Abstract: Reflecting the diversification of business activities of Japanese-affiliated companies in the U.S., the location of such companies is changing from a ready-made pattern of concentration into a large metropolitan area towards a rather dispersed one. An increasing number of Japanese-affiliated companies have established their business bases in the interior of the U.S. In this paper, locational factors of Japanese-affiliated companies in the High Plains region of the U.S. are examined in order to understand this trend. It appears that various factors, in addition to agglomeration economies, are working to stimulate the establishment of business bases in the High Plains.

Key words: central location, physical environment, amenities, quality of labor, social environment, local ties

Introduction

There are strong ties between Japan and the United States in various areas, including business activities. For Japanese companies operating overseas, the United States is the most important country, regarding both the number of businesses and the amount of investment. Within the U.S., as expected, large metropolitan areas are important bases of business activities for Japanese-affiliated companies. There appears to have been a changing trend recently, however, in that more companies are beginning to have their U.S. bases in smaller metropolitan areas or non-metropolitan areas. This trend, in part, reflects the diversification of business activities of Japanese-affiliated companies, as more companies begin to operate in the U.S. Also, the declining importance of large urban locations for many business activities, due to transportation and communication development, has made this change possible.

The High Plains region is located in the interior of the United States. It is a region with a low population density. The region has attracted little attention from domestic and international businesses, and Japanese-affiliated companies used to be virtually non-existent in the region. As indicated in Figure 1, the High Plains region extends from Texas to Nebraska and Wyoming, located in the central part of the continent, east of the Rockies. The energy crises of the 1970s stimulated the development of rich energy resources in the western U.S., and the region attracted energy-related business activities. Several Japanese trading companies, Sogo Shosha, began operating in the region in order to break into the energy field. The energy boom ended, eventually; but since then we have seen the establishment of a gradually increasing number of Japanese-affiliated companies in the region.

As part of a comprehensive study of the High Plains...
Plains, the author interviewed some of the Japanese-affiliated companies in the region. The interviews took place during the summers of 1998 and 1999. Based on the information obtained during the interviews and information from other sources, this paper discusses some of the relevant factors that encouraged the location of business bases in the region, away from the well-established business bases for Japanese-affiliated companies, i.e., large metropolitan areas.

The layout of the paper is as follows. Prior to a discussion of location factors, a changing location pattern of Japanese-affiliated companies in the United States is briefly described. Following this, factors that are thought to be relevant to explaining the location of Japanese-affiliated companies in the High Plains are discussed in turn. The paper concludes with an interpretation of the background framework that made the influence of the locational factors relevant.

**Locational Patterns of Japanese-Affiliated Companies in the U.S.**

A survey of Japanese-affiliated companies has been carried out by several organizations. This study uses the results of *Kaigai Shinshutsu Kigyo Soran* issued by Toyo Keizai Shimposha, a publishing company that deals with economic affairs. The survey is comprehensive, and past data are also available for comparison. In the survey, a Japanese-affiliated company is defined as either a U.S. branch of a Japanese company; a company to which a Japanese company or companies invest(s); a company that a Japanese company acquired; or a subsidiary of the acquired company. Sometimes, more than one company is established at the same address as a subsidiary. In such cases, each is counted as a company. In contrast, a company to which more than one Japanese company invests is counted as one company.

Figures 2 and 3 show the distribution of Japanese-affiliated companies by state. In 1974, the survey counted 860 such companies, of which 196 did not indicate their location, leaving 664, as shown in Figure 2. In 1999, only 3 of 3,733 companies had unknown addresses, and 3,730 companies are shown in Figure 3.

The comparison of these figures indicates a geographical diversification, as to where Japanese companies establish firm business commitment within the United States. In 1974, when overseas business activities were relatively slow in comparison to today, New York and California were by far the most important states. In particular, large metropolitan areas, such as those including New York City, San Francisco, and Los Angeles, were major target areas for Japanese-affiliated companies at that time. Beside these two states, Hawaii, which has a strong historical linkage, Illinois with Chicago, and Washington with Seattle were noticeable, but other states were essentially negligible. In 1999, the importance of California and New York still remained, but the location of
Japanese-affiliated companies in other states reasonably increased. States to the east of the Mississippi River had attracted many Japanese-affiliated companies; as had states on the West Coast. Texas was also a significant state, and interior states began to show evidence of the presence of Japanese-affiliated companies.

The decreasing level of concentration to just a few states supports the trend towards a diversified location pattern, as found elsewhere (Bagchi-Sen and Wheeler 1989; Glickman and Woodward 1988; Ó hUallacháin and Reid 1996). The percentage of Japanese-affiliated companies by state for New York, California, and Illinois changed from 34, 32, and 6 in 1974 to 16, 28, and 7 in 1999 respectively, and the total share of the three states decreased from 72% to 51%. It is apparent that those states adjacent to traditionally important states had increased their status as locations for Japanese-affiliated companies. In addition, interior states, which include the High Plains region, had attracted these companies. In 1999, Colorado had 20 and Kansas had nine Japanese-affiliated companies (Toyo Keizai Shimposha 1999).

Large metropolitan areas have an advantage when it comes to establishing overseas operations for Japanese companies. For example, there exists assistance for establishing offices in large U.S. cities. It is important that city names where American companies in question have established their headquarters need to be well known to Japanese investors, in order to carry out acquisitions and mergers (McBee 1990). These advantages explain the still dominant pattern of large metropolitan areas. Increasing diversity in the nature and field of business operations for Japanese-affiliated companies in the United States, however, has changed this location pattern somewhat. Taking the High Plains region as a study area, this paper examines some of the locational factors that encouraged the observed diversification of location pattern.

**Locational Factors for Japanese-Affiliated Companies in the High Plains**

Given time-limitation and other factors, the interviewed companies were confined to those located in the states of Colorado and Kansas. Three companies in the Kansas City area were included, even though eastern Kansas is not part of the High Plains, as indicated in Figure 1. The reason for this is that Kansas City metropolitan area is an important business node in the interior of the U.S., and its central location seems to be a relevant locational factor, similar to the Denver area and western Kansas of the High Plains region. Table 1 lists the interviewed companies, and Figure 4 shows their location. These companies were selected in the above framework. Of 102 companies listed in the directories for the states of Colorado and Kansas, 33 companies were chosen to cover various fields of business for the purpose of interviews. Of these, 19 companies participated in the interview survey. In the following subsections, several relevant locational factors will be discussed. Usually, a company has multiple reasons for choosing the current location for their business operation, and each reason is classified into a respective category.

**Central location**

The study area is located at the center of the continental United States (Figure 1). Many major cities are located on either the East or West Coast of the continent, and few large cities exist in the interior; but central location minimizes the access to large coastal cities. In order to ship merchandise throughout the whole country, central location is of advantage in minimizing shipment time and total transportation costs. The following companies list central location as a reason for establishing their businesses in the High Plains region: Hakushika, Mitsui Advanced Media (Mitsui Media, hereafter), Pentax, Yamato, and Yuasa. For Yuasa, which ships heavy batteries nationwide, central location is an important factor in reducing transportation costs. Hakushika ships sake to the eastern and western markets, and central location played a significant role in choosing the plant location. Pentax used to have four repair stations across the country to handle their cameras, but they have decided to close down three of them. In order to minimize the shipment time between a repair station and a store, it would be better to keep the four stations. Their rationale was, however, that they
| ID | Company name                        | Parent company or Japanese partner               | Office in:    | Established in: | Employee | Business description                                      |
|----|-----------------------------------|------------------------------------------------|--------------|----------------|----------|----------------------------------------------------------|
| 1  | Seedex, Inc.                      | Mitsui & Co. U.S.A., Inc.                       | Longmont, CO | 1987           | 16(1)    | Production & sales of sugar beet seed                    |
| 2  | Kentek Information Systems, Inc.  | Nippon Kentek Co., Ltd.                         | Boulder, CO  | 1982           | 257(0)   | Production & sales of business printers                  |
| 3  | Pentax Technologies               | Asahi Optical Co., Ltd. (Asahi Kagaku Kogyo)    | Broomfield, CO| 1985           | 31(1)    | Sales of small printers & related items                  |
| 4  | Corgenix Medical Corporation      | Chugai Pharmaceutical Co., Ltd.                | Westminster, CO| 1990           | 32(0)    | Production & sales of medical kits                       |
| 5  | Data Ray Corporation              | Nippon Chemi-Con Corporation                   | Westminster, CO| 1983           | 112(2)   | Production & sales of electronic products for medical use|
| 6  | Blackhawk Geometrics              | Oyo Corporation (Oyo Chishitsu)                 | Golden, CO   | 1988           | 30(0)    | Consulting for resource assessment with remotely sensed data |
| 7  | D.I. Engineering Corporation of America | D.I. Engineering Corporation                        | Golden, CO   | 1988           | 3(1)     | Export of aluminum-can production machines              |
| 8  | Hakushika Sake U.S.A. Corporation | Tatsuuma Honke Shuzo                            | Golden, CO   | 1991           | 13(2)    | Production & sales of Japanese sake                      |
| 9  | Itochu Coal International Inc.    | Itochu Corporation (Itochu Shoji)              | Denver, CO   | 1996           | 4(2)     | Investment to coal industry & exporting coal to Japan    |
| 10 | Sumitomo Corporation of America   | Sumitomo Corporation (Sumitomo Shoji)           | Denver, CO   | 1979           | 10(2)    | Wholesaling various merchandise to Japan                 |
| 11 | Pentax Corporation                | Asahi Optical Co., Ltd. (Asahi Kagaku Kogyo)    | Englewood, CO| 1977           | 213(7)   | Repair & sales of cameras                               |
| 12 | Mitsui Advanced Media, Inc.       | Mitsui Chemicals America, Inc.                  | Colorado Springs, CO | 1996   | 110(3)   | Production & sales of CD-Rs                             |
| 13 | Signal Processing Technologies    | Toko, Inc.                                     | Colorado Springs, CO | 1990 | 110(3)   | Design, production, & sales of analogue semiconductors  |
| 14 | United Memories, Inc.             | Nippon Foundry Inc.                            | Colorado Springs, CO | 1990 | 28(0)    | Research & design of semiconductors                      |
| 15 | Yamato Corporation                | Yamato Scale Co., Ltd.                         | Colorado Springs, CO | 1993 | 20(2)    | Assembly & sales of commercial weighers                 |
| 16 | Yuasa, Inc.                       | Yuasa Corporation                              | Hays, KS     | 1989           | 408(1)   | Production of batteries for business use                |
| 17 | Agrex, Inc.                       | Mitsubishi Corporation (Mitsubishi Shoji)       | Overland Park, KS | 1985 | 22(4)    | Storage & sales of grain                                |
| 18 | Daishinku America Corp. Kansas (KDS) | Daishinku Corp.                                 | Overland Park, KS | 1982 | 12(4)    | Sales of crystal vibrators                              |
| 19 | Gunze Plastics & Engineering      | Gunze Ltd.                                     | Olathe, KS   | 1992           | 30(2)    | Production & sales of plastic film                      |

Notes: For the number of employees, a number in parentheses indicates employees sent from Japan and the number is inclusive. Hakushika withdrew from production in the U.S. in March, 2000. United Memories terminated business association with Nippon Foundry in 1998. Daishinku (KDS) moved its office in Overland Park, Kansas to Marietta, Georgia in October, 1999.

Sources: Toyo Keizai Shimposha (1999); JETRO (1999); and Author's interview.
can overcome the disadvantage of closing down three repair stations by improving the quality of their products and repair services. If they reduce the incidence of repair need, one repair station at the center of the continent would be sufficient to handle needs across the country. In addition to the interviewed companies, Descente, a maker and distributor of sporting goods and apparel, chose the current location at Englewood, a suburb of Denver, as their headquarters and distribution center. The central location is to their advantage (JETRO Denver 1995: 77).

The High Plains region may be a central location of business activities for some firms which conduct their business regionally rather than nationally. Again, their advantage in choosing the High Plains region is that of efficient business operation. Itochu Coal International chose downtown Denver to establish their office in the building, where their joint-venture firm had their office. Now they have a different joint-venture firm to conduct coal extraction and shipment business; but they have maintained the same office. The advantage of doing business in Denver is the central location of their office in business activities. The office of their current partner is located in St. Louis, Missouri; their coalfield is in Utah; and they often need to visit Los Angeles, where the coal is shipped to Japan. Seedex also favors their Longmont, Colorado location, because of its central position for their farms, plants, and customer farms, which extend from the West Coast to Minnesota and Michigan.

The fact of central location has an additional advantage for companies operating internationally. During regular office hours in the Denver area, it is possible to communicate with offices in Europe and Asia. Denver’s eight o’clock in the morning is London’s three o’clock, and Paris’s four o’clock in the afternoon. Denver’s five o’clock in the afternoon is eight o’clock in the morning for Beijing, Hong Kong, Taipei, and Manila; nine o’clock in the morning for Tokyo and Seoul; and ten o’clock in the morning for Sydney. Therefore, from Denver, it is possible to call European offices in the morning and Japanese, South Asian, and Oceanian offices in the evening. Similarly, for domestic business or business within NAFTA, central location is of advantage, in that Denver and its vicinity share longer business hours with offices in other time zones than offices in other regions, e.g., the East or West Coast. Though not explicitly stated by the interviewed companies, it is fair to assume that some of them might have judged these advantages favorably.

An interesting feature of central location is that it indirectly attracts offices to the High Plains region. In the case of Daishinku (KDS, hereafter), it located its office in Overland Park, Kansas, a suburb of Kansas City metropolitan area, seeking proximity to providers of crystal.

Natural crystal used to be provided from Arkansas, and some distribution offices were located in the Kansas City area. Many of these distributors were located in the middle of the continent, because there were many firms related to the defense sector using crystals for electronic devices. The interior location, away from the coasts, was ideal for defense industries to minimize their exposure to conventional missiles and other types of attacks. Today, however, artificial crystals have replaced natural ones for the electronics industry. This background explains the concentration of military-related industries in the interior regions, which attracted today’s high-technology industries.

**Attractive physical environment**

Physical environment plays a significant role in attracting some industries and their offices to the High Plains. Simple cases are the proximity of their businesses to relevant natural resources and environment. An increasing number of cases value a rich physical environment as
amenities to attract employers and employees to the region.

Hakushika illustrates the case in which proximity to a natural resource was a reason in choosing the Colorado location. As in the case of the beer company in the same city, Hakushika valued the quality of water they used for their product, Japanese sake. The use of "Rocky Mountain spring water" was the phrase used to distinguish their product from that of competitors in California. A sake producer in California mentioned that, in a practical sense, quality of water does not matter much today, as they can manipulate water quality to a certain extent. For product image, however, quality of water seems to be important.

The manufacturers of precision products prefer the dry climate of the Front Range, which extends from Fort Collins to Pueblo in Colorado at the foot of the Rocky Mountains (Figure 1). Pentax and Kentek, makers of cameras and business printers respectively, are cases in point. A minor disadvantage would be that they need to make adjustment for products shipped to humid regions, in order to avoid unnecessary mechanical problems. Similarly, Mitsui Media chose Colorado Springs because the region provides solid ground, with a deep groundwater bed which minimizes ground vibration during the production of CD-Rs.

The cooler climate at the foot of the Rockies suits operations at Seedex, for the production and research of sugar beet seed. Sumitomo, which came to Denver to conduct energy business at the end of the 1970s, valued proximity to oil, coal, and natural gas fields. After the energy boom, they sought other business opportunities in the region as a trading company.

Amenity is an important element today when choosing business locations (Granger and Blomquist 1999). The Front Range region allows for various types of leisure activities, especially outdoor activities, such as golf, hiking, and skiing. The region also provides wonderful scenery. A lot of snow falls in the mountains during the winter, but cities at the foot of the mountains receive little snow, and a lot of sunshine (JETRO Denver 1995: 5–6). The heads of United Memories (UMI, hereafter) and Blackhawk chose the location of their companies in order to take advantage of this attractive environment. When looking for a site for relocation from the East, Kentek favorably considered the attractive environment of Boulder. Pentax acquired a business partner in the suburban Denver, and decided to choose a nearby location for a new business base, because the management at Tokyo headquarters often visited the region before the acquisition, and liked its physical environment. Several companies state that attractive environment is a plus factor when providing incentives for employees to stay with the company. This will be discussed in the following section.

Quality of labor

Many high technology companies are located in the Front Range region. Climatic conditions, historical setting, and state policies have attracted such companies to the region. A dry climate provides a good environment for production of and research into precision instruments. The central location of the continent away from the coasts provides a safer setting for military-related research institutions. These conditions attracted companies and institutions in high technology fields to the region, which resulted in the growth of a highly qualified labor market. The state of Colorado provides various incentives, such as tax-breaks, to attract high technology and telecommunications companies. These conditions have contributed to the formation of a region that is similar to Silicon Valley in California. In fact, some interviewed companies such as UMI have moved from Silicon Valley to the Front Range, seeking lower rents and labor costs.

The state of Colorado flourished during the energy boom of the 1980s, but the state economy slowed down as energy prices went down. The cuts in the federal defense budget further affected the state, since the defense budget had attracted many military-related research institutions and manufacturers to the state. The subsequent state economic policy was successful in that, to replace these lost jobs, many high technology and telecommunications companies came to the state, attracted by the conditions described in the preceding paragraph. During the 1990s, the Front Range came to be one of
the technology centers of the country. Nowadays, there are many prominent companies establishing their business and research bases in the region: for example, IBM, Intel, Boeing, and Lockheed Martin. The establishment of various federal laboratories in the Front Range also illustrates the feature of the region as a research center.10

The above conditions have attracted many workers who are qualified for high technology companies and research institutions, providing incentives for new companies to establish their business in the region. This pattern was observed with some of the interviewed companies: Data Ray, Kentek, Mitsui Media, Pentax, Pentax Technologies, Signal Processing Technologies (SPT, hereafter), UMI, and Yamato. Pentax integrated their repair stations at Englewood, where service workers with high qualifications were available, at the expense of giving up access to large markets. UMI, after moving to Colorado Springs from Silicon Valley with some of its original employees, hired 80 percent of current employees from the local labor market. Data Ray moved within Westminster in 1992, rather than to a different municipality, so that they could retain most of their original workers.

Coupled with qualifications, the attitude of employees toward work is highly praised by some companies, especially those which have moved from large metropolitan areas in the East or West. Descente moved from New York to Englewood, and were impressed by the attitude of many workers who come to work a little early, so that they could start work on time, and stay on late (JETRO Denver 1995: 77). Kentek values the positive attitude of employees toward both work and leisure, which they call the “Front Range Culture.” The region includes part of the Midwest, where a cultural trait of so-called “good, old America” remains. Large metropolitan areas are scarce in the region, which reduces the rush of city life and makes employees concentrate on their daily work. In contrast, there was the claim that workers tend to lack a driving spirit, which is often available in a big city with diversified population. It is difficult, they point out, to recover behind-the-schedule work, because many workers are unwilling to take overtime.

Workers, in general, tend to stay in the region, compared to the US average, given the attractive environment. This, however, does not ensure the stability of workers at company level. A concentration of high technology and telecommunications companies in the region means that workers face a good possibility of changing companies in the region. In order to provide incentives to workers to stay, for example, UMI offers stock options to its employees.

Local ties

Often, founders of new businesses choose the location of business base near that of their previous business. In many cases, new businesses are in the same field as their previous ones, and this location pattern enables the use of existing business ties, including human resources and local knowledge. The founder of Corgenix used to work in Boulder, and established the company in the same city. Later, they moved to neighboring Westminster, to take advantage of lower rents. The current president of Pentax Technologies also worked for a company in Boulder. The first location of Pentax Technologies was in Englewood, a city about 45 kilometers away from Boulder but still in the Denver metropolitan area, sharing the office with Pentax. Later, Pentax Technologies moved back to the vicinity of Boulder, and established their base at Broomfield, which is a rapidly growing city. Seedex is another example in Longmont, where the current president used to work prior to the establishment of the company.

Support from a local company is also a significant factor in deciding current locations. Two examples from Golden both have ties, direct or indirect, with Coors, a beer brewery. Access to the key company was valued in both examples. Hakushika was assisted by Coors in the application for its state alcohol license. Since the application procedure widely varies from state to state, the assistance of a local company was of great help. Hakushika established their production plant and office in an industrial park which Coors manages.

The other example, D.I. Engineering (DIEC, hereafter) has an indirect tie with Coors. As an agent of shipping machines to produce alumi-
num cans to Japan and the rest of Asia, DIEC has the advantage of locating them in Golden, where there are many producers of such machines. Coors was one of the first users of aluminum cans, which explains the existence of machine producers in the area. In addition, human networking contributed to the location of their office in Golden, rather than locating it near other beer producers. The president of DIEC had a business connection with Coors in his earlier job.

**Administrative and social factors**

Incentives and support from the local municipality are a standard factor in choosing a plant and office location (Harrington and Warf 1995; Healey and Ilbery 1990). Yuasa considered a tax-break offer from the city of Hays favorably and chose their plant location in western Kansas, in order to take advantage of its central location for shipment. Their plant building was sold to Yuasa by the city with a subsidy. The building used to be a distribution center for a company who moved out, and the city purchased the building and the site. Mitsui Media evaluated the non-financial support of the municipality. Colorado Springs showed a positive attitude toward the invitation of Mitsui Media in the form of speedy process of paperwork that was necessary for the establishment of production facilities. That was a significant factor for Mitsui Media in deciding among several prospective sites. Descente cites a similar reason for the choice of Englewood (JETRO Denver 1995: 77). Gunze considered the positive attitude of Olathe, in addition to its proximity to a distribution center in Missouri.

The social conditions of the community were an important factor for Agrex. They favored the location of suburban Kansas City, with its good schools and low crime rate. Considering the access to their storage facilities for grain, Omaha, Nebraska is an ideal location for their headquarters. They judged, however, that current communications technologies were sufficient to overcome disadvantages of non-ideal location, and chose Overland Park, Kansas. Gunze also mentioned their favorable evaluation of communities in the Kansas side of the metropolitan area, which seems to have influenced their location selection.

**Acquisition of companies in the region**

This case reveals a passive selection of the current business site. Locational inertia exists for some acquisitions among those companies interviewed. In such cases, the attractive environment and quality of labor seem to play important roles in keeping their businesses at or near the acquired companies. Kentek, Pentax, SPT, Yamato, and Yuasa exhibit examples of locational inertia in this context.

Pentax purchased the camera division of Honeywell, including its employees. Quality of labor, in order to achieve a high level of repair service, and an attractive physical environment, to retain the workers, were significant reasons to stay in the region. Similarly, Kentek, SPT, Yamato, and Yuasa purchased a local office or plant; and labor quality was an important consideration. In conjunction with the attractive environment of the region, many previous workers continued to stay after the purchase, and have worked for the new company.

**Conclusion**

Many of the factors discussed in the previous section are those often considered in location studies of manufacturing plants and offices (Harrington and Warf 1995; Head et al. 1995; and Healey and Ilbery 1990). Acquisition of local companies and locational inertia, government support, good social environment, access to various resources, familiarity with the place and its vicinity, and quality of labor are all considered as general factors that are applicable in many cases.

Central location and attractive physical environment may be features unique to the High Plains, especially the Front Range. The centrality is often a key element in location theories, but in reality there are not many good examples. Situated in the middle of the interior portion of the continent, Colorado and Kansas provide a good example of areas that illustrate the advantage of central location. With the increasing trend toward diffusion and diversification of Japanese-affiliated companies in the U.S. and worldwide (Dicken 1988), the merit of
central location has been appreciated by more companies. In addition to advantages directly derived from central location, indirect connection has been also observed. The central location attracted military-related and other research institutions and industries; which, in turn, attracted related businesses. Japanese-affiliated companies, to some extent, reflect this indirect effect.

An attractive environment is especially appealing in the case of the Front Range region. For the heads of smaller companies, their preference for access to an attractive environment with good amenities is significant in choosing a business location when other essential factors are met. A similar trend has been observed in the manufacturing sector nationwide (Granger and Blomquist 1999). This is not a new phenomenon. The Sunbelt region has attracted businesses and people since the 1970s, and Silicon Valley is a good example of the concentration of high technology business. As concentration multiplies, however, diseconomies of scale take place. This is shown in the interview results for UMI and Yamato, in which the former directly moved from Silicon Valley to Colorado Springs and the latter purchased an agent that made the same move in order to reduce costs. The Front Range region is a new area that has been starting to attract businesses and people because of its good amenities. It will take some time for the region to reach the stage of saturation when diseconomies of agglomeration become significant.

As for office location, it has been pointed out that factors besides agglomeration economies are becoming important (Jenkens 1996). Recent changes in office location supports the validity of this argument. Nationally, the headquarters of major companies diffused further from a pattern in which headquarters are relatively concentrated in major metropolitan areas (Takahashi 1997). At the metropolitan level, an increasing number of offices are choosing suburban locations; e.g., in Los Angeles (Takahashi 1999) and in Chicago (Taira 1999). The increasing importance of the High Plains region can be placed in this framework of diversification of business concentrations, for both office and manufacturing activities.

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Notes

1. The number of Japanese-affiliated companies overseas in 1998 was 19,036; 3,733 of them (20%) were in the United States, far more than the second-ranked China, which had 2,426 (13%) such companies. Similarly, Japanese foreign direct investment in the U.S. in 1997 was the largest, totaling 39 percent of the entire amount of such investment; far more than 8 percent of the second-ranked U.K. (Toyo Keizai Shimposha 1999).

2. Here, a broader delineation of the region by McKnight (1997) has been adopted. Paterson (1994) uses a delineation that covers a smaller area, including southwestern Kansas, western Oklahoma, and northwestern Texas.

3. For example, the increase of Japanese people in the Denver area can be inferred by a gradual increase of subscribers to the local Japanese paper, Rocky Mountain Jiho, during the 1980s and 1990s (Interview to the editor by the author, August, 1998).

4. An example is such supporting services by JETRO, Japan External Trade Organization, in
Chicago.

5. The following directories were used to prepare for the interview in 1998 and 1999: Toyo Keizai Shimpousha (1998) and JETRO (1996). The former directory lists 34 Japanese-affiliated companies in Colorado and Kansas for 1998, a little more than 29 for 1999. The JETRO directory lists 161 such companies. One reason for the gap in the number of companies between the two directories is that the latter directory includes those companies whose businesses are retail services, such as restaurants and travel agencies, and these companies were excluded from the list for the interview. As a result, 102 companies were chosen as potential interviewees. These companies are listed in either directory or in both. Note that there is a significant gap between the number of companies for Colorado and Kansas in Figure 3, which is based on data in the former directory for the year 1999, and 102 companies as potential interviewees for the years of 1998 and 1999.

6. A sake producer in California pointed out that they could overcome the disadvantage of non-central location by using a distribution network for California wine.

7. These advantages of business time are emphasized in a magazine published by Colorado Stade Office of Economic Development to promote new businesses; Colorado Advantage, Winter 1997, pp. 16-17.

8. KDS moved its office from the metropolitan Kansas City to the metropolitan Atlanta in October, 1999 (Nikkei Sangyo Shim bun, October 4, 1999). The move took place because Atlanta provides better access by commercial airline service to medium and small cities where many KDS customers exist (Author’s interview in August, 1998).

9. The discussion here is based on the information obtained at JETRO Denver and Colorado International Trade Office.

10. In the region, there are Bureau of Reclamation Research Laboratory in Denver, Climate Monitoring and Diagnostics Laboratory in Boulder, Environmental Technology Laboratory in Boulder, Forecast Systems Laboratory in Boulder, Institute for Telecommunication Sciences in Boulder, National Center for Atmospheric Research in Boulder, National Geomagnetic Information Center in Denver, National Institute of Standards and Technology in Boulder, National Renewable Energy Laboratory in Golden, National Seed Storage Laboratory in Ft. Collins, National Wildlife Research Center in Ft. Collins, Natural Hazards Research and Applications Information Center in Boulder, Rocky Mountain Research Station in Ft. Collins, Space Environment Laboratory in Boulder, and Transportation Test Center in Pueblo along with various university campuses and other research institutes throughout the region (Colorado Data Book, p. 19, August 2000, obtained via Internet, http://www.state.co.us/gov_dir/oed.html).

11. Kansas City metropolitan area extends to both the states of Missouri and Kansas. Generally, southern and southwestern suburbs constitute “good” residential sections; and office parks, including those in Overland Park, tend to be in the Kansas side.

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