



## **New Mexico Governor Bill Richardson Announces Agreement with Itochu, 18<sup>th</sup> Largest Company in the World (Fortune Magazine)**

**Goal: “New companies, new jobs, new investment in New Mexico,” Governor Bill Richardson said**

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TOKYO, Japan --Governor Bill Richardson announced today an historic agreement with Japan’s third largest publicly traded company (18<sup>th</sup> largest company in the world, ranked by Fortune magazine) to commercialize technology housed in New Mexico’s research facilities, including both Sandia and Los Alamos national labs and three state universities: University of New Mexico, New Mexico Tech, and New Mexico State University.

### **CleanAIR Agreement**

In connection with the state’s agreement, Governor Richardson also announced that CleanAIR Systems, a Santa Fe company, will add up to 80 new high-wage jobs in 2005 as a result of its own development agreement with Itochu to market clean truck emission technology in Asia.

“We wouldn’t have this agreement with Itochu if it weren’t for the efforts of Governor Richardson and Secretary Homans,” said Michael Roach, president of CleanAIR Systems. “Secretary Homans has met four times with Itochu, in both Tokyo and Santa Fe, to help our company achieve this important milestone.”

### **Itochu Agreement**

The agreement, a Memorandum of Understanding (MOU) between Itochu Corp. and the State of New Mexico, provides a structure for the Tokyo-based conglomerate to work strategically with New Mexico’s Economic Development Department and New Mexico businesses.

“This is an important step that will allow New Mexico to convert the \$6 billion dollars of research and development in our state into new jobs, new products, and new companies. My goal is to build a strong foundation for a high wage economy based on new technology that will benefit New Mexico for generations to come,” Governor Richardson said.

This agreement came about as a result of four meetings over 17 months between the state’s Economic Development Department and Itochu, in both New Mexico and Japan. In April officials from Itochu visited the state and spent two days in detailed briefings by scientists from the national laboratories and state research universities.

The company plans to make investments in specific companies and venture funds, create licensing and distribution agreements, and form collaborations with specific research facilities in an effort to bring new technology products to the global market.

Itochu’s primary areas of interest are nano-technology and bio-technology, which the company cites as two of New Mexico’s strongest research clusters.

Itochu, founded in 1858, employs 40,000 people, has 154 offices in 76 countries, and has annual sales of \$90 billion. *Fortune* magazine has ranked Itochu as the 18<sup>th</sup> largest company in the world.

“New Mexico provides a world-class foundation for research and development,” said Mr. Eizo Kobayashi, senior managing director and incoming president of Itochu. “When one combines this strength in science with the aggressive leadership of Governor Richardson, it makes for the kind of place where Itochu wants to invest its financial and human resources.”

As examples of the impact this agreement will have, Itochu cited:

- an agreement recently signed by Itochu with CleanAIR Systems, a Santa Fe, New Mexico-based company that has developed diesel emission control technology;
- a distribution and licensing agreement with Lumidigm, a biotech company in Albuquerque, New Mexico;
- and the company’s ongoing negotiations regarding a potential investment in Zircle, a New Mexico venture capital fund that is focused on developing new products with Sandia National Laboratories.

According to CleanAIR President Michael Roach, his company has developed diesel emissions control technology that will have broad applications worldwide as countries such as Japan and China adopt more stringent air quality controls.

Itochu will work with CleanAIR to develop a DeNox system to reduce emissions of nitrogen oxides, a lung irritant and smog forming chemical, that are produced by diesel engines.

Roach expects that Itochu will introduce this new product to the Japanese market in the last half of 2005, and he says CleanAIR revenues will increase by at least \$20 million a year, as a result of its partnership with Itochu.

The additional revenues mean that CleanAIR expects to hire 60 to 80 new employees at wages between \$30,000 and \$35,000, plus a full range of benefits including health care, 401k, and disability and life insurance. This is above the average wage in Santa Fe.

“Itochu provides us access to a broad array of companies with a ready-made market, and that means we’ll be able to ramp up faster,” Roach said. “This new partnership between New Mexico and Itochu will create a lot of opportunities for New Mexico entrepreneurs like me.”

Lumidigm’s president, Robert Harbour, said his company’s biometric product, LumiGuard, is a small, fast, inexpensive and durable sensor that can be incorporated into virtually any product to perform biometric security.

Itochu is helping Lumidigm to identify companies that have products that would be enhanced by using the product. Specifically, Lumidigm is targeting the cellular phone, access control and automotive markets in Asia.

“We want to work with companies that can put our technology to use in their products,” Harbour said. “Itochu is regarded as the world’s greatest middle man. They have been putting us in front of major companies that could take our product to market on a global scale. That’s exactly what we need to grow and to add new jobs.”

The MOU announced today states that the Innovative Technology Business Development Office of Itochu Tokyo and the Economic Development Department of New Mexico will be responsible for the implementation and development of this new partnership.

### **Governor Continues Promoting New Mexico to Top Japanese Companies**

In addition to signing the historic agreement with Itochu, Governor Richardson today will continue his efforts to increase or initiate business with major Japanese companies. The Governor will meet with senior executives from Toyota, and will be the featured speaker at a gathering of 150 top Japanese business leaders hosted by the United States Ambassador to Japan, Howard Baker. Governor Richardson will be marketing New Mexico to CEO’s from top multinational corporations including Sony, Honda, Mitsubishi, and Toshiba.

