Advantages of Doing Business in Japan

27th November 2012

Hiroshi Tsukamoto
General Manager
EU-Japan Centre for Industrial Cooperation
The challenges and business opportunities for EU SMEs in Japan

27/11/2012

Hiroshi TSUKAMOTO

Activities of Supporting Japanese SMEs in Overseas Business

Five key issues

1. Information collection and provision

Initiative Details

Provide necessary information carefully for SMEs, and provide consistent support by sharing support records across SMEs support organizations.

> 700 seminars, covering various topics, were held in FY2011. 2,500 seminars in total will be held by the end of FY 2013.

2. Marketing

Support product development and participation in overseas trade fairs, and assist marketing through the Internet.

> Increase the number of support coordinators in overseas, and invite greater numbers of foreign buyers.

3. Development and securing of human resources

Support developing and securing human resources competent for overseas business expansion.

> Enhance the training of overseas operations managers and international traders.

4. Financing

Enhance financial consulting structure and facilitate access to financing.

> Establish both domestic and international Shoko Chukin Bank support desks, and Japan Desks in foreign banks, etc.

5. Improvement of the trade and investment environment

Provide information on the establishment of overseas business bases, and supports relating to tax, labor and IP matters.

> Conduct a survey to compare the investment costs in about 100 cities and secure experts on labor and legal issues, etc.

Source of METI

Foreign companies planning to start a business in Japan, JETRO is ready to help you.

1. Contact JETRO office

Contact the JETRO office nearest you.

2. Receive support

JETRO provides seminars according to your needs.

3. Receive consultation

JETRO provides consultation for companies wishing to enter the Japanese market.

4. Receive support from JETRO BSC

Call on JETRO BSC to begin setting up your business in Japan.

5. Support for entering the Japanese market

JETRO BSC provides information related services for establishing a sales office and related business in Japan.

Start your business in Japan
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Invest Japan Business Support Center (IBSC)
Locations: Tokyo, Osaka, Yokohama, Nagoya, Fukuoka, Kobe

Consulting Services
- Marketing
- Laws and regulations
- National and local government incentives
- Cost simulation
- Incorporation procedures
- Employment and labor issues

Facilities
- Free temporary office space (Tokyo IBSC has 35 spaces)
- Well-stocked library
- Exhibition space and auditorium

2003-2006 June
IBSC Support 10,766 companies
Success 1,028 companies
(Europe 325 companies)

Why Japan?

- World’s third-largest market
- Sophisticated consumers with high purchasing power
- World’s center for technological innovation and product development
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The challenges and business opportunities for EU SMEs in Japan

GDP Comparison of Japan with Other Major Economic Regions and Some Countries

GDP Comparison of Japan with Other Major Economic Regions

GDP Comparison of Japan’s regions with some countries

Note: "ASEAN" means Indonesia, Thailand, The Philippines, Malaysia and Vietnam.

"WP" means Western Pacific, Taiwan, Singapore and Australia.

Survey of the Image of Products in Japan

Survey of the Image of Products in Japan

<table>
<thead>
<tr>
<th>Excellent quality</th>
<th>Smart/fashionable image</th>
<th>Unique &amp; clear characteristics</th>
<th>Interesting/enjoyable</th>
<th>Growing</th>
<th>Value for money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japanese products</td>
<td>88.2 %</td>
<td>85.8 %</td>
<td>72.2 %</td>
<td>89.8 %</td>
<td>86.8 %</td>
</tr>
<tr>
<td>European products</td>
<td>74.7 %</td>
<td>88.2 %</td>
<td>68.7 %</td>
<td>83.9 %</td>
<td>89.1 %</td>
</tr>
<tr>
<td>American products</td>
<td>85.2 %</td>
<td>68.1 %</td>
<td>52.2 %</td>
<td>65.2 %</td>
<td>74.6 %</td>
</tr>
<tr>
<td>Korean products</td>
<td>83.9 %</td>
<td>81.8 %</td>
<td>57.9 %</td>
<td>78.2 %</td>
<td>78.1 %</td>
</tr>
<tr>
<td>Chinese products</td>
<td>83.9 %</td>
<td>91.9 %</td>
<td>72.2 %</td>
<td>60.4 %</td>
<td>50.3 %</td>
</tr>
</tbody>
</table>

European products receive top rating in the image as “Smart/Fashionable” and “Unique & Clear characteristics” by Japanese consumers.

Survey of the Image of Products in Japan

Survey of the Image of Products in Japan

Source: IMF World Economic Outlook Database (April, 2012), "Preferential Economic Arrangement" (February, 2010), Economic and Social Research Institute, Cabinet Office

Source: HAKUHODO (2008)

Positive Image of European Companies in Japan

Positive Image of European Companies in Japan

European products receive top rating in the image as “Smart/Fashionable” and “Unique & Clear characteristics” by Japanese consumers.
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High Performance of European Companies in Japan

Sales in Japan (by main foreign investors):
- Survey of Trends in Business Activities of Foreign affiliates [METI]

Direct Investment Income in Japan (by region):
- Balance of Payment [BOJ]

Europe, 55.3%
USA, 24.3%
Others, 20.4%

Popular European Products and Services in the Japanese Market

Pierre Merci (Luxembourg)
- Tokyo, Nagoya, etc.

PAUL (France)
- Tokyo, Osaka, Fukuoka, etc.

PHILIPS (Netherlands)
- Shavers, etc.

Volkswagen (Germany)
- Polo
- Import car of the year in Japan

IKEA (Sweden)
- Tokyo, Kobe, etc.

MC Doauus (France)
- Sapporo, Nagoya, Fukuoka, etc.

Oxson (UK)
- Vacuum cleaners
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J.DANDOY (Brussels) opened the first overseas shop in Tokyo.
(22, Aug 2012)

Technological Innovation

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of GDP</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>3.61%</td>
<td>2006</td>
</tr>
<tr>
<td>U.S.</td>
<td>2.98%</td>
<td>2006</td>
</tr>
<tr>
<td>Canada</td>
<td>1.82%</td>
<td>2006</td>
</tr>
<tr>
<td>U.K.</td>
<td>1.76%</td>
<td>2007</td>
</tr>
<tr>
<td>France</td>
<td>2.08%</td>
<td>2007</td>
</tr>
<tr>
<td>Germany</td>
<td>2.54%</td>
<td>2007</td>
</tr>
<tr>
<td>Italy</td>
<td>1.13%</td>
<td>2006</td>
</tr>
<tr>
<td>Russia</td>
<td>1.13%</td>
<td>2007</td>
</tr>
<tr>
<td>China</td>
<td>1.49%</td>
<td>2007</td>
</tr>
<tr>
<td>Korea</td>
<td>3.47%</td>
<td>2007</td>
</tr>
</tbody>
</table>

Source: Ministry of Internal Affairs and Communications, “The Results of the 2009 Survey on Science and Technology Research (Summary)”. The original source (except for Japan) is OECD, “Main Science and Technology Indicators”. For comparison into dollars, the 2009 purchasing power exchange rate was used.

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Researchers (per 10,000 People)</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>51.5</td>
<td>2006</td>
</tr>
<tr>
<td>U.S.</td>
<td>47.5</td>
<td>2006</td>
</tr>
<tr>
<td>Canada</td>
<td>41.5</td>
<td>2006</td>
</tr>
<tr>
<td>U.K.</td>
<td>28.9</td>
<td>2007</td>
</tr>
<tr>
<td>France</td>
<td>33.4</td>
<td>2006</td>
</tr>
<tr>
<td>Germany</td>
<td>34.6</td>
<td>2007</td>
</tr>
<tr>
<td>Italy</td>
<td>15.0</td>
<td>2006</td>
</tr>
<tr>
<td>Russia</td>
<td>32.9</td>
<td>2007</td>
</tr>
<tr>
<td>China</td>
<td>10.7</td>
<td>2007</td>
</tr>
<tr>
<td>Korea</td>
<td>45.6</td>
<td>2007</td>
</tr>
</tbody>
</table>

(22, Aug 2012)
Attractive Sectors

- Future Energy Systems
- Healthcare
- Automotive Parts
- Retail
- ICT
- Biotechnology
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<Environmental Business Related Markets that are Attracting Attention>

(billion yen)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PV power systems</td>
<td>164.8</td>
<td>1,207.6</td>
<td>681%</td>
</tr>
<tr>
<td>Wind power generation facilities</td>
<td>63</td>
<td>249</td>
<td>295%</td>
</tr>
<tr>
<td>Secondary batteries</td>
<td>513.4</td>
<td>??</td>
<td>51%</td>
</tr>
<tr>
<td>Organic EL/LED</td>
<td>15</td>
<td>70</td>
<td>367%</td>
</tr>
<tr>
<td>High-efficiency hot water heaters</td>
<td>121.3</td>
<td>134</td>
<td>10%</td>
</tr>
<tr>
<td>Home insulation</td>
<td>187.8</td>
<td>135.6</td>
<td>-26%</td>
</tr>
<tr>
<td>Electric vehicles</td>
<td>0</td>
<td>1,400</td>
<td></td>
</tr>
<tr>
<td>Hybrid electric vehicles</td>
<td>242.2</td>
<td>3,200</td>
<td>1,221%</td>
</tr>
<tr>
<td>Environmentally friendly homes</td>
<td>2615.9</td>
<td>5,231.8</td>
<td>100%</td>
</tr>
<tr>
<td>HEMS/BEMS</td>
<td>163.2</td>
<td>152.4</td>
<td>48%</td>
</tr>
<tr>
<td>Smart grids</td>
<td>0.4</td>
<td>340</td>
<td>84,900%</td>
</tr>
</tbody>
</table>

Source: “The FY2010 Survey and Research concerning the Japanese Environment Business in 2020” (Japan Society of Industrial Machinery Manufacturers) (*)

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Key Sectors

<Change in Domestic PV Cell Shipments>

Source: Photovoltaic Generation Association
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#### Examples of European companies that participated in environmental PJTs* in Japan

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>Main Example</th>
<th>Other Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vestas Japan</td>
<td>A Japanese corporation under a Danish company (wind power)</td>
<td>Delivery of power generation facilities to wind farms in Fukushima Prefecture</td>
<td>Also delivered 17 facilities to Irozaki Wind Farm in Shizuoka Prefecture</td>
</tr>
<tr>
<td></td>
<td>Large-scale facilities of a total of 80 MW in power, started operating successively in 2010</td>
<td>Time of operation: December 2010</td>
<td></td>
</tr>
<tr>
<td>Enercon</td>
<td>A Japanese corporation under a German company (wind power)</td>
<td>Delivery: 23 facilities (46 MW)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>22 facilities started operating successively from Aomori to Okinawa</td>
<td>Other examples</td>
<td>Also delivered 7 facilities to Yuza wind power plant in Yamagata Prefecture (2011)</td>
</tr>
<tr>
<td>SAP Japan</td>
<td>A Japanese corporation under a German company (software development)</td>
<td>Main example: Participation in a smart city PJT by Kashiwa City, Chiba Prefecture</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Participated in a smart city project by Kashiwa City, Chiba Prefecture</td>
<td>Other examples</td>
<td></td>
</tr>
</tbody>
</table>

*PJTs: Projects*
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Core Study

Umicon Japan K.K.

Umicon K.K. (headquarters: Belgium) is a functional material maker founded in Belgium in 1986. The company develops secondary battery materials, photovoltaic cells, fuel cells, and exhaust-gas cleaning catalysts, and recycles noble metals for the global market. It is the world’s second largest manufacturer of positive-electrode material for lithium-ion batteries. It is a global enterprise with approximately 50 subsidiaries, sales of 14.5 billion euro (2011), and 1,450 employees worldwide. After the establishment of Umicon Japan K.K. in 2002 in Tokyo, the company opened an office in Tsukuba (Nissho metal chemical synthesis, platinum chemicals) in 2011, set up production company for positive electrodes for lithium-ion batteries and a Technical Center in Kobe. The company later established a Yokohama office to design, develop, and produce dissolving equipment for special glass.

Umicon’s appreciation of the Japanese market’s potential led the company to set up a factory in Kobe.

Umicon has positioned itself in Japan, an important market in which critical technologies closely linked to Umicon’s materials are developed. Understanding the importance of showing its commitment to the Japanese market, Umicon invested 4 billion yen to establish a new factory in Kobe to produce the positive electrode material for lithium-ion batteries. Although Umicon Japan K.K. is a newcomer to the Japanese market, the company expects significant growth by leveraging its unique battery, exhaust catalyst, and recycled material technologies.

Technical Center and manufacturing facility for positive electrode material for lithium-ion batteries

Healthcare

Market Overview

Percentage of population aged 65 or older

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Key Sectors

2010 production values by therapeutic areas

<table>
<thead>
<tr>
<th>Rank</th>
<th>Therapeutic areas</th>
<th>Production value (100 million yen)</th>
<th>As percentage of total production values (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cardiovascular drugs</td>
<td>14,017</td>
<td>20.7</td>
</tr>
<tr>
<td>2</td>
<td>CNS drugs</td>
<td>7,666</td>
<td>11.1</td>
</tr>
<tr>
<td>3</td>
<td>Other metabolic drugs</td>
<td>6,350</td>
<td>9.4</td>
</tr>
<tr>
<td>4</td>
<td>GI (gastrointestinal)</td>
<td>5,820</td>
<td>8.6</td>
</tr>
<tr>
<td>5</td>
<td>Blood/body fluid products</td>
<td>4,447</td>
<td>6.6</td>
</tr>
</tbody>
</table>

Note: "Other metabolic drugs" includes: Agents for hyperglycemia, Antihistaminics, Agents for treatment of goiters, Enzyme preparations, Antidiabetic agents, and Combined preparations for treatment of diabetes.


Automotive Parts Overview

Top 5 Automobile Producing Countries (2010)

- Japan: 11,484,000
- US: 11,290,000
- China: 7,189,000
- Germany: 5,820,000
- France: 3,169,000

Source: Japan Automobile Manufacturer Association, Inc. (JAMA)
The challenges and business opportunities for EU SMEs in Japan

Reference

Foreign Automotive Firm Activity Overview

<table>
<thead>
<tr>
<th>Environment</th>
<th>Products</th>
<th>History in Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bentley (UK)</td>
<td>Brakes and suspensions</td>
<td>Established Bentley France, a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
<tr>
<td>Volkswagen (Germany)</td>
<td>Various automotive systems, including brake systems</td>
<td>Established a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
<tr>
<td>RoadX (Germany)</td>
<td>Advanced driver assistance systems</td>
<td>Established a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
<tr>
<td>Corning (USA)</td>
<td>Automotive windshield glass</td>
<td>Established a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
</tbody>
</table>

Safety

<table>
<thead>
<tr>
<th>Company</th>
<th>Products</th>
<th>History in Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activa (USA)</td>
<td>Automotive safety systems</td>
<td>Established a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
<tr>
<td>Bosch (Germany)</td>
<td>Electronic control systems</td>
<td>Established a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
<tr>
<td>Continental (Germany)</td>
<td>Electronic braking systems</td>
<td>Established a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
<tr>
<td>Cooper Standard Automotive (USA)</td>
<td>Sealing systems</td>
<td>Established a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
<tr>
<td>Raybestos (USA)</td>
<td>Brake, exhaust, and noise components</td>
<td>Established a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
<tr>
<td>GKN (UK)</td>
<td>Drive-train components</td>
<td>Acquired a majority stake in Tochigi Faj Sanpo, leading to the creation of GKN Driveline Torque Technology</td>
</tr>
<tr>
<td>NIS (Netherlands)</td>
<td>Insulation materials</td>
<td>Established a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
<tr>
<td>OERLIKON (Switzerland)</td>
<td>Clamping and joining systems</td>
<td>Established a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
<tr>
<td>ThyssenKrupp (Germany)</td>
<td>Stamping, hot forming, and forming</td>
<td>Established a joint venture with Honda, in Kanagawa Prefecture</td>
</tr>
</tbody>
</table>
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Comfort

<table>
<thead>
<tr>
<th>Company</th>
<th>Products</th>
<th>Establishment Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dongjiang Motorbikes (China)</td>
<td>Front-end rearview mirrors, hydraulic equipment</td>
<td>1996</td>
</tr>
<tr>
<td>DEAG (Germany)</td>
<td>Simulation software and hardware for prototypes</td>
<td>2006</td>
</tr>
<tr>
<td>Senterati (Italy)</td>
<td>Electromechanical automatic dimming mirrors</td>
<td>1996</td>
</tr>
<tr>
<td>Johnson Controls (US)</td>
<td>Seats, seatbelt impactor, headrests</td>
<td>2000</td>
</tr>
<tr>
<td>Mobile (Germany)</td>
<td>Plastic engine components, filters</td>
<td>2001</td>
</tr>
<tr>
<td>Salo Industriale e Commercio di Automobili (Italy)</td>
<td>Oil tanks, water pumps, filters and hoses</td>
<td>2001</td>
</tr>
<tr>
<td>Shanghai University Design Software (China)</td>
<td>Development software for air navigation systems</td>
<td>1997</td>
</tr>
<tr>
<td>Tata AutoComp Systems (India)</td>
<td>Concept designing, engineering CADCAM, etc</td>
<td>1997</td>
</tr>
<tr>
<td>Weritke Carross (Germany)</td>
<td>3D CAD production, cabin and convertible top vehicles</td>
<td>1997</td>
</tr>
</tbody>
</table>

Establishment in Japan:

- Establishes Japanese representative, Dongjiang Motorbikes (Japan) in Tokyo, 2006
- Establishes Japanese representative, DEAG Japan, in Tokyo, 2006
- Establishes Japanese representative, Senterati Japan, in Nagoya, 2005
- Establishes office in Munich, Johnson Controls (US), 1996
- Purchases Hida Brakes, Mobile (Germany), 2003
- Purchases Tsuni Industrial, Mobile (Germany), 2006
- Acquires Yamasaki Yumi and Yamasaki Isao, Salo Industriale e Commercio di Automobili (Italy), 2001
- Establishes Japanese branch in Yokohama, Salo Industriale e Commercio di Automobili (Italy), 2001
- Establishes Shanghai University Design Software joint venture with Shanghai University and Shanghai Ding-Tech Development, in Nagoya, 1997
- Establishes Japanese branch in Yokohama, Tata AutoComp Systems (India), 1997
- Establishes representative office, Weritke Carross (Germany), 1997
- Establishes Japanese representative, Carross Japan, in Tokyo, 1997

Case Study:

**ENERGY AUTOMOTIVE SYSTEMS K.K.**

Establishment: 2000
Country: France

Energy Automotive Systems is the world’s leading manufacturer of plastic fuel systems. Aware of the ecological consciousness of Japan’s automotive industry, energy seized the opportunity to supply lightweight fuel tanks to Japanese automakers, which continually seek better fuel efficiency.

**MARKET ENTRY**

Seeing the opportunity presented under the Nissan Revival Plan, energy acquired Nissan’s resin fuel tank business. Soon after the acquisition, energy opened a plant in Kita-Kyushu in order to become a major supplier to Nissan’s Kyushu plant as well as other Japanese automakers.

**PROSPECTS FOR GROWTH**

Energy’s presence in Japan means it is well positioned to take advantage of the trend of Japanese automakers that are switching to lighter plastic fuel tanks to improve fuel efficiency. "The size of the Japanese car manufacturing market means our presence there is crucial, not only to be able to sell there directly but also for the fullback business in Europe or in North America," said energy President and CEO Pierre Lenarcq. "Our plan is to build more factories in Japan as we continue to grow our business."

"OUR PLAN IS TO BUILD MORE FACTORIES IN JAPAN AS WE CONTINUE TO GROW OUR BUSINESS."

-- Pierre Lenarcq, President and CEO, Energy Automotive Systems
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Retail Market Overview

Total & Per Capita Sales of Top 5 Retail Markets:

- USA
- Japan
- China
- France
- UK

Source: “Retail Marketing World” 2010

Recent Trend among Leading Premium Brands

Jewelry/Watches/Accessories

- BVLGARI: Opened its large-scale store in Ginza in 2017, features a Bridal Salon and VIP room, the first Bulgari restaurant and bar in Japan and an open terrace lounge on the top floor.


- SWAROVSKI: Opened its first ever flagship store in Ginza in 2006. The store design, created in collaboration with Japanese product designer Takashi Amano, will be adopted for all main Swarovski global stores in the future. The first store to offer Swarovski full product line.

Bags/Accessories

- GUCCI: Opened the company’s first “Gucci Building” 6 F, occupied exclusively by Gucci in Ginza in 2006. Includes a cafe and gallery that began offering the world’s first “Jewelry Ordering” for handbags.


- PRADA: Opened one of the largest Prada boutiques in Japan in Ginza and the “Eroteme Store” in Minami-Aoyama, its largest flagship store in Japan, in 2013.

Men’s Fashion

- ARMANI: Opened its flagship “Armani/Ginza Tower” in Ginza in 2017. The store, which also houses the Armani head office, includes a restaurant with a social seating/lounge theme and its first ever rooftop salon.

- JUNIIL: Opened its new concept store “JUNIIL” in Ginza in 2007, prior to launching the store in its base market in London. The theme is “Space for the adult men.” Also houses a bar, lounge and barrier shop. The interior design was created by Japanese product designer Toshiki Makiwara.

Source: Newspaper reports, etc.
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ICT Market Overview

<table>
<thead>
<tr>
<th>IT Industry Competitiveness Index</th>
<th>Overall Index Score</th>
<th>R&amp;D Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td></td>
<td>Rank</td>
</tr>
<tr>
<td>1. US</td>
<td>77.4</td>
<td>1. Japan</td>
</tr>
<tr>
<td>2. Japan</td>
<td>72.7</td>
<td>2. Korea</td>
</tr>
<tr>
<td>3. Korea</td>
<td>67.2</td>
<td>3. Taiwan</td>
</tr>
<tr>
<td>4. UK</td>
<td>67.1</td>
<td>4. US</td>
</tr>
<tr>
<td>5. Australia</td>
<td>66.5</td>
<td>5. Sweden</td>
</tr>
<tr>
<td>6. Taiwan</td>
<td>61.3</td>
<td>6. Finland</td>
</tr>
<tr>
<td>7. Sweden</td>
<td>61.4</td>
<td>7. Germany</td>
</tr>
<tr>
<td>8. Denmark</td>
<td>64.9</td>
<td>8. Denmark</td>
</tr>
<tr>
<td>9. Canada</td>
<td>61.6</td>
<td>9. Israel</td>
</tr>
<tr>
<td>10. Switzerland</td>
<td>61.5</td>
<td>10. Netherlands</td>
</tr>
</tbody>
</table>

Note: The IT industry competitiveness index is organized into six distinct categories, which include overall business environment, IT infrastructure, human capital, legal environment, R&D environment and support for IT industry development.

Source: "IT Industry Competitiveness Index, 2017" The Economist Intelligence Unit.
Case Study: Nihon Tandberg K.K.

In July 2002, Tandberg AS, a Norwegian provider of videoconferencing systems headquartered in Oslo and New York, opened its first Japan branch office in Tokyo. In January 2007, the firm made a new start, establishing a Japan subsidiary, Nihon Tandberg K.K.

In response to strong growth in sales in the Kansai region (around Osaka), which now accounts for nearly 20% of its Japan sales, the firm opened a second base in Osaka in June 2007 to widen its customer base and enhance its service capabilities in the region.

Picture: TANDBERG Centric 1700 MVP
Executive control center designed for offices, the 1700 MVP features a superior HD camera and a widescreen LCD. This fully integrated system operates both as a video conferencing system and PC display, enabling seamless and real-time face-to-face collaboration at the desktop.

Biotechnology Market Overview

Projected size for Japan’s biotechnology market in 2010

(Unit: ¥billions)

- Medical care: 8.4
- Bio-tools and information: 5.3
- Food: 6.2
- Environment and energy: 4.2
- Others: 0.8

Source: "Biotechnology Strategy Guidelines" (December, 2002, Biotechnology Strategy Council)
The challenges and business opportunities for EU SMEs in Japan

Hiroshi TSUKAMOTO

27/11/2012

Number of venture startups and implementation of related measures

Source: The graph was created based on “Basic Survey of University-Based Venture Enterprises” Ministry of Economy, Trade and Industry

Number of biowventure companies is increasing

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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<tbody>
<tr>
<td>No. of companies</td>
<td>387</td>
<td>464</td>
<td>531</td>
<td>588</td>
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</tbody>
</table>


Bio-business in the Spotlight

Market Size of Functional Foods

Note: The Japan Health Food and Nutrition Food Association conducts market size surveys biennially. Figures in the graph are based on manufacturers’ recommended retail prices.

Source: Japan Health Food and Nutrition Food Association

Case Study: Danisco Japan Ltd.

Danisco Japan Ltd. is the Japanese subsidiary of Denmark’s Danisco Group, one of the world’s largest producers of food ingredients. The firm supplies a wide range of products to Japan’s major food & beverage and pharmaceutical makers, also supporting these customers in product development and marketing. One of the firm’s most recognized products is Xylitol, a natural sweetener with proven dental benefits used in sugarless gums and confectionery items.