

World Eye Reports

Bavaria

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Germany, Japan mark 150 years of trade, friendship

In the autumn of 1860, an expedition from the Kingdom of Prussia landed on the shores of the Japanese city of Edo (present-day Tokyo), already one of the world's largest at the time, and the first official contact between Germans and Japanese was recorded.

Two trips and a year later, both sides signed the friendship treaty that is being celebrated today.

To commemorate that milestone, Crown Prince Naruhito met with German President Christian Wulff and with Chancellor Angela Merkel in June, while he also thanked them for Germany's help in the aftermath of the March 11 Tohoku earthquake.

Within the industrial and cultural heartland of Germany, the state boasts a number of the country's most recognized brands – BMW, Audi, Siemens, Adidas, Puma, Allianz and Munich Re, to name a few, which have been the top contributors to economic growth.

While Germany as a whole has been significantly affected by the global recession that started after the financial crisis in 2008, Bavaria has bounced back strongly.

The state increased its gross domestic product from €423.8 billion in 2009 to €442.4 billion in 2010, a growth rate of 3.9 percent, the highest achieved in a decade.

Its per capita income also rose to €35,337, comparing favorably to the national average of €30,566.

Aside from the information technology, communications, automobile, energy, electronics, machinery and chemicals sectors, Bavaria also hosts fast-growing companies in the biotechnology, medical technology, food and beverage, garment, forestry and agriculture industries.

To further boost economic growth, the Bavarian government launched the “Aufbruch Bayern” (Bavaria on the Move) program, which highlights innovation and competitiveness in the region and its companies.

Earlier this year, Bavarian Minister of Economic Affairs Martin Zeil predicted record figures in economic output, exports and employment.



Bavarian Minister of Economic Affairs Martin Zeil

“This will show that Bavaria was right to focus its economic policies on growth, prosperity and jobs for the people,” Zeil remarked.

The state has enjoyed a geographical advantage. It is situated in the heart of the European economy, allowing easy access to the European Economic Area (EEA) and most European markets.

Bavaria also has a state-of-the-art transport infrastructure, supported by advanced communication systems.

With its dozens of world-class universities, training institutes and research centers, the state also pro-

duces hundreds of highly qualified and trained personnel, all readily employable by the scores of high-tech companies in the region.

Most importantly, the Bavarian government provides strong support for economic growth, whether it is by constantly simplifying regulatory procedures, setting up investment incentives or establishing strong support networks.

Evidence of close ties between Japan and Bavaria abound. More than 6,000 Japanese live in the state, and they have a Japanese school and kindergarten to maintain links to home.

Last October, Christian Gellinger, Bavaria's representative in Japan, cited a survey indicating that 36 percent of Japanese companies in the state planned to expand their size and operations. These companies – more than 230 so far – include some of Japan's biggest, such as Toshiba, Hitachi, Panasonic and NTT DoCoMo.

Similarly, a high number of Bavarian companies are looking to reinforce business partnerships with Japanese companies.

“The cultures of Bavaria and Japan are based on the same fundamental values of precision, dependability and quality,” said Jochen Ihring, managing director of specialty office furniture

maker Dauphin HumanDesign Group, which has worked with its Japanese partner for more than 20 years.

Nationally, ties between Germany and Japan have grown stronger over time.

After forging close mutual cooperation in 1974 in science and technology – particularly in marine research, life sciences, and environmental research – Germany and Japan joined the Group of Six, the precursor to the Group of Eight, or G-8.

Today, Germany is Japan's largest trading partner in Europe, while Japan is Germany's second-largest trading partner in Asia, after China.

“Bavaria and Japan have one thing in particular in common: the determination to spearhead progress!” Bavarian Minister-President Horst Seehofer said. “I am firmly convinced that ‘green technologies’ will become the driver and guarantor of innovation, growth and prosperity around the world in the years to come.”

“Cutting-edge technology from Japan and Bavaria already stands for success and progress in many sectors. It would fill me with great pleasure if Japanese and Bavarian knowhow could find even more common ground here,” he added. ♦

European fashion to dress Asia's slopes (and streets)

The recent selection of Pyeongchang, South Korea, to host the 2018 Winter Olympic Games is an affirmation of the burgeoning growth and future of skiing and other winter sports in the world's largest continent.

Thus, a renewed focus this year on Japan and the rest of Asia seems like a natural move for Bavarian sportswear and fashion group Bogner, which invented the concept of fashionable skiwear in the 1930s and took it from the slopes to the streets of the world.

The current chairman of Willy Bogner GmbH & Co. is Willy Bogner Jr., son of the firm's founder and a champion skier himself. At the age of 17 in 1960, he won the famed Lauberhorn downhill in the Swiss resort of Wengen, then went on to revolutionize ski filming before going back to take over the family business upon his father's death.

Bogner met WER at his company's modern, blinding-white building in Munich. Behind his desk is a large graffiti painting, incongruous amid the glass and metal of his office – a fitting sign of the creative current that still runs through his veins.

His family history, too, explains some of Bogner's mix of sportiness, innovation and entrepreneurship.

“It was my mother, Maria Bogner, who started our work in sportswear and fashion after she married my father, Willy Bogner Sr., who had gotten into the distribution of ski equipment from Norway through his love for competitive skiing,” Bogner explains.

“It was the 1930s and she found she had nothing to wear that would look good on the slopes, so she deconstructed an army parka

and created a silhouette that was more feminine. People noticed, and the skiwear industry was invented,” he added.

Starting with the 1936 Winter Olympic Games through today, Bogner has always outfitted the German team – a successive run of 17 games.

“From the start, our clothing was the lightest, most functional and best looking,” he boasts.

Bogner came into its own with the invention of stretch pants for use both on and eventually off the slopes. The pants became so popular that the 1975 Langenscheidt Dictionary of American Slang includes a definition for “Bogners” as “a pair of ski pants.”

“We got the material from a company in Lyon, France, that could weave a very fine wool blend that stretched. It gave us the perfect material to cut close to the body. It also looked incredibly sexy,” he recalls of the material first obtained from Charles Aceti's French factory.

Bogner has never ignored the summer, either. It has probably been one of the most influential in taking sportswear from the tracks to the streets, as people have demanded form that follows function. Bogner fashion today is a greater part of its sales than skiwear.

Bogner's wife, former Brazilian model Sônia, whom he first met when he took the photos for a Bogner ad campaign, has been in charge of the women's collections since 1980.

Next year, the company will celebrate its 80th anniversary, at a time of renewed global expansion. Bogner Asia, a joint venture with Korea's Cosmo & Co. based in Hong Kong,



Willy Bogner Jr., chairman of Willy Bogner GmbH & Co., with his wife, Sônia

was formed in 2010 especially to consolidate the European sportswear leader's substantial presence in Japan and expand in the key north Asian markets of China, Korea and Taiwan.

He also discusses the guiding philosophy that has carried the company to the present day: “We've always thought like athletes. To be the best there is. To always find something better. There's never an end to development. This is our attitude. This is the spirit that drives us.”

If one sportswear company says, “Just do it,” Bogner says, “Do it well.”

“We're a small company,” says Bogner. “We're in a field where you have to move fast, take chances and try things out. Trial-and-error is still the No. 1 rule in life.”

Dodging the gates of today's global economic challenges, Bogner is still that downhill skier looking for the seconds that will take him to the finish line ahead of all others. ♦
www.bogner.com

eBOX

Dauphin HumanDesign Group, based in Offenhausen, is one of Europe's leading makers of complete office and home furniture solutions, with a worldwide distribution network. Its products connect precision quality with fully developed ergonomic functions. Its innovative new model InTouch swivel chair has garnered the prestigious red dot design award. www.dauphin-group.com

Regio Augsburg Tourism, promotes the southwestern Bavarian city of Augsburg, provides visitors with helpful information on accommodations, food and sightseeing, while assisting companies with congresses, conferences, seminars and cultural and commercial events. www.regio-augsburg.de

Invest-in-Bavaria provides companies with information, helps find suitable sites and arranges contacts with government agencies as well as local partners and networks, all free of charge. www.invest-in-bavaria.com

Bavarian innovation is as strong as silk

In the continuing search for and invention of new materials for modern life, we should not overlook what so often lies right in front of us. For millennia, spiders have spun nature's strongest substance: silk for their webs. Weight for weight, spider silk is stronger than steel and especially stretchable while also completely biodegradable.

Munich-based AMSilk has developed a process to produce “spidersilk” – biopolymers copied from spider web proteins and produced using bacteria. Applications for various forms of the end product – as spheres, membranes, films, non-wovens and fibers – are only now starting to be gleaned.

The company grew from beginnings at the Technical University of Munich and started in 2008 when the basic process for producing the protein was already in place. The problem was producing enough of it to make it viable.

“We made our first kilo 1 1/2 years ago. It was a milestone, but we are working so much we haven't even taken time off to celebrate it yet! In any case, celebrations were truly in order because that moment signified that industrial-scale production of spidersilk is now a reality,” recalls CEO Axel H. Leimer.

This is proving to be a watershed year for the company. AMSilk won Germany's prize for industrial innovation, the Industriepreis 2011 in Biotechnology Solutions, after being shortlisted last year as one of only five finalists (and the only German company) for the EU's Most Innovative SME Award.

Investors have taken good note. Earlier this year, in



AM Silk CEO Axel H. Leimer (right) and Chief Science Officer Dr. Lin Römer (left)

a challenging economic climate, AMSilk also completed a new \$7.5 million financing round that will carry it to next year's expected commercialization of its first products.

“We have six prototypes in development. We are looking for more international partners, and Japan is a very important market. We will connect with companies who have the products for our materials and licensed technology,” Leimer says.

Leimer is proud of AMSilk's Bavarian roots and location. “It's a great place for life science companies. There are excellent conditions here for companies like ours,” he says. ♦
www.amsilk.com

The Bavarian Representative Office: 23 years in Japan and one of 23 worldwide

Bavaria founded its representative office in Japan in 1988. Located next to the landmark Tokyo Tower, it is the oldest of the 23 offices maintained by Bavaria outside Germany.

Japan in Bavaria

Some 250 Japanese companies, 100 in the last decade, have set up subsidiaries in Bavaria.

The state's Japanese community, with some 6,200 people, is one of the largest in Germany.

Fostering this growth is a community comprised of Japanese and international schools, Japanese restaurants and grocery stores, and everything else needed to make any Japanese

feel at home in Bavaria.

The annual Japanese summer festival in the English garden in Munich attracts thousands of visitors, all of who experience the unique Japanese lifestyle and culture.

Germany's most famous soccer club, FC Bayern München, also recently signed a promising young Japanese player, a reflection of the club's long-term friendship with Japanese soccer.

A community website – www.japan-and-bavaria.com – provides useful data in both German and Japanese for anybody interested in living and working in either Bavaria or Japan.

Bavaria in Japan

Bilateral trade estimated at €6.1 billion in 2010 made Japan Bavaria's second most important trading partner in Asia.

Bavaria's business community has operated in Japan for more than 120 years, starting in 1887, when Siemens established its Tokyo office.

Nearly 100 Bavarian companies maintain subsidiaries now across Japan. And 15 Bavarian communities have entered into partnerships with their Japanese counterparts.

The Bavarian lifestyle and culture is evident in the many beer festivals held across Japan.

Bavarian companies and organizations also provided generous aid and relief to the disaster-stricken areas of the March 11 Tohoku earthquake and tsunami, just as you can expect from a close partner and friend. ♦
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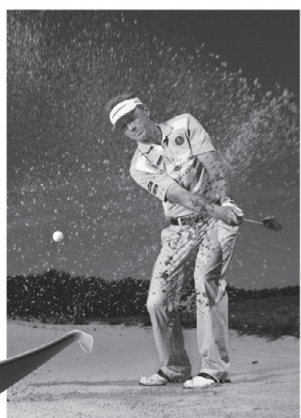
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THE WAY TO



BOGNER



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From pig's blood to the gift of time

Dr. Bernhard Kreymann, then a doctor at the teaching hospital of the Technical University of Munich Klinikum rechts der Isar, spent a lot of time in a slaughterhouse at one point, buying pig's blood, which is analogous to human blood and needed to test his theory on how to more effectively lower bilirubin levels in patients with liver disease.

“In 1999, I was a nephrologist in charge of extra-corporeal treatment of blood. We had a young patient with Wilson's disease, in which copper accumulates in the body and can cause liver failure, among other things. I thought of adding human albumin to a dialysis machine, which would remove the copper. Within a week, the patient recovered. We won enough time for him to agree to a liver transplant, which saved his life,” he recalls.

The treatment was effective but, in Kreymann's mind, not effective enough. A day's treatment used up 50 bottles of albumin, which could be used only once, had to be discarded after and cost as much as \$7,500.

It was also not good enough in reducing high levels of blood bilirubin, which usually indicates liver disease. He continued to search for a way of reducing excessive bilirubin levels to less than 5 milligrams per deciliter, through his experiments with pig's blood.

By 2002, Kreymann discovered that altering the pH level of albumin used in the hemodialysis process allowed it to be used more than once (reducing daily use to two bottles), and also lowered bilirubin levels further. Three years later, he founded Hepa Wash, and followed that up by securing second place in the prestigious Harvard Business Plan international competition in 2006.

This encouraged an entrepreneurial spirit that eventually pushed him to leave the university. After years of in vitro tests and animal studies in pigs, Hepa Wash has a patented technique and liver support device that may one day have a significant effect on lives of over 12 million people worldwide suffering from liver disease.

“We have our European and U.S. patents, and will soon have it in Japan. We are also in contact with Japanese companies because there are several world-leading specialists in dialysis machines there. We're open to Japanese investment, and I know if we want to enter the local market we need a Japanese partner,” he says.

This year, Hepa Wash raised \$21 million in its latest financing rounds with a “made in Munich” prototype already being used in clinical trials. The final model should be finished early next year and full commercialization is expected by 2013.

“I don't know if we could have achieved this outside of Bavaria. Here we have our network, advisers, university, government support and engineers, as well as investors experienced in medical device companies,” says Kreymann, who started with seed money of \$450,000 and four students and now heads a staff of 20.

“I just hope our company can help people to get back to a normal life. Our aim is for our liver support system to give patients that most precious element – time,” he says. ♦

www.hepawash.com



Hepa Wash Founder and CEO Dr. Bernhard Kreymann (far left) and his team celebrate the company's successful ISO 13485 quality management audit performed by TÜV Süd in December 2010.

CORRECTION

In our last report, on Sweden, published July 23, **Axcentua CEO Stefan Rehnmark** was incorrectly identified as the company's chief science officer. We apologize for the mistake.