

Israel-Japan Business Relations - 2002

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January

Three law makers visit Israel

Secretaries general of the three ruling parties hold a five day visit to Israel and Palestine to encourage peace in the region.

Taku Yamasaki of the Liberal Democratic Party, Tetsuzo Fuyushiba of New Komeito, and the Toshihiro Nikai of the New Conservative party arrived in Israel for a five day visit. During their visit, they had talks with Israeli prime minister foreign minister and president and with PLO's leader urging the sides to engage in dialogue. The three had delivered personal letters to the leaders of both sides from PM Koizumi and visited UN base at the Golan Heights.

Hitachi Capital boosts call center performance by 300% with enterprise caching; Expand Networks saves large Japanese finance company more than \$100K a year.

Expand Networks, a leader in the field of bandwidth optimization, announced that **AMIC Services Co., Ltd**, a debt collection service business of **Hitachi Capital Corporation** has successfully deployed Expand' Enterprise Caching on multiple locations in its **Japanese call center network**. These deployments instantly provided Hitachi Capital with a realized network throughput of 512K over 128K call center links, enabling cost savings of more than \$100K a year.

Production Sharp selects Orbotech AOI System for next generation system-LCD

ORBOTECH LTD. announced that the Company has received an order from **SHARP CO. Ltd.**, for multiple FPI-6030(TM) automated optical inspection (AOI) systems to be utilized for production yield enhancement in Sharp's first next generation thin film transistor liquid crystal display (TFT-LCD) facility in Japan.

RADCOM, Artiza Networks sign distribution agreement for Japanese market

RADCOM Ltd, a leading network test and quality management solutions provider, announced on January 10th an agreement for the marketing and sales of RADCOM

products in **Japan** by Tokyo-based **Artiza Networks Inc.**, which is publicly traded on the Tokyo Stock Exchange.

"We at Artiza are delighted to be representing RADCOM in **Japan**," said Takashi Tokonami, President and CEO of Artiza Networks. "We believe that our expertise in the Japanese communications market coupled with the excellent products produced by RADCOM will be fruitful to both parties and significantly develop RADCOM business here in **Japan**."

Dmatek to distribute Mitsubishi alcohol monitoring system

Dmatek which provides electronic monitoring technologies, announced that its wholly owned subsidiary Elmo-Tech had signed an agreement to distribute an alcohol monitoring system manufactured by Mitsubishi Electric & Electronic USA. Dmatek estimates that the agreement will generate revenue totaling \$4-6 million over the next 2 years.

Remote alcohol monitoring devices measure the alcohol level in an individual's breath, in a similar way to portable systems used by police patrol officers. The results from a test are transferred to monitoring center officers, confirming the individual's compliance with a program. The alcohol monitoring system can be utilized as an independent measure, or in combination with a restrictive home detention schedule.

Teva-Naot wins NIS 5m contract from Japan

Teva-Naot, which specializes in **comfort shoes** received an order for 10,000 pairs of shoes worth NIS 5 million,(about \$1.2 Million) the company announced on January 9th.

The company's shoes will be sold at some 30 Japanese fashion stores by **G.I International**. According to company manager general Michael Eluz, Teva-Naot has pledged to sell 20 types of shoes on the Japanese market and has even devised a unique Japanese style called "**Kyoto**."

Seiko Instruments to offer Tecnomatix eMPower solutions to Japanese manufacturing market

Leading manufacturer will integrate eMPower solutions into its mechanical design automation offering

Tecnomatix Technologies, Ltd. the leader in Manufacturing Process Management (MPM) software solutions, has entered into a distribution agreement with **Seiko Instruments, Inc. (SII)** of Japan. Under the terms of the agreement, SII will integrate Tecnomatix eMPower™ MPM solutions into its product offering for customers throughout Japan.

SII, which provides CAE/CAD/PDM software sales and support for factory automation systems, will distribute Tecnomatix eMPower Quality products to users of EDS

Unigraphics systems. EDS, also a distribution partner of Tecnomatix, provides mechanical CAD products that are fully integrated with the Tecnomatix eMPower solution suite.

Evergreen VC raises \$60 million.

Japanese institutions among new (and old) investors.

Evergreen, the veteran Israeli venture capital fund, has raised \$60 million in the first stage of its fourth VC fund, which will manage total funds of \$170 million. With completion of the first stage of the fund, Evergreen will now manage a total of \$520 million. In August 2000, Evergreen completed its \$170 million third fund, and since then has apparently invested most of the money.

According to reports, investors in the third fund, including Bank of America and the Japanese **Nippon Investment house (NIF) JAFCO, IBJ** also invested in the fourth fund. The amount of capital raised so far points to Evergreen not having attracted any prominent new investors to the fund.

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Interwise get \$1m. from NTT

Interwise said that **NTT Communications Corporation** added \$1 million to its \$34m. third round of financing.

NTT joined participating investors Accenture Technology Ventures, Lazard Technology Partners, UBS Capital, GIMV, Leeds Equity Partners, Morgan Keegan, and Jim Manzi, chairman of Interwise's board of directors.

Interwise, a provider of real-time enterprise communications solutions with offices in Tel Aviv, operates the Interwise Expressway, a global server network designed to optimize bandwidth and performance.

February

SFKT gets \$5m. Japanese investment

SFK Technologies announced Japanese trading company Marubeni Corporation investment of \$5 million in SFKT. Marubeni will receive 6,377,494 ordinary shares of the company, or a 15.79-percent stake, making it the second-largest shareholder.

The company intends to form a strategic alliance with the multinational company, which had turnover of \$76 billion in 2001 and holds \$43b. in assets.

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NCL Communications to sell RapidStream firewalls in Japan

NCL Communications KK, an importer and marketer of peripherals for personal computers, started marketing in February firewall equipment made by U.S. firm RapidStream Inc.

The RapidStream equipment incorporates FireWall-1 and VPN-1 software made by Israel's Checkpoint Software Technologies Ltd.

The software verifies senders' addresses on incoming e-mail, blocking those it considers suspicious. The hardware processor blocks any subsequent attempted access from the same address.

NCL Communications forecasted annual revenues of 500 million yen from these products, which are priced starting at 1.15 million yen.

SANYO invests \$1m. in Shellcase

SANYO Semiconductor Corporation, a subsidiary of SANYO Semiconductor of Japan, has made a strategic investment of \$1 million in Shellcase LTD. The investment is a second closing of the Series B funding, in which \$20m. was raised in April 2001.

Kinden, Israeli firm form joint venture in network devices

Kansai Electric Power Co. affiliate Kinden Corp. announced that it has established a joint venture with Israel's Itran Communications Ltd. to market network devices that operate over power lines.

The new venture will develop and sell network equipment that incorporates Itran's power line modem chips. Kinden will use these devices to configure electric-line-based information networks for offices, factories, homes and schools.

The new venture is capitalized at 50 million yen, with Kinden holding a 51% stake in the firm, Itran a 32% share, and Alps Electric Co. and Macnica Inc. each owning an 8.5% stake. Fiscal 2004 sales are targeted at about 1 billion yen.

Israel invites Japanese, Korean firms to international tender

Israel's wholly-owned government company, **Metropolitan Mass Transit System, Ltd.** (NTA), has issued an international RFP (request for proposal), an invitation to pre-qualify for participation in an international tender for the construction and operation of an urban light rail system in its metropolitan capital Tel Aviv. Two main countries at which the invitation was aimed at are Japan and Korea.

NTT DoCoMo signs cooperation agreement with Evergreen vc.

Japanese cellular company NTT DoCoMo and Israeli venture capital fund Evergreen Partners signed a strategic cooperation agreement to identify technology opportunities in the Israeli high-tech market. NTT DoCoMo signed the agreement with Evergreen in order to increase its exposure to Israel's cellular industry. The companies' joint announcement states that NTT DoCoMo believes in the great potential of Israeli companies in providing new 3G technologies and applications.

Zoran and Principle Solutions enable SANYO DVD Players to filter foul language from movies using TV guardian.

Zoran Corporation and **Principal Solutions** have delivered **TV Guardian for SANYO'** new line of DVD players. TV Guardian technology expands the family' home entertainment choices by allowing parents to filter inappropriate language from TV and DVD programming. Zoran and Principal Solutions co-developed the software that enables the TV Guardian application on the Vaddis-based SANYO DVD player product line.

Oridion receives Japanese approvals.

Jerusalem-based **Oridion Systems Ltd.** said on Feb 20th that it received regulatory approval from the Japanese Ministry of Health to market a number of its products that measure carbon dioxide levels in a patient's breath.

The company, which is traded on the Swiss New Market, already sells in Japan via original equipment manufacturing (OEM) agreements with a number of medical device companies including **Tyco International Ltd.**, **Nihon Kohden Corporation** and **Philips Medical Systems**. Oridion produces both diagnostic breath tests and capnography products, which measure the amount of carbon dioxide contained in human breath.

Sorun, Israel firm team up in net security business

Sorun Corp. is joining forces with Israeli firm **Comsec Group Ltd.** to enter the Internet security consulting business. Sorun and Comsec will form a joint venture that will handle the formulation of comprehensive Internet security policies as well as employee education. This venture is expected to generate revenue of 300 million yen by March 2003.

March

Amdocs teams with NEC

Ra'anana-based **Amdocs Ltd.** inked a cooperation agreement with **NEC Corporation**, a Tokyo-based consulting and system-integration firm.

According to the agreement, Amdocs' Clarify CRM (customer relations management) solution will be integrated into NEC's One-to-One Contact Center. The contact center supports 600 customer service representatives who service some 2 million customers per year.

Alchemedia to protect Nintendo

Beit Shemesh-based **Alchemedia Technologies, Inc.** reached a supply agreement with **Nintendo of America Inc.**, a provider of interactive entertainment, for an undisclosed sum. According to the agreement, Nintendo will use Alchemedia's Mirage security software to protect proprietary and sensitive material, including artwork and screen shots of unreleased video games, internal documents, and other proprietary images on the company's Intranet. Mirage allows authorized users to view business information

unimpeded while preventing the unauthorized distribution and copying of documents. The technology aims to help companies protect their intellectual property by ensuring data confidentiality and data currency.

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Midbar Selected to Copy Control First Protected Music CDs In Japan

Midbar CDS To be Employed On One-Million CDs in Japan.

Midbar Tech, the developer of **Cactus Data Shield (CDS)** digital music copy control technology, announced, that it will provide the technology for the first one million copy protected CDs to be released in **Japan**. Select releases will be protected by the new CDS-200.0.4, unveiled at the end of last January at Midem 2002, and will be identified as such on the outside of the CD casing with a special label. To date, in excess of 10-million CDS protected CDs have been released into the world market.

April

Japanese Nomura said to be suspending Israeli operations

The arm of the major Japanese holding company Nomura has refused to fulfill its \$3 million investment commitment in the Israeli venture capital fund **Delta**, having declined a request by Delta for the money several months ago. The figure is the largest sum of committed money not deposited by a foreign investment body in Israel.

According to venture capital market sources, Nomura's investment arm in Britain, which has invested in three Israel venture capital funds and dozens of startup companies, notified Delta and the company **Cyber-Ark**, in which it has also invested, that it has decided to stop investing in Israel due to the political situation.

VocalTec signs a distribution agreement with Japan's Commuture

Commuture is a newly-formed company based on the consolidation of KTK Telecommunications Engineering Co. and J-COS Corporation.

VocalTec Communications Ltd. and Commuture of Japan announced the signing of a distribution agreement intended to bring the full range of VocalTec VoIP solutions to Tier 1 carriers. Commuture is a newly-formed 3.8 billion yen company based on the consolidation of KTK Telecommunications Engineering Co., LTD. and J-COS Corporation, and is a provider and system integrator of info-communications solutions. Under the agreement, Commuture will promote and market on a worldwide basis VocalTec's VoIP solutions including international and long distance services, Voice VPN, Calling Card and Exchange Carrier services worldwide. In addition, Commuture's extensive technical support organization in Asia will provide carrier-grade support for VocalTec solutions.

Oki Electric designs In "AudioCoded IPmedia™" Board

AudioCodes delivers VoIP media platform to Oki Electric Industry enabling high density, integrated VoIP messaging and conferencing for Ctstage.

AudioCodes Ltd. a leading provider of Voice over Packet (VoP) technologies, announced that AudioCodes' IPM-260 PCI Media Processing Board has been selected to provide a high-density media processing capability for Oki's CTstage series of scalable Multimedia Communication Systems. The CTstage integrates into a single system solution unified messaging, customer contact and value added service for carriers/providers. The IPM-260 is a single-slot PCI board that provides a complete media processing solution which includes: unified messaging, call-center conferencing and voice-activated personal assistant.

Mitsui Leasing Low-Price, Online Video-Image Retail System

Mitsui & Co. has begun a support service for video-image supply using Israeli-made software, company sources said. RiGHTv, developed by ORCA Interactive Ltd. of Israel, provides interactive services such as on-demand video, computer games and online shopping. The software also has functions to administer program subscribers and the charging system. Licensed for marketing in Japan, Mitsui will lease the software to broadband service providers. Leasing costs will be 5,400 yen per person for up to 10,000 viewers

Cimatron partners with ALTECH and expands its distribution channels in Japan

Cimatron Ltd. a leading developer of CAD/CAM solutions for the tooling industry, announced the signing of a distribution agreement in Japan with **ALTECH Co., Ltd.**, located in Tokyo. Effective April 1st, Cimatron's distribution channels in Japan will be expanded by ALTECH, together with **Saeilo Japan** and other Cimatron distributors in the region.

Nova announces the joining of Makoto Hokazono as the President and Representative Director to Nova Measuring Instruments K.K.

Company also announces the opening of new branch office in Kyushu, Kumamoto City, Japan

Nova Measuring Instruments K.K., announced the appointment of Mr. Makoto Hokazono as President and Representative Director to the Board of Directors of Nova Measuring Instruments K.K., a fully owned subsidiary of Nova Measuring Instruments, Ltd. (Israel).

Lie detection infiltrating everyday life

Handy technology puts new twist on age-old search for the truth

Boasting 85 percent accuracy, Truster, lie-detection software made by Trustech, has sold 5 million copies in the West and 20,000 in Japan since its released in early 1998. Originally developed for Israeli border checks, Truster, sold for 21,400 yen in Japan, detects the uneasiness hidden in a human voice.

May

Japan's ITX looking for investments in Israel.

Japanese hi-tech holding company ITX Corporation has signed an agreement for an undisclosed amount for cooperation with locally-based Harel-Hertz Investment House. The partnership will help locate potential investments, in early stage Israeli companies, primarily in mobile communications, networking, broadcasting, electronics and life sciences.

Envara raises \$15.5m; round expected to total \$20-25m.

New investors from Japan and Taiwan participated in the round. Envara develops chipsets for local wireless networks. NIF Ventures of Japan, and Taiwanese funds Hontung Ventures, Triton Ventures, and Paralink Ventures participated in the round, as well as investors from previous rounds including Gemini Israel Funds, Giza Group, Evergreen Partners, Koor STI Ventures, and Challenge-Etgar. Envara has received commitments from additional investors, and intends to expand the round shortly.

Yamagata Printing Co., Ltd. Enters Major Long-Term Relationship with E-sim Ltd.

Yamagata's Previous Successes lead to further Investment in Proven Solution

e-SIM the leader in advanced simulation technology for product design, development, Web-based customer support and marketing for electronic products, announced that **Yamagata Printing Co., Ltd.**, one of the largest developers of product manuals in Japan, has signed a multi million dollar agreement to license e-SIM's technology for non-exclusive use in Japan and select regions in Asia. Under the agreement, Yamagata will be able to increase its **LiveManuals** presence in the region, based on e-SIM's **RapidPLUS Web Studio** technology, and will also be able to resell RapidPLUS DOC and RapidPLUS CODE. This agreement extends a previous license to develop LiveManuals for Japanese customers and resell the technology in select geographical areas.

Given Imaging in Japan gastric camera deal.

Will create a joint company with Marubeni and Suzuken.

Given Imaging said on May 13th. it has formed a joint venture with Marubeni Corp and Suzuken Co to market in Japan its ingestible camera used to examine the gastrointestinal tract. The joint venture, **Given Imaging KK**, will submit a request for regulatory and insurance reimbursement coverage in Japan and then launch the Given Diagnostic System. Given Imaging said it might take two years to attain approval from the Ministry of Health and Labor to market the system in Japan, the second largest healthcare market

in the world in terms of total spending. **Marubeni** and **Suzuken** will invest a total of 550 million yen (\$4.2 million) in the joint venture and retain a 49% stake. Meron said this sum would cover the expenses of setting up operation until the company starts selling the product. Given Imaging will control the rest of the joint venture but will not invest any money.

Hitachi High Technologies America, Inc., Tecnomatix Form Alliance to Develop Sanyo Surface Mount Machine Interfaces.

New Interface will Enable Surface Mount Technology Users to Switch to Sanyo Systems.

Tecnomatix Technologies, Ltd. the leading provider of Manufacturing Process Management (MPM) software solutions, and **Hitachi High Technologies America, Inc. (HHTA - formerly Nissei Sangyo America Co., Ltd.)**, a division of **Hitachi High Technologies**, the only exclusive worldwide distributor for the complete line of **Sanyo Surface Mount Systems**, announced the formation of a strategic alliance to provide best-in-class high-speed and flexible Surface Mount Technology (SMT) placement equipment.

Exent to collaborate with Fujitsu on AOD.

Exent Technologies' application-on-demand platform to expand Fujitsu's broadband application services.

Extend Technologies signed a strategic cooperation agreement with Fujitsu. The agreement is expected to earn Exent millions of dollars. Under the agreement, Fujitsu will use Exent's application-on-demand (AOD) platform to expand its broadband application services. Targeting corporate, academic and home markets, Fujitsu will implement Exent's client and server technology throughout Fujitsu's proprietary broadband network FENICS.

Israeli Firm To Sell Security System For IT Devices In Japan

Israeli start-up **Discretix Technologies Ltd.** pushes ahead to market in Japan its security system for mobile phones and IC cards, President Gal Salomon said. The system has already been employed by the Sony-Ericsson alliance for use in mobile phones due to be released in or after 2003.

Alps Elec To Develop Power Line Modems For PCs, Appliances

Alps Electric Co. is developing power line modems and expects to have the first commercial products ready by the middle of next year. Using a special modem chip developed by the Israeli company **Itran Communications Ltd.**, Alps intends to develop power line modems for a variety of applications, starting with personal computers but eventually expanding to include refrigerators and air conditioners.

NTT Communications Chooses Check Point Software for Managed Internet Security Solutions.

Leading Japanese Telecommunications Provider Bases New "OCN FireWall Management Service" on Check Point FireWall-1 and Provider-1

Check Point Software Technologies Ltd. the worldwide leader in securing the Internet, announced that NTT Communications Corporation (NTT Com), Japan's leading telecommunications provider, will incorporate Check Point Provider-1® and FireWall-1® into its new managed security "OCN FireWall Management Service" to protect the business communications of thousands of companies throughout Japan. From its Network Operations Center, NTT Com will manage and monitor its customers' security deployments using Check Point's powerful Provider-1 management architecture.

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Zoran and NEC announces strategic partnership on DVD recording solutions.

Zoran Corporation and NEC Corporation announced that they have worked together to deliver high quality, affordable DVD recording solutions for consumer electronics manufacturers providing DVD recorders.

June

Mitsui, Israel's BitBand Team Up In Video On Demand .

Mitsui & Co. has joined forces with BitBand Technologies Ltd. of Israel to start a new business aimed at creating video on demand. Mitsui and BitBand are providing servers and related software to condominium buildings, looking ahead to the time when broadband communications takes off. They plan to get involved in integrated services, including systems engineering, and content production and distribution.

The partners have been importing hardware and software for installation in video systems in hotels, hospitals and other large facilities. BitBand servers have up to 620GB of memory, enough to store 170 two-hour programs.

Japanese Service Provider HOTnet Chooses Atrica for Metro Network

Hokkaido Telecommunication Network Co., Ltd. (HOTnet) Will Deliver Services for 2002 World Cup Soccer Championships in Japan-Korea Via Atrica's Optical Ethernet System

Atrica Inc., a leading provider of Optical Ethernet equipment for the \$15 billion Metro networking market, through **Hokkaido Telecommunication Network Co., Ltd.** (HOTnet), a leading service provider in Sapporo, Japan and an official service provider that supported the 2002 World Cup Soccer Championships in Japan-Korea, has used Atrica's Optical Ethernet System as the foundation for its next-generation Metropolitan Area Network. Using Atrica's Optical Ethernet System, HOTnet delivered profitable, new Optical Ethernet-based services to its subscriber base, including the high-speed Internet access services HOTnet provided 2002 World Cup Soccer Championships in Japan-Korea.

Tower Semiconductor Partners With a Japanese Semiconductor Manufacturer for the Development of 0.18- Micron Embedded microFLASH Technology.

Tower Semiconductor Ltd. announced that it has signed an agreement with a Japanese semiconductor manufacturer for the joint development of most advanced 0.18-micron embedded microFLASH® technology. The developed technology will be used by Tower in providing semiconductor foundry services at its Fab 2 facility and by Tower's development partner in its own semiconductor business to keep its embedded Flash leading position.

Israeli ambassador seeks Japan's support in ousting Arafat.

The Israeli ambassador to Tokyo lobbied Japan to support a U.S.-backed peace plan calling for Yasser Arafat to step down as leader of the Palestinian Authority. Yitzhak Lior's comments came as world leaders reacted coolly to the plan, unveiled by U.S. President George W. Bush at the Group of Eight summit in Canada. Lior said ousting Arafat would be a major step toward Middle East peace and that Japan has an interest in taking a more active role as a mediator in the region. The world's second biggest economy imports roughly 85 percent of its oil from the Middle East.

Tsuzuki Densan Offers M-Systems' Solid-State IDE and SCSI Fast Flash Disks (FFDs) in Japan

M-Systems, a leader in flash disk data storage products, expands the distribution of its solid-state IDE and SCSI Fast Flash Disk (FFD) products through an agreement with Tsuzuki Densan Co. LTD, a leading distributor of semiconductor products, electronic parts and electronics equipment in Japan. The distribution agreement opens up a market for factory automation (FA), telecommunications and military customers throughout Japan who require mission-critical storage with reliability and ruggedness.

July

NTT Communications Corp Develops Distance Learning System For Kids Overseas with Israeli Technology.

TOKYO (Nikkei)--NTT Communications Corp. has developed an Internet-based remote education system for Japanese children living abroad. The company is working with the Education Ministry on system construction and development of study materials for use by the many Japanese schools in operation overseas that service the children of businesspeople stationed in foreign countries for terms of several years. The ministry considers the new remote education system a way to cut costs while maintaining a high level of education for these children. The system enables classes of students in different nations to be taught simultaneously from a remote site, and makes use of software developed by Israeli firm **Interwise Ltd.**

Hitachi Forms Partnership with XACCT Technologies in Japan.

Partnership Delivers Carrier-Class Network Data Management Solutions To Japanese Market, Extends XACCT's Leadership in Region

Ventures and Israel Seed Partners. ITX from Japan **XACCT Technologies, Inc.**, a leading provider of network data management solutions for global communications service providers, announced that it has formed a strategic alliance with Hitachi, Ltd. to offer telecommunications carriers a complete network data management platform for IP and voice networks.

Radiancy's ClearTouch(TM) System Receives Market Authorization in Japan.

Study Shows Nearly 90% Clearance of Acne Lesions

Radiancy Ltd. announced that its ClearTouch(TM) Acne Clearance System received marketing authorization from Japan's Ministry of Health, Labor and Welfare. The ClearTouch, powered by Radiancy's groundbreaking Light and Heat Energy(TM) (LHE) technology, was shown to be a safe and effective alternative to topical and oral acne medications, delivering close to a 90% clearance rate of acne lesions in a recent clinical study.

Retalix launches new venture with Fujitsu

Joint venture StoreNext, will supply Retalix and Fujitsu solutions to independent grocery retailers in the US.

Retalix a provider of software solutions for the retail food industry, launched a new venture with Fujitsu while announcing strong financial results for the second quarter. Retalix said StoreNext, jointly owned by Retalix and Fujitsu, combined the two companies' expertise in point-of-sale hardware, software and Internet-based store management solutions for independent grocers throughout North America.

Saifun to get \$50 M in settlement with FUJITSU and AMD.

Fujitsu and AMD will invest \$25 million in Saifun - AMD \$15 million and Fujitsu \$10 million - according to a valuation of \$555 million after the money, Fujitsu and AMD will get 4.5

percent in Saifun.

The Israeli startup **Saifun Semiconductors** is expected to receive \$50 million from chip maker **AMD (Advanced Micro Devices)** and **Fujitsu** in a compromise agreement reached in a patent infringement case the Israeli company filed against AMD and Fujitsu. Under the terms of the agreement signed for a ten-year period, the two companies will pay Saifun \$25 million for the license to use its Flash Memory. The sum is considered to be one of the highest ever paid to an Israeli company for a licensing agreement.

August

ITX representatives seek pre-seed life sciences investments in Israel

ITX Europe branch senior manager - Israel specialist Takeshi Kohga and medical science and biotechnology expert Dr. Rami Suzuki are visiting Israel

Two representatives of ITX Corp. (Nasdaq Japan: 2725) were visiting Israel on August 17-21, 2002 to look for life science technologies and pre-seed start-ups. The visitors are Europe branch senior manager - Israel specialist Takeshi Kohga and medical science and biotechnology expert Dr. Rami Suzuki. A third representative canceled his trip for undisclosed reasons.

Japan's Fusion Communications deploys XACCT N2B platform.

XACCT Technologies announced that **Fusion Communications Corporation**, a provider of Voice over Internet Protocol (VoIP) service in the Asia-Pacific region, has deployed XACCT's real-time "Network-to-Business" (N2B) software platform to implement value-based pricing models for their services. The XACCT platform enables Fusion to capture service usage data as well as highly granular quality of service (QoS)

information from any point in its network. This allows Fusion to offer differentiated services with predictable QoS.

**Oki Electric and AudioCodes to Form a Strategic Alliance
To Deliver VoIP Solutions for the Japanese Telecom
Carrier Market.**

Oki Electric Industry Co., Ltd. and AudioCodes Ltd. announced that they have agreed to form a strategic alliance to develop and market Voice-over-IP (VoIP) solutions to the Japanese telecom carrier market. The partnership combines Oki's top position in providing VoIP solutions to the Japanese market with AudioCodes' expertise in providing VoIP Codec and module gateway products worldwide. Under the agreement, Oki incorporates AudioCodes' VoIP modules into its VoIP gateway equipment, CenterStage MediaGateway KT5000, which connects carriers' core PSTN networks with the IP network seamlessly. The MediaGateway KT5000, a component of Oki's carrier-grade CenterStage multimedia communication server allows deployment of a cost-effective, high-performance solution that offers crystal clear voice quality for service providers in Japan, where VoIP services are expected to grow.

**Quark Biotech and Fujisawa Pharmaceutical Broaden
Collaboration Beyond Gene Discovery**

Agreement Extended Into Drug Discovery to Treat Stroke

Quark Biotech and Fujisawa Pharmaceutical Co., Ltd. announced that they are broadening their research collaboration beyond target gene discovery into drug discovery to treat stroke. As part of this step forward, Quark will construct bioassays on target proteins selected by both Fujisawa and Quark and will perform high-throughput screening of the chemical libraries based on the bioassays developed. Quark will also continue the gene discovery and target validation program set forth under the original agreement

September

M-Systems extends cooperation agreement with Toshiba

The two companies today unveiled the jointly developed DiskOnChip Millennium Plus 16MB data storage chip.

Kfar Sava based M- Systems flash which develops chip-based data storage devices, has extended its co-operation with Japanese electronics giant Toshiba Corporation.

Under the extended agreement, the two companies will collaborate in the development, marketing and supply of new products based on Toshiba's latest NAND technologies and M-Systems' DiskOnChip technology.

Hitachi invests \$2m in Voltaire.

Hitachi is joining Voltaire investors Baker Capital, Pitango Venture Capital Fund, Platinum Venture Capital Partners, and the Challenge Fund - Etgar.

Sources close to Israeli start-up Voltaire informed "Globes" that telecommunications giant Hitachi has invested \$2 million in the company. The company also raised \$13.2 million raised in early 2002. Hitachi and Voltaire announced they had signed a cooperation agreement for developing **InfiBand-based solutions** to improve connectivity in storage server environments and saving costs in the IT components.

Toshiba, Israeli Firm Tie Up On Cell Phone Flash Memory

Toshiba Corp. has teamed up with Israeli flash memory application developer M-Systems Flash Disk Pioneers Ltd. on the development of flash memory devices optimized for mobile phones. The companies plan to jointly develop a 16MB Nand flash memory device with integrated control circuits that make it easy to incorporate into mobile phones. The firms will handle sales separately, but will cooperate on software development and customer support. Toshiba will handle all aspects of production.

[Gilat is Selected to Provide a Satellite Communications Network to JSAT Corporation, Japan and Asia's Largest Satellite Operator .](#)

Shared-hub services network to be powered by Gilat's Skystar Advantage VSAT platform

Gilat Satellite Networks Ltd. Announced on September 10th, it has been selected by JSAT Corporation to install a **Skystar Advantage hub** and two-way satellite communications network. **JSAT** intends to use the VSAT equipment to provide shared-hub services to companies in a variety of industries throughout Japan. JSAT, Japan's largest satellite operator and the largest satellite operator in Asia, supplies communications and broadcasting services through eight satellites positioned in seven orbital slots.

[JVC Implements Oplus Technologies' Rembrandt-1 Chip in its new 42" Plasma Displays.](#)

Oplus Technologies, Ltd., a leading provider of innovative **systems-on-chip** and software solutions for digital displays, announced that JVC is utilizing the **Rembrandt(TM)-1 multimedia display processor** to power its recently released GM-P420 42-inch series Plasma monitors.

[Sony -- So-net -- Deploys Sphera's Hosting Director](#)

Sphera Corporation, the leading developer of Web hosting automation and management software, in conjunction with **Japanese master distributor Mitsui**, announced that **Sony Communication Network Corporation (So-net)**, the Tokyo-based Internet access and network solutions provider, has deployed Sphera's HostingDirector(TM) software as the service platform for its "**Next Do**" Web hosting service.

October

Israel mulls canceling special duty on Korean cars

The duty does not apply to cars made in the EU and US.

Ministry of Industry and Trade and the Ministry of Finance Customs and VAT division are studying the possible ramifications of reducing or canceling the special 7% duty on cars imported from countries without bilateral trade agreements with Israel. The duty mainly affects **Japanese and Korean cars**. The special duty is not applied to cars made in the EU and US, with whom Israel has bilateral trade agreements generate pressure to cancel the duty on Japanese cars as well.

Officers of Scitex, Triangle Technologies, Israel Seed sued over management of Printlife.com.

Startup Printlife.com, which is operating under receivership, filed an NIS 32 million lawsuit against former officers at the company. These officers include Aryeh Rosenfeld, a managing partner at the **Dor Ventures** fund and former chief executive of Scitex; **Dr. Dan Isenberg** and the company he runs, **Triangle Technologies**; and **Michael Eisenberg of Israel Seed**. The three represented companies and funds that had shares in Printlife.

Hitachi's first VC investment in Israel: Icognito

Hitachi CVC Fund, the Japanese conglomerate's corporate venture capital fund, led a financing round for startup Icognito, its first investment in Israel. Hitachi invested \$1.6 million in the startup, which develops intelligent content recognition software. Existing investors also participated. This first round is meant to bring Icognito \$3.5 million, its chief executive Guy Rubinstein told TheMarker. Closure is expected in a few months.

Data sharing company Corigin about to complete \$5m 1st round.

Hitachi Data Systems will distribute Corigin's products in Britain under an agreement estimated at several million dollars.

Israel start-up Corigin, which specializes in data sharing solutions, is in the advanced stages of a \$5 million financing round, Corigin VP sales Ami Zuretz said. Zuretz said his company was in advanced negotiations with a number of Israeli funds and US investors. He also noted the company was negotiating with eight British companies to install its system. Corigin recently signed a distribution agreement with **Hitachi Data Systems of Britain**, under which Hitachi will distribute Corigin's solutions to its customers as an addition to its own storage management product line.

Vertex to represent Hitachi for investment in Israel.

Hitachi has appointed **Vertex Management Israel** as its investment representative in Israel. Vertex partner David Heller will manage Hitachi's investments in Israel. Hitachi will invest an estimated \$6-11 million a year in Israeli start-ups, and might invest more if opportunities arise. Hitachi is an investor in Vertex, and has invested an estimated \$12 million in Israeli companies to date. Vertex will carry out due diligence and accompany the investment process for Hitachi.

Mitsubishi home networking chip to contain Itran transceiver.

The M306S chip will allow consumers to manage their home appliances via the Internet.

Mitsubishi Electric announced it was developing a single-chip power line communication integrated circuit for home networking, in cooperation with Beer Sheva-based Itran Communications and Microsoft. The chip will allow consumers to manage home appliances via the Internet, Mitsubishi says.

November

Israeli trade attach? in Tokyo: Israel, Japan negotiating free trade agreement.

Israel has opened negotiations on a free trade agreement with Japan, implied Minister Economic Affairs in Tokyo **Noah Shani** and **Professor Matsui**, a jurist involved in the negotiations. They were speaking at a “Club Japan” evening recently hosted by the Israel-Japan Chamber of Commerce.

Edusoft to distribute English learning systems in Japan

Japanese company **SQ Marketing**, a subsidiary of **Seiko Electric Corporation**, has acquired the Japanese distribution rights to Edusoft’s English Discoveries Online (EDO) system. The system makes it possible to learn English on either the Internet or on an enterprise’s Intranet network. The deal is worth an estimated at NIS 6 million (ABOUT \$1.3 MILLIONS) over the next two years. SQ Marketing provides computerized training solutions.

January-September exports to Far East down 23%

The Israel Export Institute reports that exports to the Far East, **excluding diamonds**, declined 23.5% to \$1.7 billion in the first nine months of 2002, compared with the corresponding period last year.

Israel's Exports to Far East Jan-Sep 2002		
	Total exports (\$ millions)	Change over Jan-Sep 2001
Japan (excluding Diamonds)	291	-26.0%
South Korea	245	+7.5%
Taiwan	237	+13.9%

China	231	+6.0%
Malaysia	220	-54.8%
Singapore	160	-0.6%
Hong Kong	133	-19.9%
Philippines	63	-70.7%
Indonesia	8	-62.4%

-

MagInk signs agreement worth over \$10m with Mitsubishi

MagInk, formerly e-Magin, develops electronic ink for billboards.

Israeli start-up MagInk, formerly e-Magin, has signed an agreement with Japanese company Mitsubishi Electric to provide technology for Mitsubishi's billboards. Mitsubishi is considered the world's largest manufacturer of large flat panel displays with LED technology. Mitsubishi will manufacture the billboards, use of which will begin in the first quarter of 2003. Marketing will be conducted jointly. The two companies expect 2,000-3,000 billboards using the technology to be placed in the next five years.

Digital image technology developer Creo signs a cooperation agreement with NEC Engineering

Creo and NEC Engineering has announced the launching of a new cooperation between the two. The two companies will both sell digital printing devices that will include Creo's own developed photographing engine and NEC's automatic page feeder. The printing machine is aimed for the newspapers printing industry, a sector lead by NEC in Japan, and considered to be a very developed market.

Kirin invests \$5m in Algen, Hadasit and Yisum

Japanese company Kirin Brewery, together with partners Yisum, the Research Development Company of the Hebrew University of Jerusalem, Hadasit, the Research Development Company of Hadassah University Hospital, and Algen Biopharmaceuticals, announced a new joint research venture on the use of Tyrphostin compounds for inhibiting certain components of the immune system involved in tissue or graft rejection.

December

Dmatek buys Mitsubishi's alcohol monitoring product line.

Electronic monitoring company Dmatek announced it bought the MEMS-2000 alcohol monitoring product line from Mitsubishi Electric & Electronic USA Inc. The value of the deal was not disclosed. Dmatek says it is acquiring from Mitsubishi all of the proprietary information related to the design of the product, including copyrights, trade secrets, licenses, intellectual property, and title. The agreement will enable Dmatek subsidiary Elmo-Tech to manufacture the Mems-2000 product, integrate it with other monitoring products and offer new versions.

Gottex enters Japanese market.

Local company to distribute \$ 1.0 million worth of Gottex bathing suits.

Gottex has signed an exclusive distribution agreement with Japanese company **Miulan** to distribute \$.1.0 million worth of Gottex products. Gottex bathing suits will be distributed in leading Japanese retail chains such as **Takashimaya, Mitsukoshi, Seibu** and **Isetan**. Gottex will begin supplying products to Japan in March 2003.

XMPie sells \$2m worth of products to Fuji Xerox.

XMPie develops and markets software solutions for direct personalized marketing.

Israeli start-up XMPie announced it has signed a distribution agreement with **Sakata Inx**, one of Japan's largest providers of graphics and printing technologies and products. XMPie develops and markets software solutions for direct personalized marketing. Japanese giant printing and photocopier equipment maker **Fuji Xerox** has already place the first order for the software.

Scopus gets \$3m deal from Japan's Nexion

Nexion will use Scopus software to transmit sports games taking place around the world.

Scopus Network Technologies, which develops broadcasting technologies over broadband networks, will supply Japan's Nexion Corporation with a platform to transmit sports games taking place around the world. The agreement is valued at \$3 million.

Terayon technology selected for VoIP trial in Japan.

Jupiter Communications, Japan's largest cable TV company, has selected Terayon's TA 102 terminal adapter.

Terayon announced that Japan's largest cable television operator-**Jupiter Communications**- had selected one of its adapters for a trial of voice over IP phone services. Terayon said **Jupiter Communications** had selected its TA 102 embedded Multimedia Terminal Adapter (eMTA), which would be used in a trial involving 100 households in the city of **Urayasu** near Tokyo. The trial will began on November 1, 2002 and will run through January 31, 2003.

Herbamed Nutraceuticals Reach Japan.

Rehovot-based Herbamed, a developer of nutraceuticals, has penetrated the Japanese market with its **Citruslim product**. The dietary food supplement which is based on citrus fibre will be in leading Japanese food chains later this month, says GM Landa. Landa also reported that the company's has launched its new drug delivery technology **Ultrasome-(Emulsome)** for water non soluble nutraceuticals. The new product enables the production of a variety of finished products such as: hard capsules ,tablets and an effervescent tablet