to doing things," says Takemoto.

Confident in the growth of the Italian market and popularity of its cars, TMI will launch several new models in 2009. ●

www.toyota.it



Motonobu Takemoto, chairman, managing director and CEO of Toyota Motor Italy

The power of change

When two giants within an industry merge, there are often internal struggles and a larger identity crisis that hinder success in the near term. This was not the case with Konica Minolta in Italy.

Following the global merger in 2004 of the two industry leaders, Konica Minolta Italia surged ahead of its other competitors and never looked back.

"When you merge two competitors like Konica and Minolta, it's always difficult to find a common image and common brand awareness. But in this integration, I think our Japanese colleagues in Tokyo made the right decision to maintain the logo of the former Minolta. That logo helped us to maintain brand awareness in this market," says Managing Director Fabio De Martini.

Konica Minolta's brand awareness paid dividends immediately in 2004 when it took the lead in the industry pushing its competitive advantage in the color market.

Last year, Konica Minolta maintained its advantage in the color sector, gaining a local market share of 32 percent, or twice that of its nearest competitor.

'We have succeeded in moving the language of the industry from black and white to color, and this is our language. When we started to talk about color, no one was talking about it'



Konica Minolta Italia Managing Director Fabio De Martini

"We have succeeded in moving the language of the industry from black and white to color, and this is our language. When we started to talk about color, no one was talking about it. Nowadays, if you look at our competitors' advertising, everybody is talking about color," says De Martini.

This success is not sufficient for Konica Minolta Italia though.

"We did color. But this is not enough," says De Martini. "We must be ready for change. This year, we will push the production printing business, begin a solutions business and maintain our lead in the color market."

Later this year, Konica Minolta Italia will host a kickoff meeting with all of its local dealers, the theme of which is "The Power of Change."

Konica Minolta will also unveil new products into the color production printing arena and announce its plans to expand into the solutions business at Drupa, the world's largest production printing fair held in Dusseldorf in June.

With the big changes planned for the future, Konica Minolta Italia is poised to maintain its role as a leader in the industry. ●

www.konicaminolta.it

The Suzuki 'way of life' is huge success

Since Nobuo Fujita took over as president of Suzuki Italia in 2003 and Romano Valente became general manager in 2004, the Japanese carmaker has achieved double-digit growth annually, with a total of 43 percent growth over the past four years.

Committed to launch at least one new product every year, Suzuki unveiled its latest model – the compact Splash – in Italy and the rest of Europe this year with resounding success. It got similar accolades for its Swift, Grand Vitara and Sx4 models.

"Our vehicles fit the needs of our local customers, who favor elegance, functionality and overall good performance," Fujita says.

With 65 percent of sales coming from northern Italy, Fujita and Valente recognize the importance of the region. Two-thirds of its business is found in the automotive sector, while the other third is in motorcycle and marine parts sales.

"We're No. 1 in Europe for sales volume of both motorcycles and cars," says Fujita.

In line with Suzuki's "2010 Plan" to increase worldwide sales, Fujita and Valente are confident that the latest models of the Swift and Splash will help drive sales further in Italy and keep them on track.

"The Swift has a three and a half year history in the Italian market and has achieved significant growth, with 16,000 units sold in 2007 alone," says Fujita.

The Splash is the first model in the second phase of Suzuki's world strategy whose focus is families.

"The Splash can be described as young, sporty and family-oriented and good for everyday use," says Valente.

The Splash is also known for being environmentally friendly with CO₂ emissions of just 120 g/km and fuel consumption of just 5 L/100 km.

The Sx4 has also proven its success in the country after Suzuki came out with a smaller model customized for European customers.

Fujita attributes a huge part of Suzuki's success to its loyal dealer network across the country.

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Suzuki Italia President Nobuo Fujita



Splash, the new compact car from Suzuki, is ideal for families and for highly mobile urban dwellers.

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Providing a clear track for the future

Whenever Metropolitana Milanese Chairman Lanfranco Senn speaks about his company, he brims with enthusiasm. It is easy to see why once he reveals its long list of accomplishments.

A joint-stock engineering company entirely controlled by the Municipality of Milan, MM was founded in 1955 to design and build the Milan Metro. It has since become the leading Italian company in civil and plant engineering for urban and suburban rail transit networks.

MM has helped design and build transit systems in many major cities all over Italy (such as Florence, Bologna, Naples and Verona) and across the world (including Copenhagen, Alexandria, Oporto and Manila).

"In order to be successful in this industry, you must have the right people with the right expertise, along with an efficient supply system. We have all of these

and more. The talent that we have along with the area where we are located make us a special company," says Senn.

MM also runs water supply and wastewater removal services for the city of Milan. It recently implemented an ambitious program to improve the quality of supplied water and keep up with the new European standards on water quality.

With a firm commitment to Milan, MM's plans for the future are for expansion and growth.

"Now we are refocusing on Milan to broaden the transit system here. Milan is a city with small boundaries but a large suburban area. We are interested in expanding our services to increase the number of lines as well as increase the length of the existing lines," he says.

Senn hopes to expand the Milan Metro from three to at least eight lines.

MM is also looking to provide expertise in a number of international cities to boost its global reputation. It is competing for projects in Vietnam, Argentina, Serbia, Syria and Libya, among others.

With solid expansion plans locally and internationally, the future of MM looks to be on track. ● www.metropolitanamilanese.it



Metropolitana Milanese Chairman Lanfranco Senn



The underground railway connection of Porta Venezia Station in Milan

Land, sea, and air: NYK Logistics delivers

"We've become one of the leading logistics providers in the Italian market," explains Giuseppe Fontana, managing director for NYK Logistics Italia and coordinator for the company's southern European activities.

"NYK Italy's dedication to its customers and their businesses, as well as the quality of services has contributed to the company's success and the increase in the number of clients we are servicing," he says.

The company has taken to heart the Japanese philosophy of *kaizen* to improve the quality of output and take care of its employees and customers.

"I think we have succeeded in setting this philosophy in motion. But now despite a tough period for the economy, we are achieving growth and profitability," says Fontana.

In 2006, NYK Logistics expanded its activities in southern Europe to include not only sea and air delivery of goods, but also freight forwarding and transport brokerage activities.

'The dimension of the logistics business here is much smaller than in some other European countries. But Italy still has a lot of potential because of the vast amount of goods being exported'



Giuseppe Fontana, managing director of NYK Logistics Italia

"This is a new service we're offering our customers. We're able to make full truck-load transports throughout southern Europe. This is an exceptional competitive advantage for our company," he says.

Compared to the rest of Europe, Italian logistics companies are smaller. But that scale does not reflect the value of the industry.

"Small to medium-sized family-owned businesses are the backbone of the Italian economy. The dimension of the logistics business here is much smaller than in some other European countries. But Italy still has a lot of potential because of the vast amount of goods being exported," he explains.

NYK Italy's customers are mainly fashion-related since the industry comprises the largest percentage of exports from the northern Italian region.

"We have opened logistics operations for the distribution of products from Pioneer, Blockbuster, Fujifilm, Puma and most recently Prada," says Fontana.

On the future, Fontana hopes to establish new trade lanes, primarily through the recent enhancement of road freight forwarding activity within Europe.

"We're looking to eastern Europe. We have already established companies in the Czech Republic and Poland, and we will soon extend our activities in Slovakia and Romania," he says. ● www.nyklogistics.com

A master of the local market

Before Nippon Express Italia Managing Director Kenichi Kayama went to Rome for the first time as a young trainee in 1980, he could not even point out the exact location of the city on a world map.

Seven years later, he came back with a huge amount of knowledge that has served Nippon Express Italia very well.

"I was one of the starting members 20 years ago and I am very proud of what we have built here," says Kayama.

With three branch offices in Rome, Florence and Turin, as well as its main offices and warehouse in Milan, Nippon Express has become well established in Italy. A basic knowledge of the Italian and Japanese markets, and a strong network has allowed Nippon Express Italia to grow to what it is today.

Today, Nippon Express Italia leads the competition in the shipping business between Italy and Japan. It holds a 25 percent market share in air cargo imports from Japan to Italy, according to International Air Transport Association (IATA) statistics.

Now, Kayama is looking for new ways to expand business, not only between Japan and Italy, but between Italy and the rest of the world. To do this,



Its head office based in Milan, Nippon Express also has operations in Rome, Florence and Turin

Nippon Express Italia must grow its network in the country.

"I'm considering different areas to establish more branches in Italy. Right now we are studying the market to see where we will expand next," he says.

"We must increase traffic from Italy to locations all over the world. We are Nippon Express of course, but Nippon Express Italia is an Italian company and we must expand and distribute Italian and Japanese products everywhere," he adds.

Almost 30 years after his first visit, Kayama knows Italy's geography better than most locals.

Clearly, vast knowledge, a wide network, and close collaboration between Italian and Japanese employees have translated into success for Nippon Express. ● www.nipponexpress.it

Building success from the grass roots

The first Japanese machine tool maker to open a manufacturing facility in Europe, Yamazaki Mazak has built a strong name for itself in this huge territory over the past 20 years.

Today, the plant is based in the U.K. and distributes highly specialized machine tools to customers in more than 30 countries in Europe. But, the Milan branch is an integral part of the company's overwhelming success in the region.

"I opened the office myself (in 1990) and eventually, the operation grew to seven people. Now, we have 90 employees in this office alone," recalls Roberto Micotto, managing director of Yamazaki Mazak Italy.

Approximately 80 percent of Mazak's business in Italy is situated in the north where its customer base spans most every major sector, including automotive, agricultural machinery, medical and packaging.

"We don't have direct sales here,

but our sales network comprises 13 agents with 70 salesmen across Italy," says Micotto.

He has presided over Mazak's recent plant expansions and the growth of one of its leading-edge technology centers in Italy.

"We're utilizing these resources and providing training courses to our employees. We're training them in a number of areas, most of all in offering the best customer service, which thus increases our sales," he says.

With his open management style and pride in his employees, Micotto encourages creativity and motivation in the office.

"I believe Mazak is currently No. 1 in the market for volume and sales because of the efficient and innovative working practices of our employees, and the quality reputation of our products," he says.

Asked about his priorities for 2008, Micotto emphasizes the importance of building strong relationships inside and outside of



Roberto Micotto, managing director of Yamazaki Mazak Italy

the office.

"Of course I want to increase our market share and sales, but I also want to improve relationships with our employees and customers, as well as form new partnerships," he says. ● www.mazak.com

Excellence through a sound game plan

Since starting operations in Italy more than 20 years ago, the name Kenwood has grown synonymous with quality and innovation in the country where annual sales have risen from 2 million euros to over 60 million euros.

Kenwood first entered the country at the beginning of the 1980s through a distributor, Linear Italia. The business has since become a wholly owned subsidiary that ranked No. 1 in Italy for car audio and navigation systems as of last year.

One would think a business like Kenwood Electronics does not like to speak about its competition but Mario Martinez, president of Kenwood Electronics Italia, has a different take.

"The consumer electronics market is very competitive and is characterized by constant price reductions, no brand concentration and quick model turnover. If we have competition, we are forced to create more innovative, quality products. Kenwood has built strong brand awareness and a good image in the Italian market. This aspect, together with a great talent in designing and manufacturing quality products, and the ability to market and sell these products, allow us to beat out the competition," says Martinez.

Kenwood is shoring up its growing business with strong partnerships in the automotive sector. In Italy, the company is working with Fiat, Lamborghini, Volkswagen and Daihatsu to promote its products in new cars, as well as its quality line of aftermarket products.

Martinez attributes Kenwood's success in this



Mario Martinez, president of Kenwood Electronics Italia

market to the unique combination of Japanese and Italian expertise.

"The Japanese, if you want to make a comparison, are more like the Germans in Europe. They are strong, efficient and work well in practical situations. Italians are a little more creative and innovative. Our mentality is one of fantasy and imagination," he says.

"Contrary to popular belief, this is not a negative approach though. In difficult business situations, this mentality can be vital to finding solutions and maintaining the flexibility the market demands. In putting the Japanese and Italian cultures together, we have accomplished something special," he adds. ● www.kenwood.com

Measuring success one satisfied customer at a time

Mitutoyo Italiana has come a long way since its establishment in northern Italy over 20 years ago. From a rented space in 1987 and building its vast headquarters just outside of Milan today, Mitutoyo has arrived as one of the leaders in the metrology industry in the country.

Mitutoyo Italiana specializes in the distribution of measuring equipment that ranges from small precision tools to large machines for commercial use, with costs that start from around 100 euro and go over 100,000 euro.

"You must consider that our machines make very, very high-precision measurements. Through them, we don't just measure down to centimeters but we are able to measure down to nanometers. These machines are very important to high-technology companies that are pushing boundaries of invention and innovation," says President Giovanni Costa.

This importance is evident in Mitutoyo's customer base. With large end-users such as Fiat, Ferrari, Magneti Marelli and the Red Bull Racing Team, the Japan-based company has gained the highest reputation in its industry and the top spot in its segment in Italy.

"Mitutoyo has made a lot of investment in research and development, and this has positioned us to have the best product in the market," says Costa.



Mitutoyo Italian President Giovanni Costa

"We don't simply sell our finished products to customers here. Through business solutions, we satisfy whatever application from the customer and implement personalized solutions based on specific demands. This is because our culture is different. We gain customers because we can adjust to our customers' demands better than our competitors," he adds.

Mitutoyo has ambitious plans for the coming year, including a massive advertising plan to promote a wider knowledge of its own brand and participation in five different trade exhibitions where it will launch 14 new products. Again, it will enhance these products with value-added services that include highly specialized training for distributors.

By any measure, Mitutoyo Italiana is clearly a leader in its field. ● www.mitutoyo.it

Italy

100% Italian, 100% natural

Ferrarelle reverted to Italian hands when the Pontecorvo family acquired the luxury bottled water company in 2005. Under its new owners, the company has gone from near bankruptcy to a business with solid fundamentals ready to weather any tough market.

Even amid fierce competition in the Italian market, Ferrarelle is back to being a force to be reckoned with. Of the 300 different brands in the domestic market alone, Ferrarelle is the No. 1 sparkling water and the only brand that can boast 100 percent natural certification.

It is exactly this unique competitive advantage that Ferrarelle believes will continue to increase its market share and expand into new countries in the coming years.

"Due to the fact that the Italian market is saturated, one of my top priorities has been and is to increase our exports," says Carlo Pontecorvo, president of Ferrarelle.

"In some countries, Ferrarelle is already a well-known brand due to the fact that these countries have a large Italian expatriate community. We want to capitalize on this brand recognition internationally," he adds.

But Ferrarelle's goal is not simply to expand its markets.

"We want to be known as we are in Italy for the quality of our product. We want to create awareness of the brand and its superiority," he says.

"In the short term, we want to be positioned in the best restaurants and bars in Italy and around the world. Our goal is to reach the distribution levels of our larger competitors while maintaining our high-quality product," he also says.

Pontecorvo envisions Japan to be a major player in his company's coming expansion.

"I think the Japanese are very interested in Italian culture, and in items that are natural and healthy. This is our priority – to educate the Japanese public on Ferrarelle's position as the only 100 percent Italian and 100 percent natural sparkling water on the market," he explains.

Ferrarelle has a comprehensive plan to increase exports and grow in the coming years. It has added new lines in its two major plants in Italy, allowing them to produce more bottles while maintaining quality. ● www.ferrarelle.it



Carlo Pontecorvo, president of Ferrarelle

OUR TALENT WORKING FOR MOBILITY AND ENVIRONMENTAL QUALITY.

MM is a large leading company that specializes in the engineering transport sectors. The company designs and constructs underground tunnels, and large construction projects such as the metro systems in Milan, Naples and Turin, and the underground railway line connection in Milan.

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Always oriented and highly committed to environmental issues, MM runs also water collection, water supply and wastewater services for the City of Milan thus satisfying approximately 1.5 million users.

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Way of Life!

ITOCHU Italiana catapulted to success

Since ITOCHU's inception in 1858, this world-renowned trading company has grown to become one of the most successful *sogo shoshas* in Japan. With a presence in 133 countries, ITOCHU has a firm commitment to its European markets, with Italy remaining at the forefront of importance for the textiles industry. "The largest activities in Itochu Italiana lie within the textiles and fashion industries, followed by food and machinery," says Hiroshi Oka, president of ITOCHU Italiana and group director of ITOCHU Europe Textile Group. Due to the rapid growth and success in Italy, Oka recognizes the importance of maintaining and growing the company's core business and top-notch image in the country. "Thanks to our history and expertise, we have a strong

reputation, which has helped us increase the number of business partners we're working with annually," he says. Currently, the company works with over 100 prestigious fashion brands. Recently, it partnered with Paul Smith in the U.K. "We are acquiring about 10 to 15 new brands per year, and we would like to see this number grow even higher over the next few years," says Oka. A branding expert, Oka works closely with fashion production sites, and oversees image development and export of ITOCHU's brands internationally. "We're not only exporting these brands to Japan but across Asia, including China and Europe," he says. Adhering to the company's philosophy of embracing customer-focused ideas to grow its business, Oka has implemented his strategies



Hiroshi Oka, president of ITOCHU Italiana and group director of ITOCHU Europe Textile Group

for increasing partnerships across Europe. "We'll continue to seek out and develop new business and investment opportunities primarily in the fashion and textiles industry, but also in machinery and food, our other business units that we're trying to expand," says Oka. ● www.itochu.co.jp

Omron marks jubilee year through volunteer work and eco-initiatives

To mark its 75th anniversary in 2008, Omron is reaffirming its core corporate value of "Working for the benefit of society," through an extensive program of voluntary work by the company's 35,000 employees. As part of long-standing efforts to improve society, the company's offices around the world commemorate "Omron Day" with activities that support local charities and welfare organizations. This year's celebrations go much further with a five-month "Eco-Volun" program of environmental initiatives and voluntary work, culminating in a substantial donation to nominated charities. From May to September, Omron employees will join activities ranging from increased recycling and energy saving through to community and charity work. Until the end of September, all Omron employees will be awarded "Eco-Volun" points, according to the activities undertaken. The company will make donations to nominated charities, based on the number of points gained by all employees. Omron Europe will use its donation to contribute to a Red Cross project for health-care

education in Malawi. Meanwhile, Omron is also highlighting its status as a prime example of successful Japanese investment in Italy. "The subsidiary's success in the Italian market is partly due to the fact that Omron's roots in Europe began with a joint venture between Carlo Gavazzi, an Italian company, and Omron. We are No. 1 in the market for ceramic machine makers, and 70 percent of our business comes from machine makers acting in all kinds of industries," says Omron Europe President and CEO Roberto Maietti. Omron also supplies industrial automation components and systems to the automotive, semiconductor, food and beverage industries. "I believe that we have a lot of potential for growth in the packaging, pharmaceutical and cosmetics sectors in the future. We are actively seeking new business in these areas, mainly due to growing demand for quality control," says Maietti. The company chief's growth strategies include targeting end-users to develop new business



Omron Europe President and CEO Roberto Maietti

opportunities and increase pre- and post-sales services to its customers. "We have a superior product range and a large variety of products that we can offer our customers. This helps give us our competitive edge," he says. Maietti would like to see Omron's presence grow stronger across Europe. "My aim is to promote the company's Japanese identity, and at the same time focus on developing products that can be adapted for European needs," he says. ● www.industrial.omron.it www.omron.it/75anni

Supplying Italy with Japanese innovation

Senju Metal started in Italy as a supplier of bushings for the heavy equipment and automotive industries. In just a few years, the Japanese company has managed to create a stellar reputation and strong market share within these core industries in northern Italy. "Senju Metal has a vast network of distributors and subsidiaries all over the world. From here in Italy, we can relay market information to our clients. We have a global perspective that our customers might not have, which is one of the many value-added services we can provide them," explains Yuji Ikezoe, president of Senju Metal Italy. The Italian subsidiary, located

in Vicenza, also enjoys a distinct competitive advantage because of the innovative products it has developed. "We have two main priorities for the Italian market in the coming years. We would like to increase our share in the automotive sector by aggressively expanding our customer base. We also want to capitalize on our newest line of no-lead bushings. These bushings, which can be sold according to the new European environmental standards, are a testament to Senju's innovation," says Ikezoe. The no-lead bushings also form part of Senju's efforts to become more environmentally conscious. "The no-lead bushings are currently only for the automotive industry. In the future, we would like to sell lead-less bushings to the earthmoving industry as well," says Ikezoe. It is that unique innovation and commitment to quality, along with its appreciation for the local market culture, that have allowed Senju to



Yuji Ikezoe, president of Senju Metal Italy

succeed in Italy. Ikezoe believes that Senju is headed for success in the country due to the minimum amount of adjustment to cultural differences. "There are many similarities between the two cultures and each can learn many things from each other," he says. ● www.senju-m.co.jp

A firm commitment to the local community

PierCarlo Alessiani took over as president of the board of directors, managing director and general manager of JT International Italia in 1999 at a time when the company's products were performing sluggishly in Italy but had great potential for improvement. Since then, JTI has climbed from No. 6 to No. 3 in the Italian tobacco market, with a 17 percent market share. The combined workforce of JTI Italy has also grown from 55 in 1999 to over 270 in 2008. "Nine years ago, JTI had a small mono-brand business in Italy with great potential to build a strong business base in the market. We have capitalized on that potential and are reaping the rewards today," recalls Alessiani. "We built this step by step together with JTI, keeping a strong focus on its global flagship brands – Camel and Winston – and on putting the right people in the right place at the right time and acting with strong strategic consistency. There is volatile growth and there is solid organic growth. I believe we have achieved solid, steady and organic growth in Italy," he adds. Today, JTI has three brands

in the Top 10 in the ready-made cigarette market, including Camel (ranked 4th), Winston (ranked 6th) and from 2008, Benson & Hedges American Blend (ranked 10th). Alessiani believes that success comes with responsibility. "We started from almost zero in 1999 with an insignificant market share and consequently had little impact on social affairs. As the company's dimension evolved, so did its social role and we felt the need to be more involved in the community," he says. So, JTI Italy has done just that. In close collaboration with the government of the region of Lombardy on several philanthropic programs, JTI is the sole sponsor of "The Guardian Project," which lends assistance to the local elderly with serious social difficulties. The program provides companions, helps with shopping needs, facilitates contacts with social services, delivers meals, organizes transportation to medical facilities for examinations and creates opportunities for socialization within the community in which they live. The company has also made a strong social commitment to



PierCarlo Alessiani, managing director of JT International Italia

improving the local environment. "We have partnered with the local waste-management company to fund the distribution of special ashtrays made of recycled materials that are placed outside public premises, and the free distribution of thousands of portable ashtrays to the citizens of Milan. We want to do our part to help keep the city clean and respect the local environment," he says. Alessiani says JTI Italy will maintain its successful business and community involvement well into the future and has a simple strategy for doing so. "If you are passionate, if you do what is right, and if you have the right people, you can succeed," he says. ● www.jti.com

Excellence in science

A result of the acquisition of major chemical group Ausimont in 2002 and its merger with existing activities, Milan-based Solvay Solexis has consolidated its worldwide position in the industry and raised its value within the structure of parent company Solvay Group. "During the last decade, there has been a very significant growth in demand for fluoro-materials. These are very sophisticated products that are well suited to address the increasing requirements of modern technologies and industries," says CEO Pierre Joris. Solvay Solexis supplies technical fluoro-materials mainly to the semiconductor, automotive, chemical process, oil and gas, and to construction industries around the world, with Japan remaining a major market that accounts for around 12 percent of sales, according to Joris. "The semiconductor and automotive industries are world renowned in Japan. We like to be active in these markets as they are at the forefront of the global industry. If you can perform up to the quality and performance requirements of

Japanese players, you can be sure your product will meet or surpass requirements anywhere," he says. In an industry where innovation is vital, Solvay Solexis has been pushing the boundaries. With its heavy investment in research and development (which accounts for over 6 percent of sales), it enjoys one of the leadership positions in the fluoro-materials industry and is determined to keep it in the foreseeable future. "It is part of our strategy to constantly bring new products and new solutions to the market. The only way we can grow, and grow faster than the market is to excel at listening to customer needs and materializing innovative offerings through very efficient R&D," he says. "Renewable energies are one area in which we are furthering our expertise. Beyond developments we make for photovoltaics or high-performance batteries, we have a sizeable R&D investment in fuel cells. We are determined to play a major role in this industry worldwide," he also says. By maintaining a strong presence in Italy, Solvay Solexis intends to



Solvay Solexis CEO Pierre Joris

capitalize on the strong expertise built by former Ausimont but also tap into a deeply ingrained culture of innovation in the country and its highly educated professionals. "Not being Italian myself, I must say that one of the great points about being located in Italy is precisely the creativity the Italians are known for," he adds. "Having a company that is focused on R&D, I can testify that having people who are flexible and ready to address tough technical challenges is something that is irreplaceable," he adds. It is then up to management to channel and turn this creativity into innovation. ● www.solvaysolexis.com

The intelligent way to comfort

Just over five years after setting up a wholly owned subsidiary in Milan, Daikin Air Conditioning Italy has acquired the largest market share in the country. With a sales turnover rising from over 150 million euros in 2002 to an astounding 408 million euros in 2007, Daikin has performed above expectations of many in Italy. Daikin Air Conditioning Italy President Hiroshi Yogo, who has been at the helm since

2002, attributes the fast growth to the quality, innovation and increasingly environmentally friendly products the company is known for worldwide. Daikin is pushing these eco-friendly products in the ever environmentally conscious Italian market. In fact, Daikin Italy recently won environmental awards for two of its residential flagship models: the UX series and Ururu Sarara. With 70 percent of its sales in the residential sector, Yogo sees potential in growing the commercial side of the business. And if Yogo has his way, Daikin Italy will maintain its hold on the residential market while increasing commercial sales. "Unfortunately, our business is heavily linked to hot and cold weather trends that are out of our control. If a summer is particularly hot, we generally have a good year in sales while if it is the opposite, our sales are not quite as strong," Yogo says. "While our residential sales are strong, we need to find ways to decrease volatility and shore up our business for stable long-term



Daikin Air Conditioning Italy President Hiroshi Yogo

growth," he adds. Daikin Italy is doing just that with its launch last year into the heating market. Its new heating system called Altherma is booming in the European market and Yogo hopes it will have the same success in Italy. Two-thirds of the heat generated by the Altherma system is from a renewable source, making it ideal to meet the increasingly strict environmental laws of the European Union. By increasing sales in the commercial sector and developing new business areas in 2008, Daikin is slated to maintain its No. 1 position in the Italian market. ● www.daikin.it

Local partner to Japanese

Talk to Stefano Signorelli, CEO of Misano, and he will tell you he is a very happy man nowadays. His rapidly expanding business in Europe and around the globe is one huge reason for that. Established in Italy in 1970, Misano supplies three main products: refractory, electrode and lance pipes to steel companies worldwide. Its uniquely treated products have allowed the company to thrive even with sharp competition in the global steel supplier markets. A large part of this success is due to a strategic partnership formed in 1984. Next year will be the 25th anniversary when Japanese company Shinto Lance set up its facility on Misano's grounds in Italy. Shinto Italia is the distributor of its special treatment solution for Misano's electrodes and Shinto's calorized tube pipes. According to Signorelli, the treated electrodes guarantee customers 20 percent better performance than the average product. For the Shinto tubes, the reduction can reach up to 60 percent of the total rate of the exposed pipes. "Through our close relationship with Shinto, we have changed our philosophy on the market. We think globally and not only locally now," says Signorelli. Two years ago, the company established Misano Engineering, which will provide total solutions



Misano CEO Stefano Signorelli

for its customers. "We are not only selling but providing complete solutions to all steel plants. Our mission for next year is to work with all steel plants that require our highly specialized services," he says. Signorelli sees the future of his business growing with their solutions business, and in the emerging economies of the Middle East, Africa and Russia. "There are 10 to 12 new steel factories being built in the Middle East now, with no one to service them. This is a really great opportunity for the future of our company," Signorelli says. Misano's plan to build a new production facility in the Middle East is now in its final stages. The venue will provide refractory products, electrodes and solutions to the rapidly growing steel businesses there. With the current successful business and construction of a new plant in the Middle East, prospects look only brighter. By the looks of it, Signorelli will remain a very happy man for the foreseeable future. ● www.misano.it

Italian jewelry company grabs golden success in Japan

Uno A Erre's origins stretch as far back as 1926, when Carlo Zucchi and Leopoldo Gori started a jewelry manufacturing company in Arezzo, an idyllic town in Tuscany famous for its goldsmiths. With subsidiaries in Japan and France, and a manufacturing plant in Jordan, the family-owned company has expanded operations across the globe and with a new facility opening in 2010, it shows no sign of slowing down. "Uno A Erre has become a worldwide market leader in the design and distribution of gold jewelry because of our history, leading-edge technology and wide range of pieces," says Managing Director Gianluca Zucchi, fourth-generation descendant of one of the company founders. One of Zucchi's priorities is to expand further internationally and increase exports to countries like the U.S. and the UAE. With 50 percent of sales coming from Italy, Uno A Erre has positioned itself as the No. 1 jeweler in the country. It currently produces more than 70 percent of all wedding rings sold in Italy. The company's second-most important market outside of Italy is Japan. "We established an office in Tokyo in 1982 in partnership with Sumitomo Corp. We were one of the first Italian companies to penetrate the Japanese market," says Zucchi. "A part of this company's DNA is Japanese. We have maintained our Italian identity but have allowed ourselves to be influenced by the tastes of different cultures, namely, those of the Japanese," he adds. With one successful flagship store located in Tokyo and another being opened this summer, business in Japan has been growing. "Our strategy in Japan is changing. We're not only selling our high-end pieces of jewelry but also offering high-quality pieces of jewelry that everybody can afford," says Zucchi. The company plans to launch a new line from its fresh and trendy brand "IARbyunoaerre" in Japan this year. Zucchi is a visionary and thinks big when it comes to the potential of the company. "I'd like to establish a network of 10 Museums and Stores globally within the next 10 years, with two in Italy and at least two in Japan," says Zucchi. Uno A Erre's museums and stores will educate visitors about the history of the company and the evolution of its jewelry designs. There's no denying Zucchi's appreciation and commitment to Japan. "Both of our countries have similar values in common like importance of family, appreciation for food and aesthetic. I strongly believe that if I didn't live in Italy, the first place I would choose as home would be Japan," he says. ● www.unoaerre.it



First unveiled in 2006, UNO A ERRE's Museums & Stores will allow visitors to touch with their own hands the history of the company, through the display of designs, old machinery and authentic jewels from past decades.



UNO A ERRE's Venere Ring with diamond riviere with matching pendant and earrings all in white gold and diamonds

The Suzuki 'way of life' is huge success

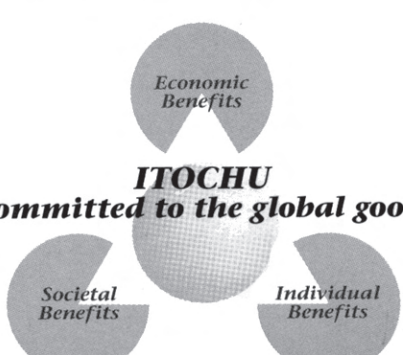
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"We have 95 dealerships in Italy and almost 50 percent are exclusive distributors of Suzuki. I have visited all of the dealers, and I know most of them personally, including some of their families. The human impact is so important here. This is what makes us successful in the market," Fujita says. After-sales service is another key component of Suzuki's strategy. "All of our technicians are trained thoroughly upon the introduction of a new model. Under our new customer care policy, we hope that buyers have at least five years of ownership. This five-year plan was developed to ensure our customers will remain lifelong loyal customers of Suzuki," says Valente. Asked about Suzuki's biggest priority this year, Fujita simply says, "To go without stopping." ● www.suzuki.it

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