
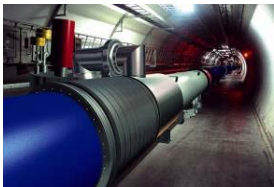
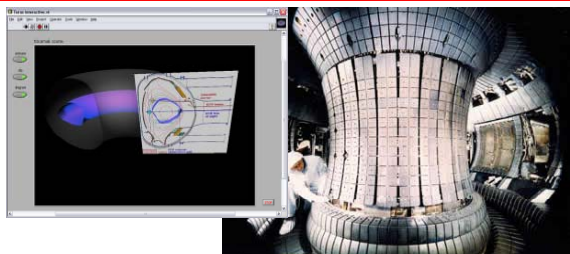


4 **We Participate at 6 of the 10 Largest Big Physics International Projects** 

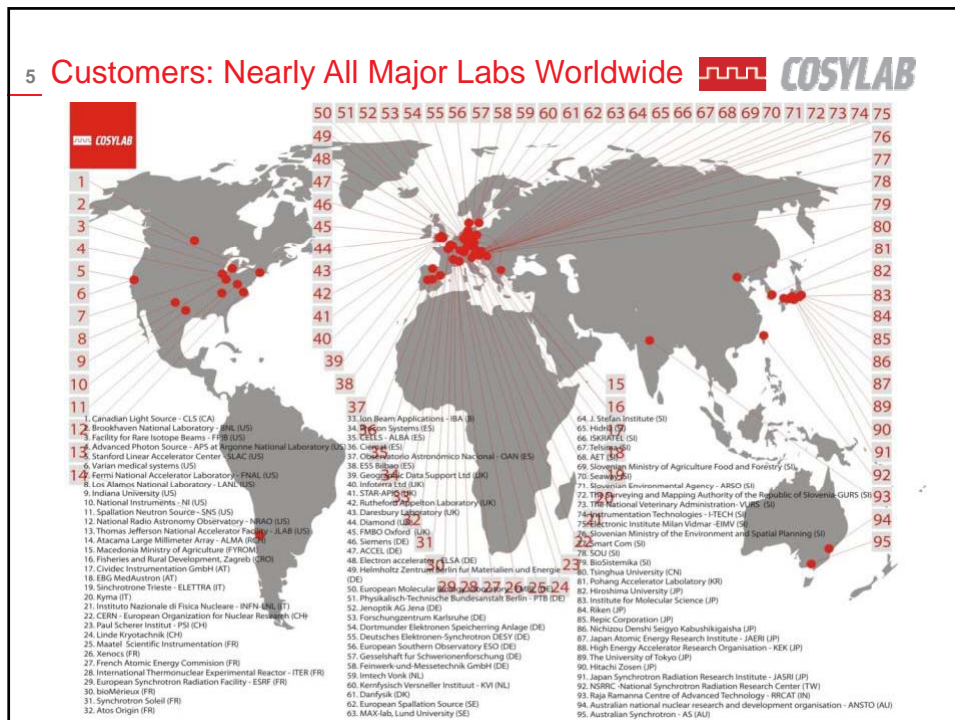
- Radiotelescope: ALMA (Munich, Atacama Desert)
- Neutron source: SNS (Oak Ridge), ESS (Lund)
- Nuclear physics: FAIR (Darmstadt), LHC (CERN)
- Fusion: ITER (Cadarache)




CERN Large Hadron Collider
“the most powerful instrument on earth”



ITER
“one of the most challenging and innovative scientific projects in the world today”



- 6 **Initial Strategy: Random** 
- 1992: first visit to Japan (friend's wedding)
 - 1999,2000: conferences and visits to Japan
 - 2001: Cosylab founded
 - 2002: work with Hitachi Zosen for RIKEN
 - 2004: Japanese labs: respect Cosylab but don't know whether our services makes sense to them
 - 2005: advice: can't import services
 - 2007: incidentally read about Vulcanus and apply unsuccessfully
 - 2009: first Japanese student at Cosylab
 - 2010: ask retired professor to join Cosylab

2010: Define Real Strategy



- Get foothold in the main Asian countries
 - Japan, Korea, China
- Find small projects, to become known quickly
- Be present at all new projects before they start

- If possible, establish branch in each country
 - 1 senior person, distinguished member of community
 - 1 young engineer, Cosylab trained
 - 1 Cosylab manager
 - Must live in the country for about 2 years
 - Invest ca. 200k EUR in starting up (1-2years), get new contracts soon

Cosylab 2010

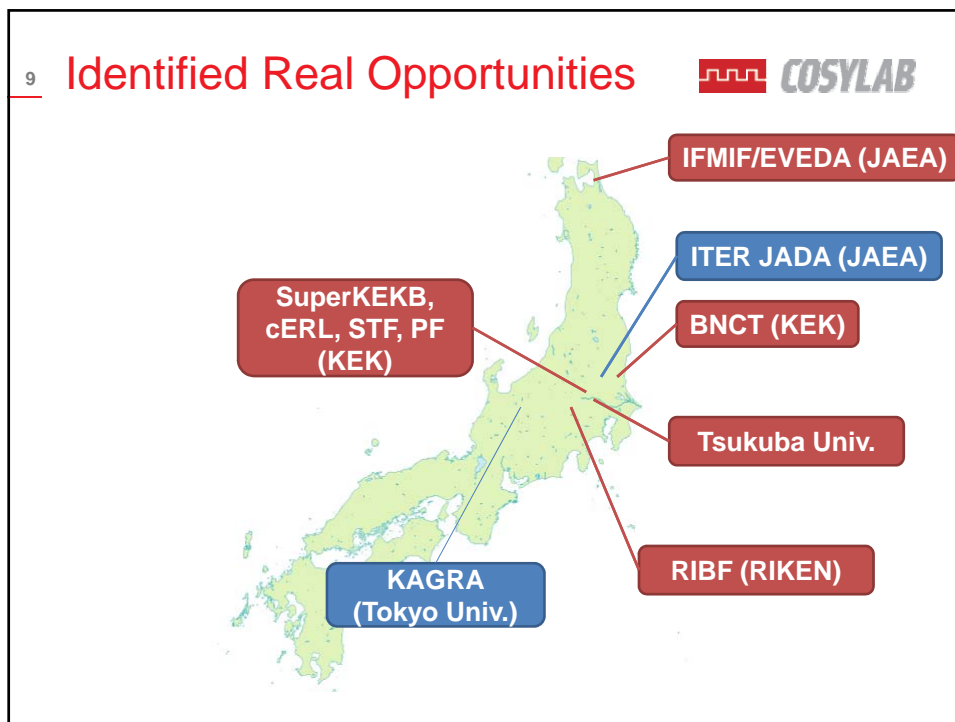
8

Internal Project June 2010



- build on the opportunities that have presented themselves by chance:
 - endorsement of the SLO Ambassador,
 - potential of Japanese projects,
 - willingness of ex-Vulcanus student to work for JCSL
 - willingness of prof. emeritus Kurokawa to work for JCSL as consultant.

- **OBJECTIVE: To establish a company (subsidiary) in Japan that is self-sufficient with Japanese projects in “Big Physics” with revenue at least 200k€(ca.20M Yen), ideally 150k€per developer per year.**



- Identified Challenges** 
- Specific culture
 - Need japanese employees and consultants
 - Big labs do most work in-house
 - We are used to this from large labs in Europe and USA
 - Small labs buy everything from large domestic companies
 - Mitsubishi HI, Toshiba
 - Can we act alone, as Cosylab Japan?
 - Or is it better to be subcontractor to large companies?
 - Continue working through Hitachi Zosen?
 - But they are our competition
 - Use representative or hire japanese sales person?
 - Need orders for 2 FTE (full time engineer) per year to cover the costs of the branch in Japan

¹¹ **First Sources of Help Not Very Useful** 

- Very friendly but have no business experience in Japan
 - Slovenian Embassy in Japan
 - Slovenian Agency for Entrepreneurship and Foreign Investments
- Other Slovenian companies with branches in Japan
 - Only a few; mainly only representative offices
- Example of Web page problems
 - Potential customer is worried about Export Regulations
 - Page <http://www.customs.go.jp> has no English?

¹² **Useful Help** 


- JETRO <http://www.investjapan.org>
 - JETRO Vienna
<https://www.jetro.go.jp/austria/contact/>
 - also free consultation by lawyer, tax advisor, social security specialist, etc.
- Best: go to specialized company
 - Juridique (Legal Advisor)
 - www.juridique.jp/branch.html
 - Very helpful Mrs. Yoko Majima
 - Minato International (Accounting Office)
 - www.minatoacc.com
 - Mr. Ichiro Kawai

¹³ **Subsidiary, Branch or Office?** 

- For us, branch is best and simplest
 - Like a company, only name is fixed
- Cost to set up:
 - Consultant fees: 136,500 yen
 - Registration duties: 90,000 yen
 - Others (company seals, certificates): 20,000 yen
 -
 - TOTAL: 246,500 yen (about 2500 EUR)

¹⁴ **Adventures and Mishaps** 

- Double taxation in Slovenia
 - <http://www.mof.go.jp/english/tax/tax.htm>
 - http://www.nta.go.jp/foreign_language/index.htm
- Learn a few new expressions
 - Affidavit
 - Apostille de la convention de la Haye
- What to translate and what not?
- Challenged by the Gods
 - Prof. Kurokawa fell ill for 6 weeks
 - Tohoku earthquake, March 11th, 2011
 - Still met plan to start branch on April 1st, 2011
- Do It Yourself accounting
 - done by prof. Kurokawa
 - Company tax report: helped by official at counter

15 **Salaries** 

- Offered shares, but no interest
- Match government institute salary
- Match prof. Kurokawa's pension
- All payments prepared by Slovenian HQ

	Employer	Employee
Workers' Accident Compensation Insurance	0,30%	
Employment Insurance	0,95%	0,60%
Health Insurance and Nursing Care Insurance	4,66%	4,66%
(above 40 years)	5,41%	5,41%
Employees' Pension Insurance	8,029%	8,029%
Child Benefits Contribution	0,13%	
Total		
Below 40 years	14,069%	13,289%
Above 40 years	14,819%	14,039%
total below 40	27,358%	
total above 40	28,858%	

16 **The First Year: Not So Bad** 

- 5 M JPY (ca. 50 K EUR) revenue in JFY 2011
 - Only customer: lab where Kurokawa worked
 - Lost 2 tenders (JAEA)
- Address Japanese conservatism with message:
 - Cosylab is one of the most competent, reliable, capable and hence respected companies in the accelerator field in Japan.




17 **Future of Cosylab in Japan** 

- JFY 2012 – 2013
 - Form an independent small team of engineers.
 - Create several successful achievements.
 - Establish the trust with customers.
 - Establish more sales channels.
- Beyond JFY 2013
 - JCSL will be the lead of the market in Japan.
 - JCSL will be a team which can handle all technical and business issues independently.
 - Human resource exchange among HQ and branches.
 - Knowledge exchange among HQ and branches.
 - Still looking for talented students and engineers.
 - JCSL will perhaps take care of Asia and Australia.

18 **Conclusion: Main Challenges For A
SME Going To Japan** 

- Sales
 - Especially if it's not a product
- Recruiting
 - Difficult to hire new people
 - Therefore must seek students
 - Vulcanus, look elsewhere?
- Distance and time difference are the least problems
 - Economy return ticket to Tokyo 600-800 EUR
 - Economy return ticket to Brussels 693 EUR
- Solution: cultural match
 - Build or acquire social network in Japan
 - Exchange people for several months to a few years
 - Yes, it takes time – so better get started today!

THANK YOU!

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