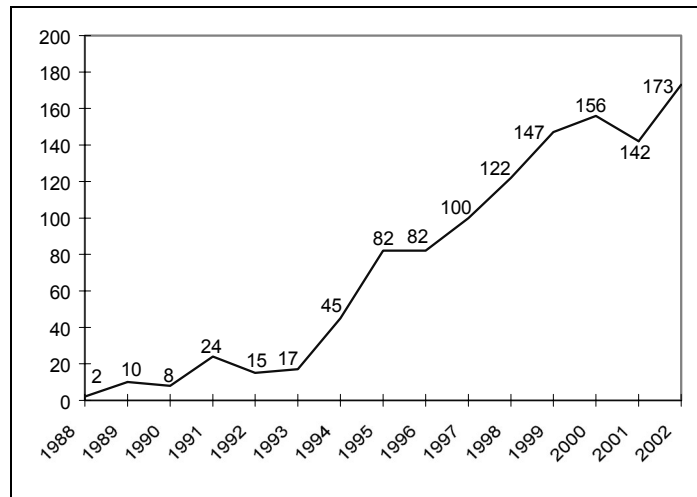


The technology appears to be similar to the HotPlot system, from Sparx of Sweden, which was commercialized in 1991. Ralf Larsson, currently the president of Speed Part, led the work as president of Sparx, and is the inventor of the process. The product was inexpensive to produce and operate, but it had a relatively short life.

Japan

Japanese companies continue to develop some of the best products in the world. This extends into RP products, although this is not reflected in the number of machines sold each year. In most years, annual sales by each Japanese company have been from about 15 to 30 units. By comparison, during this same period, the most successful U.S. companies have sold 100 to 400 units per year.

Unit sales growth from Japanese system manufacturers improved by 21.8% last year to 173 units, as shown in the following graph, up from 142 units in 2001. Overall, sales by these companies continue to be small compared to those of American system manufacturers. Last year, the four largest U.S. companies outsold the seven Japanese companies by a ratio of more than 6 to 1. Stratasys alone sold nearly three times as many systems as all Japanese companies combined.



Source: Dr. Masato Imamura, Tokyo Research Center, and other sources

A small percentage of the Japanese units was exported, although this could change. In mid-2002, Sony/D-MEC licensed the right from 3D Systems to sell its stereolithography systems in North America. Sony Precision Technology America, Inc. (Lake Forest, California) is the group charged with selling the systems. As of early May 2003, the machines were not yet available, although details were available at <http://www.sonypt.com>.

RP strategy in Japan

Until recently, the way to survive in the RP market in Japan was to discount hardware. Pricing discounts were substantial in Japan due to a high level of competition. The market prices of major RP systems, such as the stereolithography systems, had decreased by as much as 5% per year, resulting in a 10–20% drop in market price from 1997 to 2001. However, unreasonable discounting came to an end in 2002.