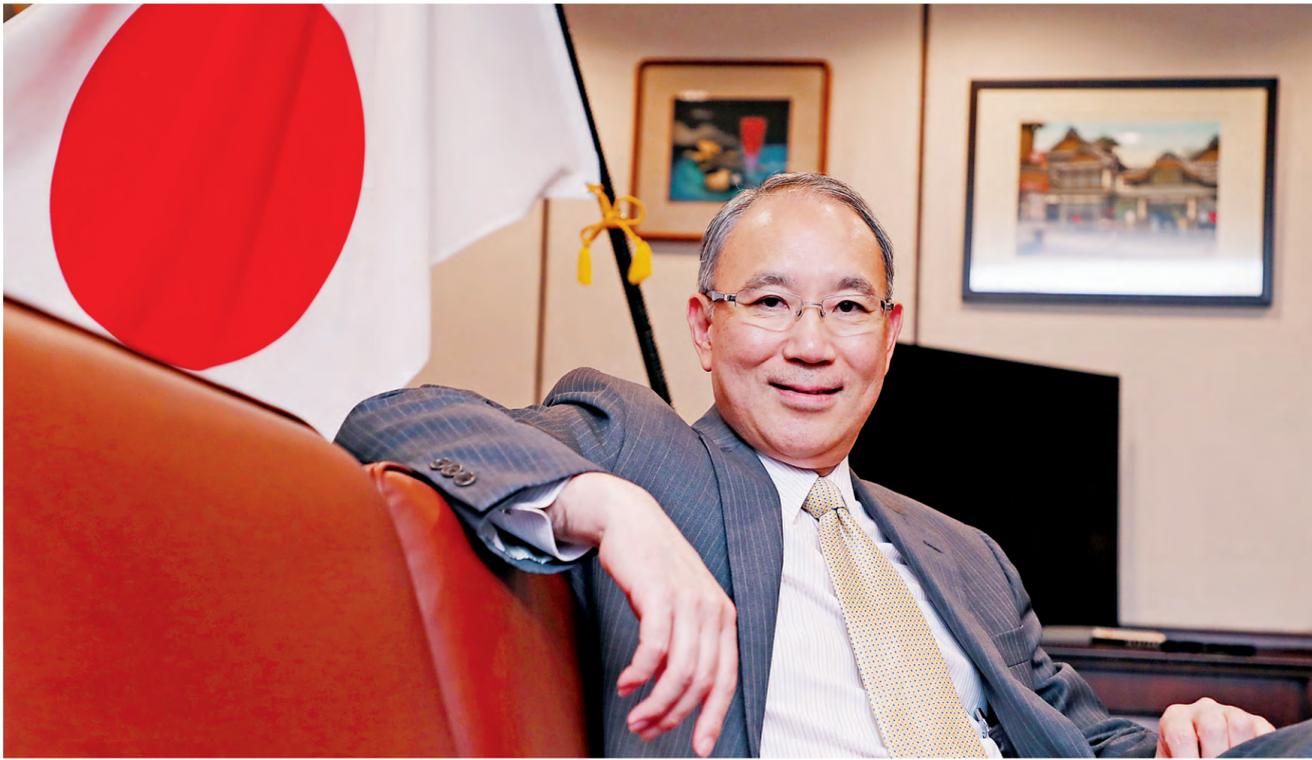


INSIDE: 13-PAGE SPONSORED SECTION IN COOPERATION WITH DISCOVERY REPORTS

JAPAN BUSINESS REPORT



Kuninori Matsuda, ambassador and consul general, says that the young generation of Japan is encouraged to learn Mandarin and Cantonese, including his two sons. Photo: Edward Wong

INTERVIEW

CITY PLAYS IMPORTANT ROLE IN PARTNERSHIP

Tourism and business links strengthen nation's ties with Hong Kong, writes **GINN FUNG**

Hongkongers love to visit Japan, and their ties with the nation have never been closer. In 2017, 2.23 million, or almost 8 per cent of Japan's 28 million foreign visitors, came from Hong Kong, and many returned to Chek Lap Kok with fond memories. Indeed, if you ask Hongkongers about their favourite holiday destinations, many might cite the delights of Osaka, Kyoto, Tokyo, Okinawa, and Hokkaido, or just say "Japan".

Hongkongers keep going back to Japan, according to Kuninori Matsuda, ambassador and consul general of Japan in Hong Kong.

He says almost one-fifth of Hong Kong travellers have visited Japan more than 10 times, and more could follow in the coming years.

"Hong Kong is Japan's number four travel market after mainland China, South Korea and Taiwan in the number of visitors," Matsuda says.

The Japanese government also plans to increase foreign tourist arrivals to 40 million by 2020, when Tokyo hosts the Olympics and Paralympics, he adds.

As a result, Japanese government officials are actively promoting tourism across the nation. They also plan to launch new "attractions" – integrated resorts featuring facilities for casinos, entertainment, dining and meetings, incentives, conventions and exhibitions.

"Four to five local governments are interested, and we first plan to open three projects in different places," Matsuda reveals. "We are inviting investment from foreign countries for these projects."

Such invitations could be well-received in Hong Kong, as over half of its investment in Japan is tourist-related.

The city also has long and strong business ties with Japanese cities. "Many countries have relations with Japan, but Japan and Hong Kong is so much closer, and so much stronger," says the consul general, who has spent almost three years in this city after postings in the United States, Israel and Russia.

This is largely because Hong Kong and Japan have much in common, Matsuda explains.

"Everywhere in Hong Kong has similarities with Japan," he

says. "This makes Hong Kong so unique, and it is the reason all our [nation's] 47 prefectures consider Hong Kong as one of their most important partners."

Hong Kong is also a key export market for Japan, Matsuda says. "Can you imagine that with only a 7.4 million population, Hong Kong bought more than double of what United States bought from us?"

The city has also been the number one importer of Japanese agricultural products for 13 consecutive years until 2017, and its educational ties with Japan continue to strengthen, Matsuda says.

"The number of Hong Kong students studying in Japan also hit a record high last year," he reveals. The Japanese business community in Hong Kong also operates more offices and headquarters than their counterparts from the US and China, Matsuda says.

The city's Japanese community was also "formed as early as in 1850", and it has played a key part in the city's modern culture, the consul general adds. "From the 1960s to the '80s, Japanese construction

companies were very active in Hong Kong's infrastructure development," Matsuda says.

"And, back then, Hong Kong had all the major Japanese department stores."

These have been replaced by a new wave of companies, the consul general says. "For example, all the financial institutions in Japan – banks, securities, insurance companies, are all here in Hong Kong. We are also seeing the opening of more restaurants of different sizes and price ranges."

Japan's construction companies could return to Hong Kong for new opportunities, such as in Beijing's global trade strategy, "Belt and Road Initiative", which Matsuda describes as a "very gigantic project".

"To me, the most important responsibility for China and Japan, the second- and third-largest economies in the world, is to decide how to work together to address the ever-increasing demand for social infrastructure and building throughout Asia," Matsuda says.

"Transportation, especially high-speed trains, is also an area

in which both countries can collaborate," he says.

The consul general is also very optimistic about the development of Sino-Japanese relations.

"This year commemorates the 40th anniversary of the signing the Treaty of Peace and Friendship between the two nations," Matsuda says.

"Over the past decades, we have developed very robust grass-roots exchanges of people, which is solid foundation for mutual respect and mutual understanding between us."

Indeed, there are now 251 sister-city ties between Chinese and Japanese municipalities, and about 100,000 Chinese students are studying in Japan.

The nations' relations have also been improved by recent diplomatic exchanges and foreign ministers' visits to each other, the consul general says.

Premier Li Keqiang is also expected to visit Japan in May, and it is anticipated that Japanese Prime Minister Shinzo Abe will visit Beijing later.

"Political visits will certify and strengthen our relationships," Matsuda says.

MOTORS

Venture boosts hydrogen vehicles

Julian Ryall

Japan's car manufacturers have announced plans to work with energy companies to expand the national network of hydrogen refuelling stations, a move designed to put them in the driving seat for the development of future generations of vehicles.

Global competition is still growing and Toyota, Nissan and Honda need to keep on their toes if their products are to retain their global edge. The three firms formed a joint venture in March named Japan H2 Mobility with a consortium of gas and energy companies, including Air Liquide of France, to build 80 new hydrogen stations over the next four years, complementing the 101 fuelling facilities in place.

The shortage of refuelling infrastructure has been identified as the prime reason environment-friendly hydrogen vehicles do not enjoy greater popularity on Japan's roads, and the government has thrown its support behind the initiative to assist the domestic fuel industry to stay ahead of its competition as well as to improve Japan's energy security.

Tokyo is acutely aware that virtually all its fuel supplies traditionally come from the Middle East and need to complete a long journey by sea – and choppy geopolitical waters – before arriving in Japan.

"We see hydrogen as a promising alternative fuel because it can be produced using primary energy sources – or even sewage sludge – and can be generated from water by using solar or wind power," says Akiko Kita, a spokeswoman for Toyota Motor Corp.

"Once compressed, it has a higher energy density than batteries presently being used in vehicles and is easier to both store and transport. In addition to its potential as a fuel for homes and automotive use, hydrogen can be used in applications such as large-scale power generation.

"Fuel cell vehicles have a number of other pluses, including contributing to the diversification of automobile fuels, they emit no CO2 or environmentally harmful

substances during operation and offer the convenience of conventional gasoline-powered cars because they can be charged in around three minutes," she adds.

While Toyota has been working on fuel-cell vehicles since 1992 and began leasing the FCHV fuel cell SUV in 2002, the problem, she admitted, has been that drivers have been reluctant to buy a vehicle powered by a fuel that is not widely available at refuelling stations. There has been a reluctance to invest heavily in the infrastructure because hydrogen has not yet taken off as a fuel.

"Public-private partnerships are indispensable to hydrogen becoming more widely accepted as a fuel for vehicles," Kita says. "We have to try to reduce the cost of the vehicle itself and it is important to enable customers to stably purchase hydrogen at a reasonable price."

Toyota has also been involved in the Hydrogen Council, the first global initiative to promote the role of hydrogen technologies as the world makes the transition away from environmentally damaging fossil fuels, she added.

There are around 2,300 fuel cell vehicles on Japan's roads, while the government is hoping to use the 2020 Tokyo Olympics as a showcase for cutting-edge domestic industries, including hydrogen powered cars. It is possible that as many as 25,000 fuel cell vehicles will be deployed by 2020, although that figure is significantly behind the 160,000 electric vehicles in use.

While EVs have the lead right now, the industry is confident there is room for both, with hydrogen vehicles perhaps preferred for longer journeys and bigger loads, while EVs designed for shorter, urban journeys.

The network of refuelling stations is the first step on that journey, believes Kita.

"Hydrogen stations will not be profitable in the short term, but we need a long-term view until hydrogen is widely used as a fuel for automobiles," she says. "It took three generations for the Prius to become popular. We think the usage of hydrogen will grow gradually."



Toyota, Nissan and Honda's joint venture with gas and energy firms will see 80 new hydrogen refuelling stations built. Photo: Bloomberg

ECONOMY

Chinese and Korean tourists spearhead massive growth in spending



The Japanese public remains reluctant to splash out. Photo: AP

Julian Ryall

Japan in February recorded an eighth consecutive quarter of economic growth – its best performance since the heady days of 1989 and the era of the nation's economic bubble – although the pace of expansion has been slowing.

Nevertheless, citing favourable external demand and climbing private investment, the International Monetary Fund expects Japan's economy to grow around 1.2 per cent over the course of 2018 and a respectable 0.9 per cent in 2019.

"In truth, the economy has been growing by about double the rate of its potential growth in large part thanks to the effects of 'Abenomics'," says Martin Schulz, senior economist with the Fujitsu Research Institute in

Tokyo. "While that growth will cool later next year, I would characterise this as normalisation of the growth rather than a contraction."

The initial push caused by Prime Minister Shinzo Abe's ambitious economic blueprint, introduced shortly after he assumed the post in December 2012, was the result of monetary policies helping to drive asset and real estate prices.

That has not translated into broader spending by the Japanese public, who remain reluctant to splash out at a time when wage growth has been stagnant and there were residual fears of another global economic crisis, such as the chaos in the aftermath of the collapse of Lehman Brothers in 2008, or a significant event closer to home, like the 2011 earthquake that hit northeast Japan.

Yet, there are several pluses for an economy that continues to bask in the glow of an extended positive business cycle. Government statistics put unemployment at a mere 2.8 per cent in April, the lowest figure since 1994, while record numbers of graduates are walking straight into employment.

Tokyo is also introducing sweeping reforms to the nation's working habits, forcing companies to limit their employees' overtime and encouraging firms to increase efficiency and productivity.

The tourism sector has emerged as a major source of economic growth, with statistics showing that a record 29.77 foreign visitors arrived in Japan in 2017, up nearly 20 per cent on the previous year, while spending by overseas tourists in

the first three months of this calendar year came to 1.13 trillion yen (US\$10.5 billion), up more than 17 per cent and buoyed by Chinese and South Korean travellers.

"The one big area for growth at the moment is tourism, where Japan has a lot of unused potential that can come to the fore in the years ahead, but this is a sector that also helps the regions and not just the cities, which is a terrific boost," Schulz says.

Jun Okumura, a political analyst at the Meiji Institute for Global Affairs, agrees that "the majority of the world seems to be in a good economic place at the moment" – although he admits there are some challenges looming on the horizon.

US President Donald Trump has appeared bullish on Washington's economic

relations around the globe, including with Japan, although China would appear to be his biggest target.

Any tit-for-tat trade war on specific exports would inevitably have repercussions in associated industries and other nations' economies, although Okumura says he is optimistic that "wiser heads will whisper in Mr Trump's ear before we descend into outright confrontation".

He is less concerned about the impact of other geopolitical issues in the region, such as North Korea, and is optimistic that Japan's economy will be able to "sail on unimpeded".

However, Schulz suggests that the positive impact of Abe's monetary policies will naturally run its course, while exports may also feel the pinch of global trade frictions and protectionism.



Yoshiharu Katsuta, president and representative director

INDUSTRY PIONEER MAXELL INVIGORATES BRAND WITH FRESH TECHNOLOGIES

Reports by **Cassandra Carothers, Mathilde Morée and Brittany Loveless**

From autonomous driving and electric cars to internet-of-things connectivity, technology is revolutionising the automotive industry globally – pressuring supply chain players to keep up with changing times. For pioneering industry veterans such as Maxell, technology is the engine driving the company to greater heights of success.

As the first company in Japan to introduce alkaline dry batteries, 8-inch floppy disks, audio cassette tapes and optical discs, Maxell is an iconic brand. It has a respected history of innovative product technologies built upon decades of expertise in energy, industrial materials and electronics.

Spurred by its new brand slogan “Within, the Future” and a management vision to enhance the quality of people’s daily lives, the company continues to carry its legacy of innovation forward with new offerings for the automotive supply chain.

“When people hear the name Maxell, we want them to know that there are technologies and products that only we can deliver,” says Yoshiharu Katsuta, president and representative director.

“About 8 per cent of our revenue is invested in research and development to create our core technologies.”

Catering to a clientele of mega suppliers for car parts and components,

Maxell offers four new automotive products. Its heat-resistant battery for a tyre-pressure monitoring system (TPMS) is the first of its kind to employ a sensor module inside the tyre capable of withstanding temperatures ranging from minus 40 to 125 degrees Celsius.

Transitioning from the standard halogen headlamp to a light-emitting diode headlamp, the company has also created a special lens using a unique plastic injection technique that competitors are unable to copy.

Anticipating game-changing automotive trends such as driverless cars and digitalisation, Maxell has also developed in-car camera lens units for rear-view support and other sensing purposes. It is also working on a compact super augmented reality head-up display with a sensor that measures the distance between cars. To be launched in 2019, the innovation will enable self-driving cars to change lanes in the future.

“Our core strength is our competitiveness,” Katsuta says. “We work closely with clients throughout the entire development, from the very beginning.”

Established in 1960, Maxell derived its brand name from “Maximum Capacity Dry Cell” – one of its very first products. Today, the company employs more than 4,000 people and offers a wide array of products such as primary and rechargeable batteries, health and beauty care products, data storage, adhesive tapes, inks, functional films, projectors and optical components.

Since its transition into a holding company in October last year and detachment from Hitachi, the brand originally carrying Maxell’s health and beauty care products such as blow dryers and shavers, Maxell has embarked upon a new journey of growth.

Focusing on three key growth areas – automotive, home life and infrastructure, and health and beauty care – the company aims to strengthen its brand across Asia-Pacific with an eye on emerging markets.

“Supplying products developed with our own technologies in growing markets is key to our success,” Katsuta says. “We believe that Japan is a market that is already reaching its limits, so overseas markets are very important to further expand our business. Asia comprises a big portion of that.”

With 30 million cars anticipated by 2018 in China, where sensors for tyre-pressure measurement will eventually become mandatory, Maxell foresees growing sales for its TPMS. The brand also seeks to grow sales of its butyl tape across Southeast Asia, where the company maintains offices in Singapore, Thailand and Vietnam, an adhesive tape factory in Indonesia and an optical component factory in Malaysia. Maxell also maintains offices in mainland China, Hong Kong and Taiwan, as well as two factories for batteries and projectors on the mainland.

“Customer loyalty is very important to us,” Katsuta says. “We want to have customers that say ‘we only use Maxell products.’”



The new Maxell.
Now driving Asia.

BIZEN CHEMICAL BRINGS OUT POWER OF NATURE TO SERVE HEALTH-CONSCIOUS ASIANS

Whether it’s about preventing a spike in blood pressure or maintaining supple skin, health and wellness are increasingly becoming the most important priority of many. Consuming supplements and nourishing edibles is now as essential to health as diet and exercise. When it comes to assuring maximum potency and quality in these health products, Bizen Chemical is the name to trust.

Established in 1971, Bizen asserts itself as one of the most reliable original design manufacturers of vitamins, health food commodities and powdered extracts from natural substances, several of which are medically recognised.

“We launched vitamin E as our core product, 47 years ago,” says Tomie Shimizu, president. “Since then, we have formed long-standing relationships with our clients and now serve the high-volume demands of an increasingly health-conscious society.”

Bizen’s top products range from garlic and oyster extracts to omega-3 fatty acids, collagen and many more. Instead of using



Tomie Shimizu, president

potentially dangerous synthetic ingredients, Bizen envisions bringing out the power of nature. Thus, it selects only the most premium substances from domestically produced natural sources. Bizen’s delivery of authentic, superior

goods has contributed to its achievements in the health, cosmetics and food and beverage industries. However, the key to many of the company’s accomplishments lies in its intensive research and development collaborations, which are further enhanced by its efficient production solutions.

“The biggest factor of our success that distinguishes us from our competitors is our end-to-end production,” Shimizu says.

Spearheading innovative projects by cooperating with Japanese universities, organisations and clients to discover newer, exclusive niche products, Bizen relentlessly challenges itself as it aims towards sports-related supplements in the near future.

Bolstered by its extensive relationship with companies in Hong Kong and Taiwan, Bizen has entered into more partnerships in Indonesia, the Philippines, Thailand and Vietnam. It is open to more partnerships with other consumer health specialists, particularly in Malaysia.

NIPPON CHEMICAL EXPANDS NICHE EXPERTISE AND SEEKS R&D LINKS WITH COMPANIES AND UNIVERSITIES IN ASIA

Nippon Chemical Industrial has spent 124 years honing its expertise in perfecting chemical formulations. Founded in 1893, the company has been at the forefront of pushing innovations of chemicals applications in the fields of electronics, energy, pharmaceuticals, agriculture and more.

“Our research and development initiatives focus on expanding the potential of our products to protect health and life, discover breakthroughs for energy management, and improve comfort,” says president Hirota Tanahashi.

Nippon Chemical specialises in inorganic chemicals such as chromium and inorganic phosphorus compounds, silicates and silica. The company has also built an impressive know-how in speciality chemicals such as electronic ceramic materials, circuit materials, battery materials and pharmaceutical and agrochemical intermediates.

With its extensive experience, Nippon Chemical has pioneered many developments in the chemical industry, one of which is advanced electroless plating.

With this process, Nippon Chemical was able to provide the hybrid electroconductive powders coated with high-quality metals for use in circuit materials.

Nippon Chemical has also formulated



Hirota Tanahashi, president

high-performance dielectric powders based on barium titanate for use in multilayer ceramic capacitors.

Furthermore, Nippon Chemical has contributed to the development of the semiconductor industry in Japan when it pioneered the production of high-purity phosphine gas as a dopant for silicon semiconductor manufacturing.

Continuing on its innovative path, Nippon Chemical also recently created synthesising technology of composite oxides to produce metal phosphate powders having negative thermal expansion coefficient.

Serving many industries in its home market, Nippon Chemical aims to expand its international reach and increase its global sales by up to 20 per cent.

The company’s subsidiaries in New York, Shanghai and Bangkok will play a greater role in increasing the global brand awareness for Nippon Chemical. The office in Bangkok, which was inaugurated in August last year, was established to expand its business in Southeast Asia.

Nippon Chemical sees potential demand especially in the automotive market and infrastructure development, and expects to provide inorganic chemicals to the region.

Nippon Chemical also offers custom manufacturing services for diverse organic synthesis to produce high-quality organic chemical products. It expects the boost to come from its speciality chemicals segment as more companies require the niche expertise of Nippon Chemical.

It welcomes partnerships with other chemical companies and universities that can help the company develop breakthroughs in these segments.

“We are committed to delivering high-quality products to our customers and we are ready to work closely with them to provide them cutting-edge solutions for their requirements,” Tanahashi says.

Life changes, and so do we.

We’ve moved on as Maxell Holdings, beginning a new chapter while maintaining core technologies and manufacturing capabilities.

Our current business – automotive, daily living, health, beauty and more – will focus on the vast markets that are emerging all across Asia, strengthening brand recognition to expand business in this important region.

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■ JAPAN BUSINESS REPORT ■

Sponsored section in cooperation with Discovery Reports

JAPANESE CUISINE THRIVES WITH THE DISTINCT FLAVOURS OF MARUKOME MISO

Japanese cuisine can appear deceptively simple, but the healthy and exquisitely plated dishes pack explosive flavours and textures.

From traditional washoku to more contemporary fare such as ramen, sushi and curry, the Japanese utilise fresh and seasonal ingredients to offer a veritable feast for the senses. Among the most essential components of Japanese cuisine that give dishes their distinct flavour is miso, and one company has been instrumental in elevating the use of this condiment since 1854: Marukome.

In Japan, Marukome is among the leading manufacturers of fermented products, particularly miso and koji. Since its establishment, Marukome has dedicated itself to catering to different consumer preferences, and this has driven the company to constantly pursue new ideas, methods and inventions that continue to excite the palates of even the most discerning gourmand.

"Consumer needs change every day, and we need to adjust to that. This is why we need to keep going. Banking on our heritage, we mix traditional know-how with new breakthroughs to always offer something new to the customers," says the company's president, Tokio Aoki.

With the miso products' rich and earthy flavours, it is easy to see why Marukome has become a staple in many Japanese households. From raw ingredients to final inspection, Marukome ensures high quality in every step of the production.

Marukome has modernised the production of miso in its technologically advanced facility, but some products still ferment the ingredients in wooden barrels – made from Neba cedar that further enhances miso's flavour profile. Its fermentation warehouse in the Miasa

Highlands, located in Kitazumi, Nagano prefecture, sits about 1,000 metres above sea level, making it the ideal location for cold-brewing miso.

Once ready, Marukome packages the miso in convenient plastic packaging for easy use and storage. From producing miso paste, Marukome has expanded its offerings to include miso liquid, miso with soup stock, miso with dashi, miso with less sodium and instant miso soup, among others.

"We developed other products to make it easier for our customers to shorten cooking time. There are homemakers who simply do not have the time to meticulously prepare soup stock but still want delicious miso soup. We are among the first companies to address this need," Aoki says.

Marukome even co-developed an organic miso powder line, in collaboration with Miranda Kerr. The organic powder line that was released in August last year comes in two variants: vegetable dashi stock and dashi stock.

For its miso products, Marukome uses its own rice koji. It is a type of fungus from the aspergillus genus that is considered by the company as Japan's national bacteria and the key ingredient of Japanese condiments such as miso, soy sauce, sake, mirin and vinegar. Realising the untapped potential health benefits of koji, Marukome explored the development of koji-based products such as the fermented health drink "Amazake", the fermented salted rice seasoning "Shio Koji", and many more.

Marukome caters to the consumer segment as well as the food service

industry. Just as it develops new products for consumers, Marukome also builds solutions for the food service industry, such as miso soup machines and dispensers. These dispensers are widely used across Japan and also gaining traction in the United States, Europe and even in Australia.

As Japanese cuisine is popular all over the globe, Marukome sees great opportunities in overseas markets. The company established a manufacturing facility in the US to cater to the growing market there, which accounts for 40 per cent of Marukome's overseas sales. It also established offices in South Korea and Thailand to aid in handling the overseas exports to 48 countries.

"Our vision overseas is to deliver to the world the tasteful, authentic and healthy Marukome brand," Aoki says.



Tokio Aoki, president

KODENSHI SEEKS BUSINESS PARTNERS TO SUPPORT SMART SOCIETIES AND IMPROVE LIVES

Smart technology is making inroads into people's daily lives – from technology-enabled homes to data-empowered urban environments that improve the economy, the effectiveness of institutions, and the well-being of citizens. Thanks to optoelectronics and sensor technology specialists such as Kodenshi, the potential for technology that enables smart societies is rising.

The leading optical semiconductor maker is keen on creating new and innovative products that support smart cities, vehicles and lifestyles. Found within a variety of modern applications such as cellular phones, cameras, digital home appliances, printers, copiers, robotics, office and plant lighting solutions, and smart car navigation systems, Kodenshi's patented and long-lasting components are developed in collaboration with clients. Its solutions are also competitively priced and eco-friendly, featuring energy-saving robotics user interfaces.

"Originality is our pride," says Hirokazu Nakajima, CEO, chairman and one of the founders of Kodenshi. "We create things that do not exist yet. Times and demands change, so we also continually update our approach."

Nakajima's entrepreneurial vision guides the company's growth and constant reinvention. As the first company in Japan to develop industrial processes to create solar cells and photodiodes, Kodenshi evolved from being an original equipment manufacturer into a respected original design maker.

It is trusted by some of the world's top technology companies including Canon, Hewlett-Packard, Epson and Toshiba. With technological and industrial expertise spanning more than 40 years, Kodenshi is eagle-eyed on future



Hirokazu Nakajima, CEO, chairman and founder

opportunities in the field of optical semiconductors.

"We started with inventing solar cells," Nakajima says. "Using a process of traditional Japanese craftwork, we created unique products based on these solar cells. We embarked on further development, producing optical components until we were able to bring down our costs. Gaining momentum, we rapidly grew and we continue to build the company by producing pioneering products that are useful to the world and that make customers happy."

Responding to clients' highly technical requirements is at the core of Kodenshi's mission. Its goal is to improve the overall quality of life, so it focuses on the effective use of software resources, including artificial intelligence, apart from the hardware for sensors. To illustrate, a regular sensor is usually designed to look at just one area, but Kodenshi sensors can read a whole environment. Its staple merchandise – the optical photo-sensor – satisfies the various demands of

consumer electronics and industrial equipment makers. Characterised by advanced optics, circuit and machine-worker design, Kodenshi photo-sensors also meet the growing interest for high speed and short wavelength traits required by next-generation DVDs and other media products.

"Our customers trust our technical expertise," Nakajima says. "They trust us to manufacture their product components. They also depend on us to redesign their concepts if necessary. We have the know-how to make clients' products better."

Kodenshi seeks partnerships with universities and research institutions to expand its knowledge and to steadily create brand new approaches. The company views collaboration with clients, governments, technology purveyors and various start-up companies as key to fully realise a smart society.

Laying the groundwork for rich originality to thrive, Kodenshi established the Device Techno Center in Kyoto. The research and development (R&D) centre aims to sow the seeds of new technology that will lead to the production of more high-quality, environmentally friendly products quickly and at reasonable prices. Kodenshi is optimistic the concept of a smart society will soon be acknowledged, and even pursued globally. It is ready to serve through its manufacturing in Japan and China, and research facilities in South Korea.

"The development in China is very rapid – particularly the innovation and evolution, complemented by a big market with many smart people," Nakajima says. "We welcome new business partners and R&D collaborations that focus on upholding smart societies and improving lives."

DISCOVERY REPORTS PROMOTES BETTER BUSINESS ENGAGEMENT WITH WRITING SERVICES

For almost two decades, Discovery Reports Group (DRG) has been the trusted voice relied on by thousands of companies worldwide to share their stories of strength to the Asian business community. Last year, the Hong Kong-based media and campaign production company, which is renowned for its special country-focused business reports, ventured into writing services to cater to companies needing assistance with content development and editorial requirements.

"DRG Communications Services serves as a reliable editorial partner to help companies organise and articulate their ideas and transform these into clear, captivating messages to better engage their intended audience," says Angela Gaspar, DRG's managing partner.

"By partnering with us, our clients can focus more on growing their core operations."

Launched in Singapore last year, DRG Communications Services offers professional content creation and editorial review of all corporate publications, from press releases and marketing materials to annual reports, web and social media content. It is backed by a best-in-class team of professionals in research, analysis, reporting, correspondence, production and writing that has produced premium content for the *South China Morning Post*, the *International Herald Tribune* and *Fortune Magazine*.

DRG will extend its new communications services to clients participating in the latest Japan Report. The special report highlights the strong

market fundamentals of the world's second-largest developed economy, including lucrative business opportunities. It headlines Japan's top-ranking and niche companies, featuring their interesting stories and successes and what it took to get there. The report gives the featured organisations a valuable opportunity to highlight their strategic strengths and reach out to key markets and players in China and across Asia.

"Companies all over the world are looking to Asia for business opportunities," Gaspar says. "With our writing services, we can help these organisations convey their message to potential customers, partners and investors in the region with utmost clarity, conciseness and polish."

To the world, MISO.

Wherever you are in the world, eating meals doesn't change. "I want to live healthily with my family" is an everyone's mind. Marukome's mission is to respond to these customers' thoughts. Through our overseas business, we aim to connect local people with new value by introducing healthy Japanese food like miso and cheese.

Japan's NO.1 Miso company

Miso sales share **25.3%**

425,000t

Marukome 107,700t

Products developed overseas

Miasa Highland Fermentation Warehouse

MARUKOME Headquarters

Marukome U.S.A., Inc.

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Light Up Our Future Together

Kodenshi is a leading optical semiconductor and sensing technology manufacturer, opening the new age by developing unique products of rich originality, and using innovative manufacturing processes.

The Kodenshi Group is responding to customers' various highly technical requirements.

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We are looking for partners to further expand our business domain. Please participate in the future that will open up KODENSHI.

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TEIJIN FRONTIER IMPROVES LIVES WITH INNOVATIVE FIBRE TECHNOLOGY SOLUTIONS

Imagine an environmentally friendly fabric that prevents the growth of bacteria, controls odour and helps skin maintain its pH balance – or a sweat-absorbing, fast-drying polyester material with excellent laundry durability. As Japan's leading name in superior and innovative fabrics, Teijin Frontier, the Teijin Group's fibres and products converting company, has continuously pushed the boundaries of apparel development with its cutting-edge technologies.

The company embarks on a new frontier as a one-stop, full-service provider of market-leading fabric solutions – from harnessing raw polymer materials to developing the retail-ready final product.

Since April last year, the well-known original equipment manufacturer of apparel synthesised its manufacturing and trading capabilities under one brand umbrella – turning Teijin Frontier into the world's only business entity involved in the integrated manufacturing and sales of fibres.

"The integration of our production and trading businesses is a key strength as it allows us to research and develop different kinds of polymers, textiles and apparel in a way that swiftly responds to our customers' needs," says Shinji Nikko, president. "It's a strength that's transferrable not only within Japan but globally, especially since we are targeting markets such as China and the Asean."

With a strong production network across Japan and Asia consisting of more than 700 manufacturers, Teijin Frontier is strategically preparing to further serve the growing markets of Southeast Asia and China with industry-leading fabrics. It has begun by establishing a research and development (R&D) triangle between its planned R&D centre in Thailand and existing centres in Japan and China.



Shinji Nikko, president

From waterproof, lightweight and tear-stopping fabrics to anti-stain textiles, flame-resistant polyester material and high-performance, high-strength nanofiber developed with ultra-microscopic technology, Teijin Frontier's diverse portfolio of high-technology fibre and fabric solutions have attracted major players from the apparel and industrial sectors. About 40 per cent of Teijin Frontier's industrial clients are from the automotive industry.

"As a leading company in Japan specialising in fibre technologies, we stand by our philosophy to always create new values at all times," Nikko says. "We create new technologies. That's why our brand is still very active – with some of the leading global sports apparel brands using a lot of our textiles."

Teijin Frontier's core products include DELTAPEAK, a balanced, ultra-high-functional, comfortable, lightweight and stretch material supporting a full range of sport activities; SOLOTEX, a polytrimethylene terephthalate (PTT) product with a springy molecular structure providing the advantages of both polyester and nylon to create a stretchy and soft texture; and a highly water-repellent outerwear fabric in polyester.

Rising demand for smart textiles has triggered robust growth across a variety of end-use industries such as sports and fitness, security and health monitoring. Seeking partnerships in research and technology as well as talent that can support its development of hi-tech solutions, Teijin Frontier stays ahead of the competition with its expanding portfolio of market-leading fabric technologies.

Focused on wearables of the future, the company is developing a range of smart fabrics such as a wearable cosmetic. Worn as an underwear such as a glove or pair of socks, the wearable cosmetic dispenses beauty properties to the skin in order to relieve conditions such as eczema using technology specially developed by Teijin Frontier. The company has acquired a licence to manufacture and sell this product, which is the only one of its kind globally.

Other wearables in the pipeline include fabrics capable of tracking and storing patterns of movement and medical textiles that take the pulse of a patient within seconds and alert the emergency department of a hospital.

"Our corporate message is now 'life evolves with fibres'," Nikko says. "This means that Teijin Frontier adds to human quality of life by creating happier living standards with our fabric solutions. It's a very unique point of view."

S&E'S MULTICULTURAL TEAM HELPS FIRMS BUILD INTERNATIONAL BUSINESS

A pioneer in the tightly closed market that was 20th century Japan, Sonderhoff & Einsel Law and Patent Office (S&E) knows the local pulse very well. The firm has prospered in the world's third-largest economy for more than a century through inbound cases from Europe and is now backing more home-grown businesses towards a future as international players.

Auspiciously, that journey takes its Japanese clientele to Europe, where S&E founders trace their roots and the firm has a presence. S&E is likewise differentiated as the only Japanese patent law firm with a strategic partner office in Beijing to support forays into China.

"Our strength is that we still have relationships that go back to 1910," says Felix Einsel, S&E managing partner. "We have the direct contact to European companies."

S&E also has a multicultural team and partners all over the world that speak the local language, whether that is Putonghua, German, English or Nihongo. The full-service firm largely manages intellectual properties of listed Japanese companies. S&E acquired a local firm in 2008, and has since enjoyed compatriot goodwill. Today, one-third of its clients are Japanese companies, including many mid-sized companies across Japan.



Felix Einsel, managing partner

"Internationalisation was a key factor for our firm, but we said we should also localise," Einsel says.

Armed with a patent attorney licence – still a rarity for foreigners in Japan – Einsel himself pursued localisation in his younger days. As a way of giving back, he helps companies in the Nagano region concretise their internationalisation strategies.

With global expansion gathering pace, S&E is keen on partnerships with patent law firms on the five continents.

"We try to differentiate ourselves from other firms through setting up our own businesses in the most important key countries and carefully choosing partners in countries where European and Japanese companies do business or want to have businesses," Einsel says.

TAKARA LEBEN REVEALS PROPERTY MARKETING AND MANAGEMENT KNOWLEDGE TO DEVELOPERS IN ASIA

Condominium development has been the foundation of Takara Leben's growth for the past 45 years. Many families and individuals in Japan have called the company's Leben condominiums and single-unit housing their home.

Engaged in land acquisition, building construction and management, the experienced property developer is eager to share its real estate know-how with local developers in Asia as it diversifies its business to include lease management and properties that support energy generation.

"We will continue to walk the path of condominium development, but we also adjust to changes in demand," says Kazuichi Shimada, president.

From a flow-type business which mainly deals with the design, planning and selling of properties, Takara Leben will now also focus on supplementing its stock-type business, which includes income-generating properties and property management services.

Working closely with associate companies in Japan, Takara Leben seeks to create a stable, multidimensional group that reaches clients across the country and beyond.

With proven expertise in Japanese-style marketing and long-term property maintenance management, the developer welcomes partnerships and knowledge-sharing opportunities with well-established realtors in Asia.

Working closely with associate companies in Japan, Takara Leben seeks to create a stable, multidimensional group that reaches clients across the country and beyond

"After the financial crisis, apartments were built primarily for investment purposes, but we are not interested in that," Shimada says. "We continue to focus on the residents – those who will actually live in the houses or apartments we build. To achieve further growth, we are also starting to develop hotels and bolstering our energy generation business."

Increasing its portfolio of energy-generating facilities, Takara Leben aims, within three to five years, to manage sites that will produce at least 200 megawatts.

To date, it maintains facilities that generate a total of 80MW. With a project brewing in Vietnam, Takara Leben is primed to expand its footprint in the region as it responds to potential

Kazuichi Shimada, president

clients from mainland China, Hong Kong and Taiwan who are interested in acquiring Japanese properties.



KOKANDO PHARMACEUTICAL ADAPTS ITS FLEXIBLE THINKING TO MORE MARKETS IN REGION

Breakthroughs in medical research have generated a myriad of generic and over-the-counter (OTC) pharmaceutical options. In the field of digestive remedies, for instance, the brand Beauluck is renowned. Popular not only among Japanese customers, the medicine for constipation packed in a pink box is highly sought by Chinese tourists and transients whenever they visit the country.

Kokando combines advanced technology with human experience to develop pharmaceuticals that meet the latest health deficiencies

Beauluck is among many safe, high-quality yet affordable medicines produced by Kokando Pharmaceutical. The generic drugs and OTC supplements expert provides remedies to patients' most common ailments such as colds, insomnia, rhinitis and gastrointestinal disorders including the latest vitamin needs.

"We make reliable medicines on the basis of knowledge and experience," says Michihiro Fujiwara, president of leading



Michihiro Fujiwara, president

Japanese pharmaceutical company Kokando. "We stay sensitive to changes in time, and we are passionate. We are never afraid of challenges, but we pursue globalisation one step at a time."

Adopting flexible thinking, Kokando has been engaging in pharmaceutical research for the past 36 years. A sense of responsibility to the health of people in Japan and beyond drives its commitment to continuously develop vitamin, compounded and generic drugs. Moving the company forward is a vibrant team of specialists that prioritises quality and focuses on innovation, efficiency and consumer preferences. Kokando combines advanced technology with human experience to develop

pharmaceuticals that meet the latest health deficiencies.

"Even if the generics industry is getting too commercialised in Japan, Kokando insists on implementing the best quality and manufacturing management – from materials to the final product – to strengthen its ties with people around the world," Fujiwara says.

To complement its pharmaceutical licences in Taiwan and Macau, Kokando seeks partnerships with local distributors as it cements its footprint in the region. It is set on penetrating Singapore, Thailand and Malaysia as well as North America.

"We want to meet every new demand to attain healthier lives and communities," Fujiwara says.

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ALMINE'S ALUMINIUM ALLOYS STRENGTHEN CARS AND BUILDINGS

Any company can fabricate aluminium alloys, but Japanese firm ALMINE stands out with its capacity to manufacture ultra-strong alloys to suit the special requirements of diverse industries, from high-rise construction to aerospace.

"We produce the hardest aluminium alloy wires and bars in the world," says Takeshi Takeuchi, who replaced his father as president of ALMINE in 2014. "This distinct quality of our products sets us apart from our competitors."

At the forefront of aluminium innovation, ALMINE has dedicated much time and research to maximise the metal's potentials. ALMINE's product development programme, which is one of the best in the world, has developed aluminium alloys such as its own duralumin concoction. Used in airframe fabrication and other safety-sensitive products, duralumin combines aluminium with copper, manganese and magnesium to produce an exceptionally hard aluminium alloy.

ALMINE also claims to be the only company in the world that manufactures two-tonne aluminium wires that have no joints from end to end. With diameters ranging from 9.5mm to 50mm, the seamless feature of the aluminium wire lends the product its superior strength.

ALMINE uses its continuous casting and rolling method, especially designed by Takeshi's father, who is a machine engineer. Using an automatic tilting machine carefully calibrated for the whole production process, the continuous casting and rolling method ensures that only the precise amount of molten aluminium is poured into the production line. As such, ALMINE does not need to reheat the aluminium raw material, thus cutting the company's CO2 emission by as much as only a third of the traditional process. The machinery also ensures that the aluminium molecules are dispersed evenly across the whole cross section of the wires. This feature prevents cracks and bends, a crucial safety requirement for aeroplane components.

All ISO-certified, ALMINE's three manufacturing facilities in Japan and another one in Vietnam adhere to the highest levels of quality. Sophisticated testing equipment from laser micrometres to X-ray machines ensure that all other ALMINE products such as aluminium bars and sheets are fabricated to the highest standards required by global giants such as Toyota, Honda and Nissan.

Moving forward, ALMINE envisions growing its client base as it further innovates and treads uncharted territory. The company has established a management building and research section within the Osaka plant to develop new materials to support future technologies. ALMINE engineers at the Osaka facility have developed a special aluminium coating formula that can make steel last for more than 100 years without corroding. This is twice longer than the lifespan of steel traditionally coated with zinc.



Takeshi Takeuchi, president

Such constant focus on innovation has helped the company earn the trust of industry leaders from a wide range of verticals. The coating innovation, for instance, opens up exciting opportunities for the company from the construction sector in the United States, Europe and Asia.

ALMINE sees its market expanding also with the global trend towards a greener environment. In particular, the company expects higher demand for lighter yet stronger aluminium parts to support the booming demand for electric vehicles worldwide.

"Using more aluminium components in the production line will greatly satisfy manufacturers that are seriously pursuing green policies," Takeuchi says. "Aluminium is easy and inexpensive to recycle while its scrap value is exceptionally high compared to steel and other metals."

One of the strongest drivers of ALMINE's growth, however, will likely come from Chinese companies that are moving towards upgrading their quality standards.

"China is evolving and is starting to use better quality materials," Takeuchi says. "With our rich experience in this regard, ALMINE is ready to support companies in China that require our products."

NAGAOKA INTERNATIONAL STRIVES TO BETTER USE EARTH'S FINITE RESOURCES WITH ECOLOGICAL, PRACTICAL SOLUTIONS

Tracing its roots to as early as 1975, Osaka-based Nagaoka International has always strived to deliver environment-friendly and practical solutions that help in the effective utilisation of two finite resources – energy and water. An established name in the energy sector, Nagaoka is one of only three certified suppliers in the world of screen internals. Manufacturing these components, which play a pivotal role in oil refining and petrochemical processing, requires high technology and cultivated experience. To date, Nagaoka has been supplying screen internals to over 65 countries worldwide.

To further strengthen its competitiveness, Nagaoka has diversified to providing effective groundwater intake technologies, notably an innovative groundwater treatment system called CHEMILES. Developed in 1997, CHEMILES is an extremely high-speed filtration system that removes harmful substances, such as iron, manganese and ammonium nitrogen contained in groundwater, without the use of chemicals. CHEMILES has been installed in water purifying plants and large-



Yasuhisa Umezu, president and CEO

scale water treatment facilities in Japan, as well as in food-processing plants and hospitals. "CHEMILES is a well-proven technology in the

Japanese market," says Yasuhisa Umezu, president and CEO. "We now seek to make the most of this expertise by helping resolve water treatment challenges around the world, especially in China and Southeast Asia's emerging markets. We realise that the initial step is to find local support from governments and municipal authorities."

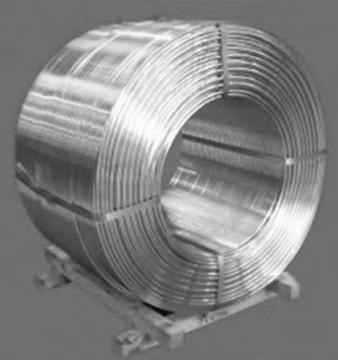
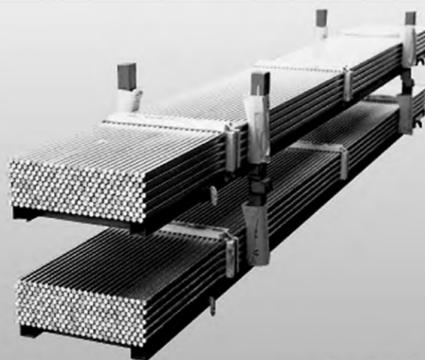
Nagaoka is focused on establishing a foothold in the markets of Malaysia, Vietnam, Thailand, Indonesia and Singapore. It is also open to partnering with private corporations, such as in Vietnam, where it is holding talks with a beer company.

Additionally, Nagaoka has developed the AERSYS system for removing volatile organic compounds and free carbon dioxide contained in groundwater. It also offers HISIS, a high-speed intake technology for filtering seawater.

"We continue our efforts to move forward in the water treatment field," Umezu says. "We're interested in partnering with academic institutions and companies with complementary industry expertise."

Our global distinction as an aluminium materials producer is our capability to manufacture all kinds of aluminium wires, as big as 35mm in diameter and up to 2,000kg per coil without joints.

Selling directly to users, we supply wires, bars, sheets and coils for diverse applications – from food packaging to buildings, vehicles and airplanes.



OSAKA VACUUM PINS GROWTH ON FLOURISHING SMARTPHONE AND ELECTRIC VEHICLE MARKET

With millions of dollars going into developing next-generation commodities such as smartphones, manufacturers take utmost precautions in ensuring that components going into their products are protected from defects caused by condensation, residual gas and other contaminations.

When it comes to protecting components from manufacturing by-products, Osaka Vacuum has spent decades building high-performing vacuum systems to address the most basic to the most advanced requirements of clients across the semiconductor, automotive, electrical, and chemical industries, among others.

Osaka Vacuum fuses its time-tested expertise in mechanical kinetic vacuum pumps and combines it with the latest technological innovations to deliver solutions that promote operational efficiency. As a pioneering force in the vacuum solutions industry, Osaka Vacuum produced the first turbomolecular pump in Japan.

"Our performance today is better than it was 10 years ago. The strategic partnerships we forged, with semiconductor companies for example, have given us insights on how to further use technology to improve our products. We hope to build more fruitful relationships, particularly with Chinese semiconductor companies," says president and CEO Kazuyuki Kasaoka.

For Osaka Vacuum, the China market holds several untapped opportunities for



Kazuyuki Kasaoka, president and CEO

the company's future growth. Out of its vacuum component revenue, 70 per cent of the sales come from mainland China with the rest from the United States, South Korea and Taiwan. Aside from its growing semiconductor industry, Osaka Vacuum also looks to serve China's budding electric vehicles market.

Given China's challenging business landscape, Osaka Vacuum aims to

strengthen its presence in the local market by supporting the requirements of clients for their China business. The company is determined to work hard in establishing a strong foothold in China.

"When it comes to vacuum technology, Osaka Vacuum is a reliable company. Our supply chain is seamless, we offer the best price for products with exceptional performance," Kasaoka says.

DAISAN PRIMED TO ADDRESS THE REGION'S DEMAND FOR UPGRADED SOFT-WRAPPING TECHNOLOGY

Having scaled up all its manufacturing machinery in the last seven years, Japan's Daisan Films Converting focuses on maximising the resources to provide better printing, laminating and packaging solutions for its local and global clients. With its long-established partnership in China, the company has been committed to institute its state-of-the-art technology across the rest of Asia.

Specialising in photogravure printing and plate-making for more than half a century, Daisan has addressed the broadening complex requirements of soft packaging primarily for food industries, and has expanded its versatility to cater to the electronics and construction sectors.

The company continues to generate breakthrough modernisation with the latest coating technology that can control the thickness and the type of ink, and can print miniaturised security tags and embedded tracking onto films.

A production package from beginning



Takayoshi Matsui, president

to end is Daisan's competitive edge, says Daisan's president Takayoshi Matsui. "It's definitely a good opportunity for us to be environmentally conscious and

secure clean and safe packaging, which addresses the basic concerns of people mostly dealing with food," Matsui says.

With an online network that was launched in 1986 and continues to be upgraded for increased productivity and efficiency, this third-generation, family-owned company has remained small, allowing flexibility for customisations.

"Our advantage is that we are not big, so we can do things and respond to the client quickly," Matsui says.

Daisan's responsiveness branched out from Japan when it built a factory in Tianjin, serving the Chinese market for 25 years now. The company also exports to Australia and Taiwan.

Poised for prospective collaborations in Asia, Daisan is intensifying research and development to support its continued growth. "If you see things in a different angle, maybe you can have another potential opportunity to produce other things," Matsui says.

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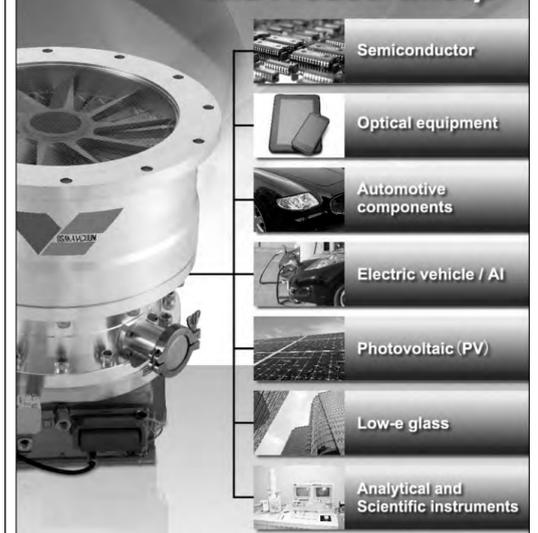
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FERROTEC CONNECTS THE WORLD AND UPHOLDS THE FUTURE THROUGH PIONEERING TECHNOLOGIES

As a company that perennially finds itself on the cusp of technology within various industries, Ferrotec continues to hone the spirit of craftsmanship as it applies space technology concepts into innovative solutions that support the way people live and allow businesses to thrive.

Ferrotec's products uphold business and infrastructure in ways people cannot see. Ferrotec solutions are used in advanced manufacturing processes for semiconductors, smartphones, light-emitting diode (LED) products, and solar panels. The company's technologies extend into medical equipment, automotive parts, consumer electronics, laundry equipment and much more. The diversified technology company provides customers with advanced material, component and precision system solutions that make products work better, more precisely, and more reliably.

This year, Ferrotec transformed into a holding company as it becomes increasingly diversified, but since 1987, much of the company's growth has come through ferrofluid and thermoelectric module technologies. Ferrofluid, born from the Apollo Space programme, and thermoelectric modules are at the core of many of Ferrotec's solutions.

"I encountered ferrofluid and thermoelectric modules 50 years ago, and at that time, the world market applying these technologies was less than US\$1 million," says Akira Yamamura, founder and CEO of Ferrotec. "Today, our company alone handles a thermoelectric business worth around US\$120 million."

Committed to discovering and bringing more customer solutions to the market—from cutting-edge precision manufacturing equipment to the latest advances in vacuum seals—Ferrotec connects the world and upholds the future through pioneering technologies.

Technologies that support the future

Ferrofluid technology made its debut in the 1960s, when a National Aeronautics and Space Administration (NASA) researcher tried to create a delivery method for engine fuel in zero gravity, using the mysterious magnetically attractive liquid.

The concept was abandoned eventually, but the earliest founders of Ferrotec licensed the technology. Since then, Ferrotec has been renowned for its magnetic fluid technology, manufacturing and supply.

"We are the only company that provides ferrofluid based on the original recipe from NASA," Yamamura says.



(From left): Takeru Yamamura, vice-president; Akira Yamamura, founder and CEO; and He Xianhan, vice-president

"This technology is a closely guarded company secret."

Ferrofluid is a stable colloidal suspension of magnetic particles in a liquid carrier. The particles are coated with a surfactant preventing agglomeration, even in the presence of a strong magnetic field. Ferrofluid is now used in speakers, actuators, sensors, recycling separation applications, and in vacuum seals—one of Ferrotec's core products.

The company patented the first ferrofluid seals, which quickly became the gold standard for demanding precision sealing and rotation applications. Ensuring a sealed environment with no contamination, Ferrotec vacuum seals use ferrofluid to enable the transmission of rotational movement into a vacuum chamber. Ferrofluid seals are typically used in clean room equipment for precision manufacturing processes such as in the production of semiconductors, flat panel displays (FPD) and LEDs. Ferrofluid seals use a multistage approach to seal even ultra-high vacuum systems.

Thermoelectrics is another Ferrotec core technology. A thermoelectric module is a plate-like semiconductor device that uses electricity to move heat through it, cooling one side of the device while heat

moves to the other side. Because thermoelectric modules can act as a precision heat pump, they are used for precision temperature management in electronics and temperature-sensitive applications. Compact, lightweight and Freon-free, thermoelectric modules are used in climate-control seats of vehicles, medical and telecommunications equipment, and consumer electronic products.

"We have two core technologies. If one goes down, there is always one to back the other, and both are doing extremely well today," Yamamura says.

The thermoelectric module manufacturing technology can be further applied to create power semiconductor substrates. Highly insulated to dissipate heat, power semiconductor substrates support downsizing and lead to energy savings in trains, electric vehicles, air conditioners and servers.

Taking advantage of these core technologies that support the semiconductor manufacturing process, Ferrotec also produces photovoltaic crystal growers. Capable of producing single- and multi-crystal silicon ingots, the apparatus can develop quality silicon ingots, which are highly sought globally to meet the demand for solar cells.

"There's a long line of supply chain from the moment we produce a single crystal ingot, and this is where we started expanding our business in the semiconductor field," Yamamura says.

"We are now going into advanced materials such as quartz, ceramics and silicon carbide, vacuum chambers, and process tool parts cleaning."

Ferrotec performs cleaning for semiconductors and FPD production equipment parts to further support its clients. Apart from using ultra pure water and chemical cleaning, the company is equipped with sand blasters and plasma sprayers supporting the latest microstructure requirements.

"Mechanical designs and precision machining is important," Yamamura says. "To do that excellently, we use top-of-the-industry machinery from Japan, Germany and Switzerland."

Twenty years ago, Ferrotec only had one machining centre. Now, it has more than 1,000 machining centres including state-of-the-art manufacturing plants in Japan, the United States and China.

Applications that sustain daily life and industries

From a single ferrofluid drop, Ferrotec was

able to build a viable and comprehensive semiconductor venture. It keeps track of market trends to anticipate future needs. Consequently, Ferrotec applications are present everywhere though typically unnoticed.

Electronic and consumer products such as smartphones and computers—products that people today cannot live without—have encountered at least one Ferrotec solution in their development process. Ferrotec is at the forefront of a future reality—one where the internet of things connects people, goods and information, leading to an era where consumer electronics will watch over or take care of people.

In the medical industry, Ferrotec ceramics and thermoelectric modules are used in an array of applications including endoscopes, blood analysis instruments and DNA amplification equipment. Japan is considered the centre for ageing societies, and Ferrotec sees this as a duty to take an expanded role in the medical field.

Integral to solar panels used in residential and mega-solar projects are Ferrotec's silicon ingots, wafers and cells for solar modules. Following worldwide heightened awareness on climate change, the company expects a significant

spike in the use of photovoltaics in the midterm.

Ferrotec also upholds safe transport and comfortable driving as it offers products that support temperature-controlled seats, audio, navigation and power control for vehicles. It leads in safely managing and implementing new technologies particularly in self-driving taxis, electric vehicles and hybrids including universal GPS or global positioning system applications.

Diversifying its business, Ferrotec applies the same keen technological and consumer-driven insight to offer exceptional, automated, and energy-conserving industrial laundry equipment. Through Yamamura's many travels, he learned that tourists appreciate the high-quality linen products in Japanese hotels. Comfortable hotel life is made possible through Ferrotec washing machines, spin dryers and rolling machines manufactured in cooperation with Asahi Seisakusho.

Pursuing happiness through innovation

Continuous improvement has become a way of life at Ferrotec, and this is evident in all its manufacturing locations worldwide.

Operations in Asia and Europe are registered to the internationally recognised ISO 9001 and ISO 14001 quality standards. Its plant in China is also TS 16949-registered for automotive compliance.

From the very first Ferrofluidic seals developed and manufactured in the 1970s, Ferrotec products have been used by industries with demanding quality requirements. The company's systems and processes ensure products meet the highest quality standards.

"Manufacturers who work with us get good quality and price, but they also discover new opportunities to expand their business," Yamamura says. "We are focused on growing together."

With a goal to achieve excellence in all aspects of procurement, manufacturing, supply, and customer order fulfillment, Ferrotec offers a seamless supply chain for all customers and markets. Its engineering resources complement its manufacturing capabilities, allowing it to provide unparalleled service.

Backed by new technologies, and a dedicated and talented workforce, Ferrotec pursues happiness through innovation, and welcomes further collaborations to improve society and to share its success with partners and customers.

"We have a manufacturing, marketing and selling team so we can make and sell any product, and we can make it better," Yamamura says. "For instance, our vacuum seal design is a product of the successful collaboration among our customers, engineers and designers."

Recognising the need for responsible environmental management and resource conservation, Ferrotec implements an environmental programme that includes pollution prevention, recycling, and reduction of all types of waste and emissions. In addition, all of the company's employees abide by a code of conduct in all its business dealings and activities.

Based on the company's philosophy and global point of view, Ferrotec works in harmony with people and communities to supply products and services that contribute to life. Guided by a social common sense, it observes the laws and ordinances of each country as it provides high-quality and price-competitive products and services.

"Ferrotec's technology and products are indispensable in manufacturing processes," Yamamura says. "We will continue to strive and grow to earn the satisfaction and trust of our customers, while contributing to solve global environmental problems. We are devoted to serving society through manufacturing."

REAPING BENEFITS OF GLOBAL PERSPECTIVE, PUSHING FOR A DIVERSIFIED PORTFOLIO

"Born in Japan, based on a United States-developed know-how, fortified by Japanese industrial technology and quality; expanded using China's mass-production value chain, and sustaining growth with Europe's deep-seated development capabilities and Asia's burgeoning technology infrastructure." This sums up the continuing story of Ferrotec, according to its founder and CEO, Akira Yamamura. "The course of our almost 40 years of operations reflects the rise of a company with a truly global perspective."

Ferrotec traces its roots to the National Aeronautics and Space Administration (NASA) and the magnetic fluids developed for use in the NASA Apollo space programme in the 1960s. It was established as a Japanese corporation of Ferrofluidics (USA) in 1980 under the name Nippon Ferrofluidics with Yamamura as president. Yamamura went on to spearhead a management buyout of Nippon Ferrofluidics in 1987. In 1999, Yamamura led the acquisition of its former parent company via a friendly takeover bid. Ferrofluidics (USA) became a subsidiary and was subsequently renamed Ferrotec (USA).

"It was my firm belief that parent company and former subsidiary have to come together again and become a global corporation," Yamamura says.

"Otherwise, we'll be competing with each other. It took me a good 12 years to unify the whole business. Those were difficult years, but we've reached significant growth milestones since reuniting."

Ferrotec was originally engaged in distributing vacuum feedthroughs that use ferrofluid, a functional material attracted to magnets and magnetised by external magnetic fields. Yamamura has grown Ferrotec to become one of the key suppliers in the electronics industry and has initiated close alliances with many companies to incorporate ferrofluids in next-generation products. Over the years, Ferrotec's product portfolio broadened from ferrofluids and Ferrofluidic seals to include critical components using advanced materials such as quartz, silicon, chemical vapour deposition silicon carbide (CVD-SiC) and ceramic products for semiconductor manufacturing processes, thermoelectric components for temperature control, and precision coating systems used to manufacture light-emitting diodes and smartphone components.

From 1990 onwards, Ferrotec



Ferrofluid is widely used from consumer electronics to next-generation medical equipment.

embarked on an aggressive overseas business expansion and product diversification. It established local companies in Massachusetts in 1991, in Hangzhou in 1992, in Shanghai in 1995, and in Singapore in 1997. Significant milestones included Ferrotec's launching of thermoelectric module production in 1992 through Hangzhou Dahe Thermo-Magnetics and its venture into quartz products for semiconductor-related businesses in 1998.

In 2002, Ferrotec expanded into the contract manufacturing service business for semiconductor production equipment and silicon wafer processing that capitalises on its integrated manufacturing technologies.

Its third division—the photovoltaic-related business—was established in 2005 with the start of full-scale production and sales of quartz manufacturing equipment and crucibles. This was followed by the company's move into the manufacturing of ceramic products to further boost its earnings.

"Early on, I already knew that we had to grow worldwide and to manufacture in places where it can be more cost-effective, yet maintain a standard of quality that meets world market specifications," Yamamura says. "This is where China comes in and the importance of having long-time strategic partners."

To date, Ferrotec operates its businesses in the four geographic regions of China, Asia, North America and Europe,

including Russia. It has a goal of achieving sales of 100 billion Japanese yen (HK\$7.43 billion) by fiscal year March 2019 from these operating territories. Against a backdrop of increasing semiconductor production in China, Ferrotec expects to get a boost in sales from the "Made in China 2025" initiative that was unveiled by the Chinese government in May 2015.

In its second accelerated growth phase that started in 2014, Ferrotec began extending its portfolio based on its core technologies both horizontally and vertically through synergistic acquisitions and alliances. This allows the company to reduce its heavy dependence on the tech sector and focus on its consistently more profitable semiconductor equipment-related and electronic device businesses.

In 2015, Ferrotec broadened its solutions for structural components made from advanced materials with the purchase of Admap from Mitsui Engineering & Shipbuilding. Admap has exclusive technologies for developing ultra-high-grade CVD-SiC. With the material's exceptional purity and resistance to corrosion, acids, heat and abrasion, CVD-SiC is forecast to be a critical element in enabling the most advanced precision semiconductor manufacturing equipment.

Ferrotec also looks to establish new profit sources by diversifying into the automotive, general industrial, medical equipment and domestic demand-related industries. As part of this strategic

direction, Ferrotec acquired Asahi Seisakusho, a leading manufacturer of industrial laundry equipment with a solid market position in Japan.

Asahi, which became a consolidated subsidiary in July 2016, will allow Ferrotec to cater to the rising demand for industrial laundry machines in China and emerging markets, particularly for use in hospitals and hotels.

The Ferrotec group today consists of 40 companies, of which 34 are consolidated subsidiaries. As a transnational company, Ferrotec has built a robust worldwide presence with marketing, development, manufacturing, sales and management capabilities in Japan, Europe, the Americas, China and Asia.

A holding company structure was implemented last April with Ferrotec Corp, changing its name to Ferrotec Holdings Corp. The holding company is responsible for management, administration and research development across the Ferrotec group, while Ferrotec Corp serves as the operating company that is in-charge of customer support, sales, manufacturing and quality assurance.

"People have a lifespan limit, but a business doesn't have to have one," Yamamura says. "That is, if you're not in it just for the profit—a short-term vision; and if you do it right and not focus on one key product. It is vital to keep on looking at new areas and new partnerships so growth can be sustained."

AKIRA YAMAMURA, A DRIVING FORCE IN THERMOELECTRICS AND CUTTING-EDGE INNOVATION

It started with a dream to build a billion-dollar global company in the technology space. Ferrotec founder and CEO Akira Yamamura never wavered in turning this dream into reality. Even when faced with challenges along the way, Yamamura ceaselessly worked toward this goal.

Ferrotec's technological leadership stems from Yamamura's extensive expertise. Yamamura is a product of two leading research universities, Keio University and Northeastern University. He has a strong pioneering drive to apply his knowledge in thermoelectric modules and thermodynamics, which were his areas of focus for his master's degree thesis at Northeastern.

It was at Northeastern where Yamamura crossed paths with Arthur Foster, dean of the mechanical engineering department. Foster presented the opportunity of a lifetime to Yamamura when the former offered him a scholarship at Northeastern.

Foster also provided the encouragement Yamamura needed to excel in his thesis. Yamamura's passion in this field led him to write the first thermoelectric handbook of the industry. With this book, not only did Yamamura establish the foundation for all of Ferrotec's technologies, but he also made invaluable contributions to the fields of thermoelectrics.

Living in the United States and armed with technological knowledge in the above-mentioned fields, Yamamura joined the American company Ferrofluidics. Having gained industry contacts and experience, Yamamura established Nippon Ferrofluidics in Japan, which later operated as an independent entity from its parent company.

"Because I was there for a long time, I was able to maintain relationships with customers and engineers that helped us develop thermoelectric modules," Yamamura says.

After establishing factories in Japan, Yamamura ventured to China and established Hangzhou Dahe Thermo-Magnetic Electronics and Shanghai Shenhe Thermo-Magnetic Electronics. The move to establish manufacturing facilities in China made Ferrotec fully capable of producing its own mechanical processing parts. Even in China, Yamamura was a pioneer as he was



Akira Yamamura, founder and CEO

among the first to mass produce within a clean room environment.

"A manufacturing business will be ruined if it gives up on being a maker and a creator. Outsourcing spoils a company. I didn't decide to enter China because of low personnel costs. My intention was to maintain the company's technical abilities by establishing a manufacturing base there. Our Chinese business developed faster and became larger than I had expected," Yamamura says.

Ferrotec was faced with challenges—hitches in manufacturing and a global economic crisis. Nonetheless, with Yamamura at the helm, the company successfully overcame these bumps in its path. Yamamura's expert leadership also enabled him to empower Ferrotec to stand as an independent company that slowly but surely made its way to the forefront of the industry with its next-generation products. As it continued its dominance in the industry, Ferrotec reacquired its parent company in a friendly takeover.

With Yamamura's perseverance in leading a dedicated and talented workforce, Ferrotec was able to regain its footing and continue on its growth path. When Yamamura established the Japanese company, it only started with two people. Today, Ferrotec employs more than 6,500 people across Asia, Europe and the US.

Yamamura took the initiative to lower the steep price of thermoelectric modules to encourage greater consumer adoption, and it is a strategy that paid off well for the company. Ferrotec also made strategic acquisitions to expand both its knowledge base and its product portfolio.

"The company wasn't exactly running towards a certain goal; we were just making desperate efforts to stay in business. There was no one way to success. Sometimes it took a well-planned and carefully designed strategic approach in which we strived to achieve a goal; at other times, we ventured into a lucrative deal as a stopgap measure or stumbled across opportunities through unexpected encounters," Yamamura says. "For good or ill, our past 10 years have been a combination of those two approaches. But I am confident I have established a firm operating base for my successors to develop the business further."

With bright prospects for the future, Ferrotec streamlined its structure and changed its name from Ferrotec to Ferrotec Holdings—signifying the company's thrust to further globalise its business.

"This is not the end of Ferrotec's story but only the beginning. We will keep going forward," Yamamura says.

FERROTEC TO PLAY BIGGER ROLE IN UPGRADING CHINA'S MANUFACTURING INDUSTRY



Takeru Yamamura, vice-president

Taking chances is usually not for the faint of heart, but for Ferrotec vice-president He Xianhan, doing so has paid off greatly. When he was invited by founder Akira Yamamura to join a company that was young yet full of potential, He took it as an opportunity to showcase what he could do to help the company grow.

Just as Yamamura is scholarly by nature, He also placed great importance on his education. A graduate of Shanghai University of Finance and Economics, He pursued a doctorate degree from Waseda University.

While finishing his studies and building up his credentials to become a professor, He crossed paths with Yamamura, who at that time was seeking a trustworthy candidate to oversee Ferrotec's China operations.

Choosing He proved to be the right decision for Yamamura. It was under He's leadership that Ferrotec was able to mass-produce thermoelectric modules, a technology originating from the United States.

To say that this is an impressive feat is an understatement as there was no available knowledge at that time to manufacture thermoelectric modules, let alone mass-produce them.

From a manufacturing hub, China gradually grew in importance as a promising growth market for Ferrotec. The company hit the right stride when it entered the photovoltaic business in China in 2004, especially as the country's solar-

electric panel industry started challenging the global status quo on pricing.

"In the 1980s, we initially invested in manufacturing in China. But today, the market itself has become huge and that's why we are heavily investing in the country. Especially with the 'Made in China 2025' initiative, Ferrotec sees itself as a contributor to helping the country realise its vision of upgrading its manufacturing industry," He says.

With nine manufacturing sites in China alone, Ferrotec has ample capacity to serve the needs of the Chinese market – particularly for the advanced materials and components used in semiconductor equipment, which is a continuously blossoming industry in the country.

Prior to Ferrotec's entry to China, most semiconductor material was manufactured in the US and Japan. When Ferrotec opened shop in China, the company was ready to serve the requirements of the local players. Ferrotec first worked with Toshiba Ceramics and manufactured 4- to 6-inch silicon wafers for the company.

Anticipating the growth of the semiconductor industry in China, Ferrotec further invested in expanding its capacity to manufacture 8-inch silicon wafers. After a year of testing, Ferrotec is now able to produce 150,000 pieces of 8-inch silicon wafers monthly.

"We believe that Ferrotec has a great potential of growing accordingly with the expansion of the Chinese

economy. We have the ability to analyse promptly what the governmental objectives are and can create either a horizontal-integrated solution offering or a vertical-integrated expansion. Having said all that, we have a great future in and beyond China," says vice-president Takeru Yamamura.

Looking to manufacture 850,000 silicon wafers per month by 2021, Ferrotec has partnered with Taiwanese firm Global Wafers to further boost its capacity and expertise in producing wafers ranging from small diameters to larger 8-inch silicon wafers.

Furthermore, Ferrotec might consider developing a program for 12-inch wafers manufacturing.

Ferrotec is also looking to help boost the local semiconductor industry in China by offering its expertise in process tool parts cleaning.

To date, the company has four cleaning facilities on the mainland and is aiming to raise this number to six to cover 60 per cent of the semiconductor and FPD cleaning market.

"Ferrotec has a long history and extensive experience. We trust that we definitely have a bright future in China. He Xianhan took the Japanese mentality and transplanted it to China, and this has served as a good foundation for Ferrotec. We are always looking for new businesses and new markets," Takeru Yamamura says.



He Xianhan, vice-president

Ferro Tec Ferrotec Holdings Corporation

▼ Manufacturing locations in China

● HANGZHOU

Products: Thermo-electric module (Assembly), Vacuum Seals, Quartz, Fine Ceramics, Silicon Parts, Contract Manufacturing, Saw Blades, Cells for Solar Modules

● SHANGHAI

Products: Thermo-electric module (Material), Power Semiconductor Substrate, Semiconductor Wafers, Wafers for Solar Cells, Silicon Ingot Manufacturing Equipment, Process Tool Parts Cleaning, Surface Treatment

● YINCHUAN

Products: Silicon Ingots for Solar Cells, Silicon Ingots for Semiconductors, Quartz Crucible for Semiconductors and Solar Cells

▼ Process Tool Parts Cleaning Facilities

● TIANJIN : SEMI & FPD

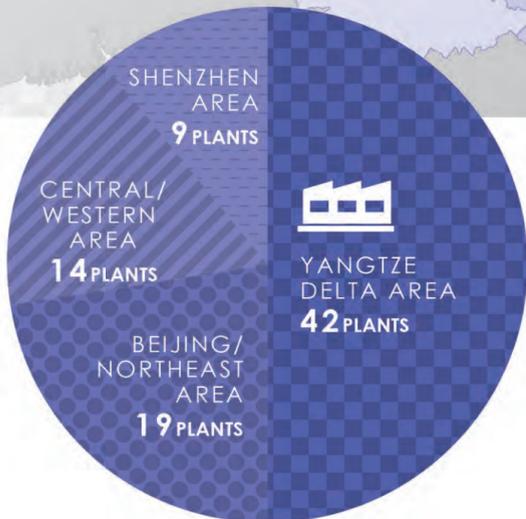
● ANHUI : SEMI & FPD

● NEIJIANG : FPD

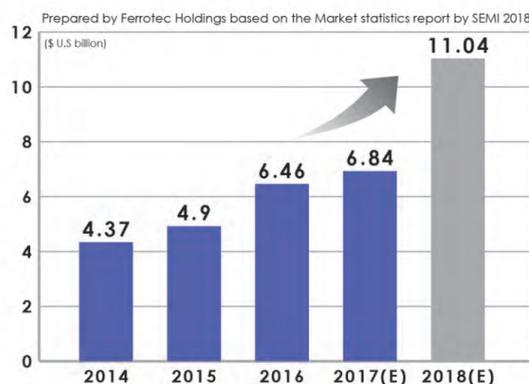
● DALIAN : SEMI

China's One Belt One Road and Made in China 2025

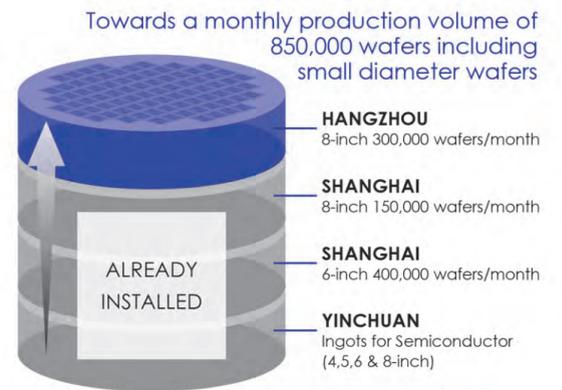
China is aiming to improve wafers self-sufficiency to over 60% by 2025



China semiconductor plant (preprocessing)



The Chinese semiconductor market is booming



Ferrotec semiconductor wafer production capacity

■ JAPAN BUSINESS REPORT ■

Sponsored section in cooperation with Discovery Reports

TMI PUTS INNOVATIVE, PROACTIVE SPIN ON SUPERIOR LEGAL SERVICES IN BORDERLESS SOCIETY

As early as 1990, Tokyo-based TMI Associates had already foreseen a borderless society where businesses are limited no longer by geographic boundaries, but by the global market's intricate legal systems – and by the law firms that help navigate through them.

Today, TMI is trusted by some of the biggest multinational and Japanese industry leaders, including Microsoft, Toyota, Eisai and Recruit, alongside small and medium enterprises that equally enjoy the firm's comprehensive, high-calibre services.

"Nearly three decades since TMI was established with the specific aim to provide professional legal services that address the increasingly complex and international demands of the legal marketplace, we continue to provide services embracing the new age of furthering globalisation," says Katsuro Tanaka, CEO, partner and co-founder. "We have built our practice around a diverse team with extensive experience in domestic and international areas. Not only do we work

closely with our clients, but we also collaborate with overseas law, accounting and consulting firms, tax offices and other specialised entities."

TMI's international partners include Simmons & Simmons; Morgan, Lewis & Bockius; Wakely Foreign Law Office; and ARQIS Foreign Law Office. Through these partnerships, the firm has developed a global network that can efficiently respond to its clients' global needs. TMI serves all industries, from construction to finance, pharmaceuticals, information technology, insurance, environment and biotechnology. It also works in various areas of the law, focusing on corporate, finance, bankruptcy, litigation matters and intellectual property – a specialisation where the firm has earned much of its distinction.

"We have nearly 80 patent attorneys whose technical backgrounds cover every single type of technology, enabling us to provide legal services – from drafting patent specifications to litigation and licensing," says partner and co-founder Yoshiyuki Inaba.

"Combined with our world-class team of lawyers and support staff, this strength enables us to be proactive and innovative on top of providing superior legal services in a changing society."

The firm also works closely with other local government offices such as Japan's Ministry of Justice, with whom it helps develop regulations and address disputes and other legal issues. One new area of expertise is space law, where TMI serves the national aerospace organisation Japan Aerospace Exploration Agency.

"Among the latest testaments to our successful working relationship with the government is our role as the official law firm representing the Japanese Olympic Committee," Inaba says. "TMI is the firm in Japan arranging all the legal work for the Tokyo 2020 Olympics as well as the 2019 Rugby World Cup."

Offshore, TMI supports its Asian clients through branches in Shanghai and Beijing in China, Hanoi and Ho Chi Minh in Vietnam, Myanmar, Cambodia and

Singapore. The firm also has a French desk, an Indian desk and a Chinese desk, alongside multilingual lawyers who assist inbound clients aiming to bring their business to Japan.

"TMI is the first Japanese law firm to set office in Myanmar and Silicon Valley," Inaba says. "Now we are set to open seven more offices abroad to follow and grow along with our expanding clientele."

Recognising the strong economic growth coming from Asia, TMI is also keeping an eye on key markets such as India, Indonesia and the Philippines.

"TMI does not seek to become merely a large-scale firm; we aspire to earn the trust of clients from all over the world through our expertise, hard work and dedication," Tanaka says. "Complemented by our ability to handle complex cases and integrate international legal trends, our strong client-centric commitment will hopefully help break down even more borders and barriers – while building global businesses and bridging nations."



Katsuro Tanaka, CEO, partner and co-founder



TMI Associates

At TMI Associates, lawyers with high expertise and extensive experience handle corporate turnaround and insolvency matters by leading our teams and by closely cooperating with other professionals. The global network of TMI Associates on which we pride ourselves supports us in handling these matters, and furthers the interests of our clients.



TMI Associates

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GOSHU YAKUHHIN PROMOTES HEALTHY AND BEAUTIFUL AGEING

Born in the same year his grandfather founded Goshu YakuHHin 70 years ago, Sunao Fujii holds the company's secrets in making superior-quality bath salts, mineral water and cosmetics.

"We harness all the essential minerals naturally present in deep seawater, a vital life source, to develop a range of cosmetic and regenerative medicinal products that enhance beauty and health," says Fujii, president of Goshu YakuHHin. "Healthy and beautiful ageing is the underlying concept behind our brands."

The company's Toyama Quality Water series comprising medicated bath salts from the Toyama Bay deep seawater and pure mineral water from Japan's Northern Alps have been renowned to improve blood circulation and maintain the body's mineral balance.

The Skin pure – Balance + series, meanwhile, offers premium bath soaps, lotions and skin toners developed in collaboration with distinguished dermatologist Dr Taisuke Seki.

With more than 10 per cent of its staff dedicated to research and development, Goshu YakuHHin boasts new patents for eight innovations and has pending applications for another 20 concoctions. The company also cooperates with local universities and hospitals to continuously develop new product ranges.

"The undertaking follows a cycle



Sunao Fujii, president

where Goshu YakuHHin infuses fresh capital and technology to develop items suited to the new markets we would like to reach," Fujii says.

The company's product innovations include adding features to capture younger generations and transforming liquid into jelly form for easier ingestion by older customers. Goshu YakuHHin is likewise developing product variants that

fit targeted Asian markets such as Taiwan, Thailand and Vietnam.

"We are excited to share our brands with consumers all over Asia," Fujii says. "We can do everything from product development through to manufacturing, but we also welcome partners who can help us navigate the local scene in terms of cultural preferences, pricing and import regulations."

TSUKADA GLOBAL INVITES POTENTIAL PARTNERS TO WALK DOWN THE AISLE OF SUCCESS IN WEDDING SERVICES

From traditional ceremonies held in religious structures to more contemporary celebrations in gardens or on beaches, weddings are one of the most important milestones of a person's life. On a memorable occasion such as this, Tsukada Global leaves no stone unturned to ensure a perfect day not only for the bride and groom, but also for family, friends and other guests.

"We are a one-stop shop wedding services provider. We manage everything, from catering, dresses, tuxedos to makeup artists, flower arrangements and photo-video services. We take time to understand what clients want to give them a personalised and unforgettable experience," says president and CEO Masayuki Tsukada.

The venue is a crucial element in a wedding. Tsukada ensures that its clients will have a variety of choices to suit their preferences, operating 23 wedding venues in Japan – from opulent guest



Masayuki Tsukada, CEO and president

houses to luxurious hotels. It also has the resources to manage destination weddings in Hawaii, Bali and Singapore.

What started as a strategy for Tsukada to provide venues for its weddings evolved into a full-fledged hotel venture.

Tsukada manages world-class hotels such as the Hotel InterContinental Tokyo Bay, The Strings by InterContinental Tokyo and Sir Winston Hotel. Tsukada also has 10 restaurants under its name, serving a variety of mouth-watering cuisines.

Just as marriage is a commitment between the couple, Tsukada seeks long-term partnerships with individuals or corporations in Thailand, Vietnam, Indonesia, Myanmar and Cambodia that own strategically located lands that could be turned into new venues.

"Marriage is a starting point in having a family, which I think contributes to building a prosperous country. This is why it is important to find the right partner to share our vision of making dream weddings come true. We want a partner who can offer a fresh perspective, to help us understand different cultures and practices of other countries," Tsukada says.

OSAKA KOHKI RENAMES AS COMINIX TO EMBRACE COLLABORATIVE MANUFACTURING

As the recognised leader in Japan for cutting tool technology, Osaka Kohki has a knack for presenting the best possible solutions for the needs of clients in the automobile, aerospace, aircraft and electronics industries.

These solutions combine innovations from around the world, as the company taps into hidden technological champions among manufacturers of cutting and wear-resistant tools, optical products and related accessories.

"We find the best products from around the world," says Shigemasa Yanagawa, president and representative director. "We have close relations with our customers, know their needs, and pick out the best available products in places such as Germany, South Korea, United States, Israel, Switzerland, Sweden, and of course, here in Japan."

With overseas business growing steadily, the company is fully embracing its brand name Cominix. Starting this month, it will be known locally and internationally as Cominix to emphasise prospects in cooperative product development.

The company took the first step in this direction with the opening of its technological laboratory in 2016. Cominix



Shigemasa Yanagawa, president and representative director

is the first and only trading company in Japan with its own innovation centre.

"We focus on creating cutting tools that improve our customers' productivity. They find our solutions appealing because we provide products that are affordable and last a long time," Yanagawa says.

About 200 employees are stationed at the company's facilities in Japan to create solutions with new materials such as carbide and ceramics or new applications for basic hard metals and alloys.

Present in six countries across Asia, Cominix is likewise established in Mexico and the US. It has 20 branches on the mainland – a network that is seen to expand by five more branches over the next few years.

The company is keen on working with suppliers in both developed and new markets, where it aims to bring solutions on which global manufacturers such as Toyota and Nissan have come to rely since the 1940s.

From its historical vantage point, Cominix is well-versed with Japanese know-how that has made the country world-famous for high-precision and high-quality manufacturing.

Its focus on improving clients' productivity has likewise made it a strong enabler of technological leaps impacting everyday life – from food, clothing and shelter to cars, televisions, computers and communications equipment. High-precision processing technology lies at the heart of all these industries.

"We are the No 1 company in Japan in cutting tool technology because we are trustworthy," Yanagawa says. "Our goal is to expand further overseas so that we can contribute more to society."

Cominix

We aim to be an advanced specialized trading company contributing to customers' improvement of productivity.



Overseas Business

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EISAI GIVES CHINESE DOCTORS AND PATIENTS THE UPPER HAND AGAINST CANCER AND SERIOUS ILLNESSES

Global pharmaceutical company Eisai remains true to its passion for satisfying unmet patient needs, based on the corporate philosophy "human health care (hhc)". A global frontrunner in neurology, oncology and gastrointestinal areas, Eisai is focusing more on China, giving Chinese doctors and patients an upper hand against cancer, Alzheimer's disease and other serious illnesses.

"China needs to catch up with the global scene in terms of drug innovation in the fields of oncology and neurology," says Norio Kaneko, chairman of Eisai China. "We have a good relationship with the academia worldwide, and our first priority is to connect our China knowledge base with that of Eisai's global operations."

From a small research and development (R&D) laboratory, Eisai has grown to become one of the top pharmaceutical companies in the world. The company has 11 R&D centres worldwide and is the innovator behind many breakthrough drugs.

In the neurology area, Eisai is behind



Norio Kaneko, chairman, Eisai China

the highly successful treatment discovered and developed in-house by the company for Alzheimer's disease or dementia with Lewy bodies.

Donepezil hydrochloride, which is marketed under the product name Aricept, inhibits the activity of acetylcholinesterase. This is the enzyme that breaks down the neurotransmitter acetylcholine. Aricept was first launched



Fendy Feng, president, Eisai China

by Eisai in 1997 in the United States, and has been approved in more than 100 countries worldwide.

In the field of oncology, Eisai has discovered and developed in its laboratories the novel anticancer agent Halaven. The drug has been approved for use in the treatment of breast cancer in more than 60 markets, and additionally approved in 2016 for use in the treatment

of soft tissue sarcoma in Japan, the US and Europe.

Another effective anticancer agent originally discovered and developed by Eisai in-house is Lenvima. It has been approved for use in the treatment of refractory thyroid cancer in more than 50 countries. In May 2016, Lenvima was also approved in combination with everolimus for the treatment of renal cell carcinoma in the US. Submitted for approval for use in the treatment of hepatocellular carcinoma in China in October 2017, Lenvima has been designated for priority review and approval by the China Food and Drug Administration.

Other breakthrough medications developed by Eisai include Methycobal for the treatment of peripheral neuropathy and proton-pump inhibitor Pariet, indicated for the treatment of gastric and duodenal ulcers, reflux esophagitis and eradication of Helicobacter pylori infections, among others.

"These are among the top brands in the world, and we would like to expand the potential of these products in China," Kaneko says. "Our focus now is to make

Aricept, Pariet, Lenvima and our other brands No 1 in China as well in the near future."

To achieve this goal, Eisai draws on nearly 30 years of experience on the mainland. It acquired a generics drug company in 2015 to be able to offer affordable quality medications while reaching out and educating doctors in tier 2 and 3 hospitals.

The company also welcomes collaborations with research institutions and universities to create evidence for Lenvima in hepatocellular carcinoma. It is also compiling clinical evidence on the Chinese population to support the treatment of Alzheimer's disease.

"With the Chinese government investing more in health care, our business in China has continued to grow in the past six years," says Fendy Feng, president of Eisai China. "Such an opportunity, however, comes with unique challenges brought on by a fast-changing market. In line with our vision of becoming a truly global 'hhc' company, we try to deliver innovations that meet the specific needs of local patients."

NIHON KOLMAR APPLIES A CENTURY OF COSMETICS EXPERTISE TO ITS STRATEGIC BUSINESS EXPANSION IN ASIA

With the massive beauty and personal care industry showing no signs of letting up, cosmetics companies are updating their strategies to serve a larger consumer base with more targeted needs. To deliver every demand without compromising quality and business stability, beauty companies are increasingly relying on original equipment and design manufacturers (OEMs/ODMs) to conduct research and development (R&D) activities and meet production requirements.

Japan's No 1 cosmetics ODM, Nihon Kolmar, persistently strives to meet each of its 400 clients' needs and wants. Founded in 1912, the Osaka-based company has been serving leading cosmetics companies in Japan and worldwide.

"Client-companies use our facilities for R&D and factories while they focus on marketing and selling their products," says Tomoji Kanzaki, chairman and CEO.

Nihon Kolmar exudes second-generation owner Kanzaki's passion for creating distinct, high-quality products. As an advocate of "open innovation", the cosmetics specialist combines innovative skills with client-companies' know-how to help customers send new products to the market more quickly and efficiently.

"We develop our own know-how to sustain the business," Kanzaki says. "We keep improving our manufacturing technology and skills to be a reliable one-stop shop for customers."

With 150 researchers manning four R&D centres across Japan, Nihon Kolmar creates 1,000 stock keeping units a year. The solutions are applied to a wide range of cosmetics products including skincare, make-up and hair care lines.

Enjoying significant annual sales growth in the last 14 consecutive years, Nihon Kolmar aims to be the leading cosmetics contract manufacturer globally. With subsidiaries in China, the company is bolstering its seven production sites in Japan while building a factory in Vietnam to better serve Southeast Asian markets. Its numerous factories and in-house technology create a stable manufacturing environment for clients' specific requests.

"Our quality management and assurance are unsurpassed," Kanzaki says. "Through factory acquisitions and joint ventures, we aim to further increase our sales volume."



Tomoji Kanzaki, chairman and CEO

DAITO KOUN EMPLOYS BEST CUSTOMER SERVICE TO BUILD COMPETITIVE LOGISTICS REACH



Yoshisada Sone, president

Behind the essential chilled and frozen goods in supermarkets are the reliable companies that ship them there. Daito Koun, one of Japan's most trusted and premier logistics providers, has maintained its cutting-edge brand of offering full-service logistics solutions on local and international levels, under the leadership of president Yoshisada Sone.

Celebrating its 60th anniversary in December last year, Daito Koun attributes its constant growth and success over the past six decades to its steadfast belief in integrity, service to society, and gratitude.

Motivated by the satisfaction of its clients, the company stands proudly by

its catch phrase: "Thank you for your arigato".

"When a job is done, it should be done with honesty," Sone says. "We must concentrate on what we do, and contribute to society."

As a logistics pioneer specialising in the food industry, Daito Koun also offers its expertise in shipping, warehousing, customs brokerage and cold chain services.

Daito Koun holds a market share of 40 per cent in the field of import customs clearance of cold food products in Japan, with a view of increasing this number to 50 per cent in the next five years.

With its head office in Tokyo, and branches in Yokohama, Keiyo, Kawasaki

and Osaka, and business offices in Kobe, Fukuoka and Daikoku, the company holds a secure grip on Japan's logistics field.

Alongside expanding its market share within Japan, Daito Koun also has its eyes set on developing business overseas. The company has operated fully owned subsidiaries in China for the past 20 years, and has established itself in South Korea and Singapore. Daito Koun is open to other ventures around Asia.

"We welcome chances to expand our business field in Asian countries, such as Vietnam, Thailand, Myanmar or other markets," Sone says. "We are seeking like-minded partners, especially logistics and warehousing companies."

SHIRATORI PHARMACEUTICAL SEEKS LOCAL PARTNERS FOR CONTINUING GROWTH IN CHINA

Satoshi Shiratori's great-grandfather built Shiratori Pharmaceutical on innovation. He was the first in Japan to produce caffeine from tea leaves, and when raw materials became expensive, the company concocted its own synthetic caffeine formula. Guided by such creative genius, Shiratori Pharmaceutical celebrates its 102nd anniversary this year with a rich portfolio of fine chemicals, from active pharmaceutical ingredients (APIs) and intermediates through to food additives and health care supplements.

"We share with our customers the accumulated results of more than a century of experience and innovation," says Shiratori, who took the helm as company CEO in November last year.

Shiratori Pharmaceutical collaborates with educational institutions such as Kyoto University, Tohoku University and Chiba University to discover new molecules for APIs and intermediates for anticancer formulations and other treatments.

To better serve clients comprising manufacturers of branded and generic items worldwide, Shiratori Pharmaceutical is further strengthening its research and development (R&D) capabilities. Today, about 18 per cent of all company employees are in R&D comprising mostly professionals with master's and doctorate degrees in pharmacy or organic chemistry. The company is seen to further boost this advantage with the building of its new R&D centre in Japan this year.

Shiratori Pharmaceutical complements its technological leadership with a strong commitment to customer satisfaction.

All of the company's manufacturing facilities and processes comply with the highest global quality standards. Clients also benefit from the company's expansive supply-chain network worldwide.

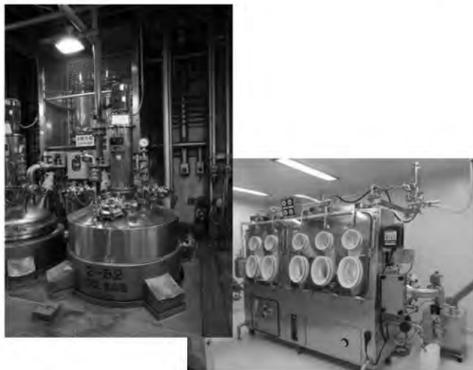
Starting with a partnership in Vietnam for its health care supplement business, Shiratori Pharmaceutical eyes a bigger role in Asia in countries such as Thailand, Malaysia and China.

"We are highly interested in the Chinese market and welcome local partners that complement our strengths," Shiratori says. "We are excited in building long-term and win-win relationships with new customers, suppliers and partners."



Satoshi Shiratori, CEO

We create high-quality products by harnessing original technologies and the latest equipment.



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From trapping coffee grounds for a clean, robust brew to clearing polluted air of harmful allergens and particulates, paper filters have played a crucial role in preserving human health, protecting the environment and improving lives.

Renowned for producing high-quality paper filters for a wide range of uses, Azumi Filter Paper has been a pioneering manufacturer of the semi-permeable media for almost a century.

Possessing unmatched industry expertise and cutting-edge research, the family-owned company partners with various universities in Japan and invests more than 10 per cent of its revenue for product development. This has resulted in the creation of some of the most efficient paper filters in the market. The company, founded in 1919, attributes its success to its niche top-grade filter papers that are custom-fit to serve the diverse needs of clients and industries.

"Our filters perform better and are of higher quality than products from other



Satoru Azumi, president

companies," says Satoru Azumi, president. "Our advantage comes from our know-how gained from decades of perfecting technique and research. This sets us apart."

Azumi Filter Paper serves a wide range of customers, from small- to large-

scale platforms. These include applications in laboratory and science instruments, chemical factories and the food and beverage sector. Automotive filter solutions make up 30 per cent of the company's revenue.

With factories in Osaka, Fukuji and Gifu, Azumi Filter Paper is dedicated to quick delivery, quality and flexibility in meeting clients' demands. Adhering to strict environmental regulations, the company uses a special fibre that is based on cellulose instead of harmful, non-biodegradable fibreglass. Its newly opened Gifu factory, meanwhile, makes use of the prefecture's purest water resources in the creation of premium-quality filters.

Affiliated with businesses in Thailand and Taiwan, Azumi Filter Paper shares its expertise with the rest of the world while continuously growing with customers' evolving needs. It looks forward to forming partnerships and expanding its reach to more Asian countries.

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■ JAPAN BUSINESS REPORT ■

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TUJ OFFERS FULL AMERICAN DEGREES AND A CORPORATE INTERNSHIP PROGRAMME

Asian students and professionals need not travel to the United States to obtain a full US academic degree. As a branch campus of America's fifth largest provider of professional education, Temple University, Japan Campus (TUJ) has been offering the same level of academic excellence as the main university in Pennsylvania for the past 35 years.

"We operate as a mini university, and as such, we can educate an undergraduate major through the entire programme without requiring him or her to study in the US for two years before graduating," says dean Dr Bruce Stronach. "Our students are registered on the US campus and receive diplomas from there."

As Japan's oldest and largest foreign university, TUJ is the only one of its kind in the country that offers full liberal arts undergraduate, masters and PhD programmes. What makes TUJ distinct, however, is its passion for creating students with a global mindset while providing a meaningful corporate internship programme.

"Globalisation takes place externally and internally," Stronach says. "Whatever the border of a particular country, be it a literal wall or a trade barrier, that wall has become permeable."

To this end, the university maintains diversity in its student population and faculty. TUJ also collaborates with the education partners of the US campus. The institution similarly works with a diverse client base to support its corporate education division. This undertaking comprises long-running management training programmes with foreign governments, local and multinational companies, and non-governmental organisations worldwide.

Moving forward, TUJ will be able to accept more students with the opening of its new building on the Showa Women's University campus, next year.

"We are interested in recruiting more from China," Stronach says. "Our US campus has been active in recruiting from and developing programmes for China and we totally support them in this endeavour."



Dr Bruce Stronach, dean

HKS DRIVES VEHICLE TUNING, PERFORMANCE TO NEXT LEVEL BY APPLYING IOT TECHNOLOGY

Car tuning specialist HKS has been helping competitive drivers worldwide to win races while enabling vehicle manufacturers to capture a bigger market share. From special exhaust and suspension systems to turbo chargers and internet-of-things (IoT) devices, the company is realising the full potential of vehicles in terms of performance and safety.

"Technology and innovation are extremely important to our business," says president and CEO Daisuke Mizuguchi. "Our research partnerships with original equipment manufacturers (OEMs) and local universities aim to increase the efficiency of engines while making the driving experience more fun."

HKS gathers research data from its global network of approximately 700 dealers. Such commitment to innovation has resulted in a comprehensive line of premium parts for the aftermarket and OEM segments.



Daisuke Mizuguchi, president and CEO

This year, HKS will launch a device that incorporates IoT technology accurate to a few centimetres. Mainly designed for insurance and other companies, the product's main purpose is to collect information on driver behaviour and trip

information. The collected big data will help insurance companies, for example, to set policy rates more accurately.

To strengthen its global presence, the company established HKS USA last year. Focused on better serving the North American market, the new subsidiary will support activities of HKS across the region in marketing, product development and customer service.

In Asia, HKS is also eyeing expansion while focusing on technologies suited for alternative fuels such as compressed natural gas and electric. The company has dealers in Singapore, Indonesia, Malaysia and the Philippines; subsidiaries in Thailand and China, and welcomes collaborators in Vietnam, Cambodia and Myanmar.

"Further developing HKS globally is highly important, considering the huge economic growth of Asean and China," Mizuguchi says. "We will definitely be putting more effort into these areas."

NEC CAPITAL SOLUTIONS' GROWTH STRATEGY IN ASIA IS GUIDED BY THE 'CREATING SHARED VALUE' CONCEPT

Asia's continued growth across all business segments and sizes is fuelling demand for a full range of financial products amid fast-changing technologies. Financial service specialist NEC Capital Solutions aims to help the region face diverse business challenges, capitalising on its long-standing experience with various clients, including public and large corporations in Japan.

"Our track record working with government and municipal clients is a testament to a high-quality and trustworthy service, on which our increasingly global clients have come to rely," says president Tomoo Imazeki.

Established in 1978, NEC Capital Solutions initially focused on leasing equipment from Japanese multinational information and communications technology (ICT) services and products expert NEC. It has evolved into a full-range, one-stop financial solutions provider after listing on the Tokyo Stock Exchange in 2005.

"Leveraging an expertise to handle ICT products of NEC, NEC Capital Solutions' wealth of



Tomoo Imazeki, president

ICT knowledge extends beyond leasing and into life cycle management of ICT assets," Imazeki says.

NEC Capital Solutions has diversified into four business segments: leasing and instalment,

business lending, financial services through subsidiary investment bank Risa Partners, and other businesses – including transaction fees and generation and sales of solar energy. In 2012, it started its global business by setting up subsidiaries in Asia, particularly in Hong Kong, Singapore, Malaysia and Thailand. It continues to look for business opportunities mainly for ICT products.

Key to achieving the company's ambitions is a group vision based on the "creating shared value" concept, which guides NEC Capital Solutions in generating economic value and also in creating social value.

In addition to upholding its vision, the company aims to develop new business areas in Japan targeted at various flourishing industries such as energy, health care, agriculture and tourism.

"We have identified what kind of company we want to be in 10 years – to be a global solution service company that aims to enhance social value with customers," Imazeki says.

SHIBUYA STATION OVERHAUL AND FOREIGN EXPANSION SECURE TOKYU LAND'S GROWTH

As one of Japan's biggest and busiest railway stations, Shibuya Station is an important transport hub connecting approximately 2.4 million commuters between central Tokyo and the capital's southern and western suburbs daily.

Located in Shibuya – Tokyo's famous retail, fashion and nightlife district and the centre of Japan's information technology industry – the station is undergoing a massive renovation that will reshape the district's cultural, social and economic importance in time for the upcoming 2020 Summer Olympics in Tokyo.

Spearheading four large-scale Shibuya Station redevelopment projects is Tokyu Land Corp (TLC), a pioneer in Japan's real estate securitisation sector with major interests in urban and residential development, wellness and overseas businesses.

TLC plans to construct high-grade office space, retail facilities, a new regional bus terminal and an airport shuttle terminal in the Dogenzaka block. It will also build a complex for employment, residential and entertainment purposes in the



Hitoshi Uemura, vice-chairman

Sakuragaoka block, equipped with multilingual medical services and a handicapped-accessible pedestrian overpass.

"Shibuya is very special to us as the site where our company was originally founded," says

Hitoshi Uemura, vice-chairman. "Through our redevelopment projects, we will continue to enhance the positive image of Shibuya worldwide."

Founded in 1953, TLC is the core company of Tokyu Fudosan Holdings Group, a comprehensive real estate group with more than 100 subsidiaries.

Apart from its other domestic projects, such as the Recycling Generation Type New Town Creation, an attempt to address Japan's rapidly ageing society with condominiums for senior housing, TLC views its overseas activities as the driver of future growth. It plans to increase its operating profit to 93 billion yen (HK\$6.92 billion), a 30 per cent increase from 2016.

"In order for us to grow and cope with globalisation, we are looking to overseas markets where we foresee stable and continuous growth in real estate," Uemura says. "We will continue to expand our business in the United States and emerging Southeast Asian markets such as Indonesia."

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GEOMATEC CUTS CUSTOMERS' COSTS WITH AN INNOVATIVE RANGE OF COATING SOLUTIONS

Total customisation in vacuum coating holds huge potential for advancements in the automotive, semiconductor, sensors, aerospace and defence industries.

Yokohama-based Geomatec makes the prospect more exciting with its distinct ability to provide high-end solutions that are cost competitive.

"Our coating technology cuts costs because it is precise, thin and nanoscale controlled," says Kentaro Matsuzaki, president and CEO. "If the customer wants to explore next-generation products and make thin-films lighter or energy saving, there is always the potential with coating. We can take orders at a mass production level for any manufacturing industry and factory."

Matsuzaki is the third-generation leader of the family-owned business, which commercialised a home-grown indium tin oxide (ITO) technology in the 1970s. It also succeeded in developing a wide variety of high-performance transparent conductive films using the vacuum deposition method.



Kentaro Matsuzaki, president and CEO

Recognised as Japan's most advanced in producing ITO films, Geomatec is behind the growing functionality of everyday tools such as car navigation and smartphone devices. With more than 100 physical vapour deposition machines, it produces coating of whatever material and size.

Such flexibility is backed by cutting-edge innovation, the latest being moth-

eye effect technology that creates high-precision anti-reflection films and prevents the build-up of dirt on surfaces. It also allows users to easily wipe away dirt deposits. Globally, manufacturers are trying to advance vehicle usability and interiors using this technology.

"I am sure this new product has the potential to be the best moth-eye effect product within any specification and will satisfy customers' needs," Matsuzaki says.

With factories in Wuxi since 2002, Geomatec can easily cater to the prototyping needs of Western companies seeking Japanese know-how in chemical etching, miniaturisation and optical coating.

"We can introduce coating machines to clients' factories along with surrounding technologies for cutting, polishing and chemical etching," Matsuzaki says.

Geomatec welcomes joint-venture partnerships in the United States and Europe on high-end coating solutions.

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KANBO PRAS' PROPRIETARY INNOVATIONS SUPPORT HUMAN HEALTH AND A BETTER SOCIETY

After the massive East Japan earthquake and tsunami in 2011 and subsequent Fukushima nuclear crisis, leading industrial fabric manufacturer Kanbo Pras was among the private organisations at the forefront of relief efforts with its wide variety of disaster mitigation products.

Acting together with other member companies of the Industrial Fabrics Association International, Osaka-based Kanbo Pras offered folding water storage tanks that served as fabric bathtubs for people who were forced into emergency shelters. These portable water tanks, which are fabricated with food-grade, ethylene vinyl acetate (EVA)-laminated polyester fabric, are part of Kanbo Pras' portfolio of in-house developed products designed to have a positive impact on human health and well-being.

"We've been a silent champion behind top manufacturers in the construction, logistics, signs and events industries for decades," says Shinji Nakamura, president. "Now, we're using our innovations to make proprietary



Shinji Nakamura, president

products directly for end users. This is our way of giving back to society."

Another notable proprietary offering from Kanbo Pras is its portable flood control barrier system, which can be deployed within five minutes even by one person. This space-saving barrier can hold floodwater up to approximately 50cm high. Kanbo Pras also supplies emergency

tents suitable for disaster response and disease outbreaks. These tents are used by the Japan Self-Defence Forces and the Japan International Cooperation Agency in many countries.

Operating for almost 80 years, Kanbo Pras specialises in composite manufacturing of fibres and plastic resins such as polyvinyl chloride (PVC), EVA and silicone. It is renowned for developing self-cleaning tensile membrane fabrics, which feature a titanium dioxide stain-resistant technology.

With proven domestic success underlined by a more than 50 per cent share of the PVC and polyester fabric market for heavy-duty applications, Kanbo Pras aims to expand overseas.

"We're open to collaborate with other industry players, universities and research institutes to develop customised products for the local market or find new applications for our patented fabric technologies," Nakamura says. "We also welcome distributors to help boost our international sales."



Shuji Tanaka, group CEO

OWNDAYS' EYEWEAR INSPIRES CUSTOMERS TO BE DISTINCTLY REFRESHED AND DELIGHTED

Beyond providing clear vision and optimum eye protection, eyewear specialist Owndays ensures that its spectacle frames and sunglasses also make customers feel refreshed and delighted – and with a sense of individuality.

Owndays understands its customers completely, coming to the market with a personal touch. Believing that trends are driven by young and dynamic individuals coming into their own and expressing their identity in different ways, it provides 18 house brands that carry more than 1,500 styles for men, women and children. The glasses are all planned and designed in Japan, conceptualised to suit every possible mood.

The personal touch extends to the in-store experience. Eye specialists provide undivided attention to customers, no matter how long it takes to choose a pair. About 80 per cent of customers get their eyeglasses on the same day, often within 20 minutes. Owndays' pricing is easy to understand and the standard package guarantees high-index aspheric lenses equipped with ultraviolet protection and soil-resistant coating.

Offerings such as a one-month window for refunds, one-year warranties on frames and lens visual performance, and a 50 per cent discount on a replacement pair inspire brand loyalty. Customer engagement is made more robust with meet-the-CEO events and fan

gatherings tied to social media following, which runs into tens of thousands across several platforms.

"We thought it would be interesting to take our business model overseas as kind of a fast fashion of eyewear. Our first foray in Singapore did very well, so we have started expanding across Southeast Asia," says Shuji Tanaka, group CEO.

Since its initial launch overseas in 2013, Owndays has grown its presence to 220 stores across 11 markets. Rising to the challenge of fast-paced growth, it invites similarly customer-centric companies across China, South Korea and Southeast Asia to become franchise partners. Owndays aims to have 500 stores within five years.

KOBAYASHI CREATE BUILDS ON SUCCESS OF MEDICAL E-BRACE AND SELLS SECURITY PRINT PAPERS DIRECT TO CONSUMERS

There is one paper printing solutions company that the government, the health care industry and the majority of business leaders trust in Japan. Kobayashi Create serves 20,000 clients across various industries, and covers 80 per cent of the market for medical e-bracelets (E-Brace) and magnetic paper used by parking and credit card companies in the country. If a person pays

utilities, owns a credit card or has availed of parking and medical services in Japan, there is a big possibility that the individual has encountered at least one of Kobayashi Create's paper products.

The 80-year-old company is an institution in Japan, and its insatiable passion for innovation to assist people's lives drives its goal of providing the latest high-quality printing solutions and anti-counterfeit documentations.

"Our technologies are conventional, but by combining them and applying innovation, we create the latest product that we can distribute to a wider market or to any country," says Tomonari Kobayashi, president.

From a B2B model, Kobayashi Create now directly reaches out to consumers as its printing technology can produce different types of paper. These include recording paper that applies the black light system used by governments; magnetic paper for parking tickets and slips; thermo-chromic ink paper, applied in passports and identification cards (ID) to deter falsification; and the quick response code reports, which can also be accessed via the free voice code application Uni-Voice. Other specialties are the thermal paper used in Toyota's *kanban* or inventory-control system and a medical printer for blood-sample labelling being distributed in China.

"Our whole business is anchored on our research and development team," Kobayashi says. "We have a huge team of specialists who deliberate and produce products that satisfy our clients' detailed requests."

With increasing interest in preventive care, Kobayashi Create sees the health care industry as a burgeoning field. Following the reputation of its safe and non-itchy E-Brace made of polyurethane resin which is a soft material like no other, the company is keen on collaborating with universities, research, municipal and governmental institutions, and other printing companies to further develop and distribute its medical equipment and auto-labelling products. Through distributors and joint ventures, it also intends to sell to mainland China, Hong Kong, Taiwan, Malaysia, Thailand and South Korea.

"There are a lot of printing companies that are struggling to survive globally, and if we can come in to assist and cooperate with them, we can have an exchange of technologies to expand our businesses together," Kobayashi says.



Tomonari Kobayashi, president

SEED EXPANDS CONTACT LENS PRODUCTION AND EYES BRIGHT FUTURE IN OPTICAL INDUSTRY

A proud pioneer in the eye care industry in Japan, SEED continues to visualise a bright, forward-looking future for the company while it remains as the leading manufacturer of high-quality contact lens solutions in Japan and across the rest of Asia.

Realising the success of SEED since its launch of Japan's first research into contact lenses in 1951 is highly attributed to the company's development of a wide range of eye care solutions that prioritises customers' safety and convenience more than anything else. The company is known for SEED 1dayPure moisture, the first daily disposable lenses manufactured in Japan that contain a natural moisturising agent, SEED Eye coffret 1day UV that enhances women's beauty; and major glass frame brands such as Vivid Moon, plusmix and ViVi flowers, among others.

SEED's commitment to technological research in medical optics aims to provide customer satisfaction and ease of use.



Masahiro Urakabe, president and CEO

Aside from the SEED Konosu Research Institute, SEED also partners with industry experts and domestic and overseas academic institutes to continually explore material and product development.

"One of the key features of the company is our ability to produce our own materials for medical-oriented contact lens," says SEED's president and CEO, Masahiro Urakabe.

It also shows commitment to growth within the global contact lens market and focus on creating the latest solutions such as smart contact lenses. "Our current production capacity is set at 37.5 million pieces of disposable lenses per month," Urakabe says. "With the establishment of our new facility, we are expecting an additional 5 million disposable lenses in monthly production this year."

The extensive development of sales channels in Asia and Europe, and the presence of its overseas subsidiaries in mainland China, Taiwan, Singapore, Malaysia, Germany and a representative office in Vietnam, help SEED achieve a clearer vision of the region's fast-growing industry of eye care solutions.

B.GLEN USES THE BEST SKIN SCIENCE TO CREATE A RANGE OF ANTI-AGEING PRODUCTS FOR WOMEN ACROSS ASIA

It has been said that when one looks good, the person also feels good, and Beverly Glen Laboratories founder Akira Kodama took this saying to heart when he offered skin solution sets to Japanese women a decade ago.

Marketed under the brand b.glen, Beverly Glen Laboratories focuses on delivering happiness by solving women's ageing concerns through cutting-edge science.

While there are many anti-ageing products available in the market today, Beverly Glen boasts a revolutionary penetration technology that effectively cures skin problems. The key is in the delivery method.

Since active ingredients such as vitamin C or hyaluronic acid are not easily absorbed by the skin, most skincare products are wasted and produce minimal results.

Through Beverly Glen's collaboration with renowned American pharmacist and drug delivery system authority Dr Brian Keller, the company offers products that deliver the ingredients to the skin's deepest layers.

Keller developed the proprietary penetration technology QuSome, which has a background that is recognised worldwide. Applied in various



(From left): Akira Kodama, CEO, and pharmacist Dr Brian Keller, chief scientific officer

pharmaceuticals, it is used by b.glen in its signature products.

The technology involves encapsulating ingredients into ultra-micro capsules and delivering them to the base of the stratum corneum or to the epidermis. QuSome reduces irritation and acts as the "slow release mechanism" of beauty ingredients resulting in lasting effects on the skin.

"We are unique for our penetration and delivery technology in skincare," says Akira Kodama, CEO. "We have successfully applied QuSome to our beauty products to ensure all the active and useful ingredients are absorbed deeply into the skin."

Beverly Glen has diligently studied the most common ageing issues bothering women, including acne, large pores, dry

and sagging skin, fine lines and wrinkles. The company's whitening and anti-ageing solutions are bundled according to the specific skincare problem. Each bundle is composed of various product types including facial washes, toners, essences, serums, ultraviolet block makeup bases, gels and creams.

"We always look for the best solution for women's ageing problems, and we seek to provide a mixture of skincare products and dietary supplements or over-the-counter drug products," Kodama says.

The company's b.glen products are sold online and available in Japan and parts of Asia. It is looking for scientific partners and complementary products, ingredients and technologies in these areas.

In addition, b.glen plans to offer its products through Amazon and other e-commerce platforms. It welcomes e-commerce specialists who are familiar with b.glen's two-step marketing style, which encourages prospects to seek more information before purchasing.

To support its core online business, Beverly Glen will soon tap department and speciality stores such as Sephora, and produce TV-infomercials to reach a wider audience.

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■ JAPAN BUSINESS REPORT ■



Hiro Kusano, president

WELDING AND TIP DRESSING SPECIALIST KYOKUTOH SERVES GLOBAL MARKETS

From joining pipes as large as cars to fabricating devices as small as cameras, the process of welding has been integral in the fusion of basic materials to create a wide range of amazing products. Kyokutoh remains unmatched when it comes to the technology and machinery behind that welding process.

Established as a manufacturer of electrodes in 1953 for Nagoya, Kyokutoh evolved into a one-of-a-kind multinational business that dominates up to 45 per cent of the world's cutting tools trade. The company pioneered the production of tip dressers in Japan, and has grown to become the global leader in tip dressing solutions. It also specialises in manual and automated tool cutting, checking and changing solutions.

Kyokutoh attributes its success to the premium quality of its products. As a first-rate, full-service producer of niche welding processes, it supplies cutting-edge technology to major vehicle companies such as FCA, Ford, Honda, Mitsubishi, Nissan and Tesla. Kyokutoh has earned its brand of excellence through a

combination of strict inspection protocols, thorough research and development, and forming rapport with clients.

"We aim to develop good relationships with our customers – not just on the platform of engineering, but other departments as well," says Hiro Kusano, president.

In such a fast-paced and progressive market, the company embraces the challenge of adopting materials that are thinner and tougher than steel. "We are enthusiastic about continually producing state-of-the-art equipment and products that meet the modern needs of our local and international clients," Kusano says.

Being Japan's first tip dresser producer that has expanded its reach to the rest of the world, Kyokutoh has established factories in the United States and China. It also has offices in Thailand, Germany and South Korea, localising its products for a finely tuned collaboration with its clients. Set to open more manufacturing plants in China in October this year, Kyokutoh also envisions more ventures in India and South Africa.

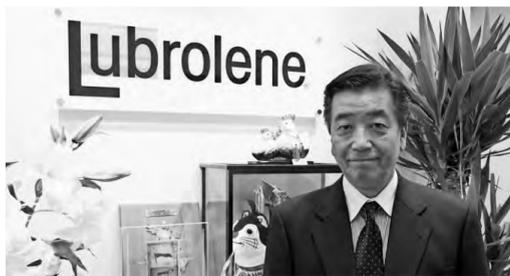
AOKI'S OIL TECHNOLOGY IMPROVES CAR PERFORMANCE TO REDUCE ENVIRONMENTAL IMPACT

Given the abundance of technological innovations available in the market, automobile manufacturers incorporate the latest technologies into cars to set their offerings ahead of the competition.

Along with these developments and improvements, perhaps one of the most critical aspects is reducing the environmental impact of the vehicles. Providing the much-needed solution to this issue is Japan-based company Aoki Science Institute.

With its Super Diesel Cleaner that was launched last year, Aoki supported car manufacturers in solving the issue of maintaining the cleanliness of diesel particulate filters. Aoki studied the root of the problem to develop the diesel cleaner fuel additive.

"With over 70 years' experience, Aoki Science takes pride in providing our customers with performance, value, service, economical efficiency and environmental improvement through our Lubrolene line of products. Our philosophy is not just maintaining our



Hisaharu Aoki, president

pioneer spirit, but also dealing with environmental issues through our product development and advanced technology," says president Hisaharu Aoki.

Aoki focuses on automotive and industrial lubricants and engine cleaning systems that improve car and engine performance. The company markets products for these segments under the Lubrolene brand. Aoki also carries out contract manufacturing services for

automotive companies to sell the lubricants under their own brands.

Aoki's engine, gear and diesel oil products are suitable for race cars, diesel vehicles, eco cars, and general-use vehicles. Its Super Racing product line boasts features such as excellent heat and oxidative stability under high temperature and high load conditions, superior abrasion resistance and clean decentralisation, among others.

For industrial applications, Aoki provides the solution to using large quantities of water-based die lubricants to lower die temperatures. Aoki offers clients a more cost-effective and a more environment-friendly solution as only a small amount of product can accomplish the job of suppressing the Leidenfrost phenomenon – an occurrence that creates a film of small boiling droplets of liquid on a hot flat surface.

Aside from withstanding temperatures up to 300 degrees Celsius, WFR/WFR-EC products have excellent lubricity, extend die life by preventing thermal shocks, and are non-flammable.

The engine cleaning system segment, in particular, is a showcase of Aoki's innovation leadership. Aoki is in the process of developing an injector cleaner to improve the performance of fuel injectors for diesel engines. Developing a similar product for gasoline engines, Aoki aims to serve new markets created by advanced fuels such as Euro 6, which requires a gasoline particulate filter. Aoki is working with car manufacturers and industry leaders to further push the

boundaries of its research and development.

Die-casting lubricants make up approximately 80 per cent of Aoki's business, with engine oil and Super Diesel Cleaner making up the remaining 20 per cent. Aoki sees this shifting in the future as it sees the latter two comprising 99 per cent of its business.

There is a wait list for Aoki's products and the company has yet to catch up to the overwhelming demand.

"We are tackling the demand from the top to cover tier one and tier two manufacturers as they are the ones using our products in their new innovations. We have yet to catch up with the demand from the lower hierarchy," Aoki says.

Along with the United States, Asia is seen by Aoki as a market instrumental to its future growth. Aoki's strategy in tapping markets such as Indonesia, Vietnam, Thailand and China is to work with Japanese manufacturers present in these locations. Aoki is seeking collaboration with local car manufacturers and general trading companies in the region to increase its network in Asia.

JM ENGINEERING SERVICE GUARANTEES HIGH-CALIBRE SEMICONDUCTOR PRODUCTION



Kosuke Tanaka, president

In an age of automated and wireless technologies and mobile electronic gadgets, the global semiconductor industry has witnessed phenomenal growth over the last few years.

A US\$400-billion industry at its highest rate of growth since 2010, the market has prompted the emergence of businesses specialising in the maintenance of semiconductor production facilities – such as JM Engineering Service (JMES).

Established in 2014 as a subsidiary of Japan Material – a leader in electronics and graphics solutions focused on the provision of comprehensive gas supply systems for semiconductor and liquid crystal manufacturing – JMES contributes to the high-calibre production of semiconductors

with its complete portfolio of maintenance technology solutions.

Since Japan Material's acquisition of Singapore-based Aldon Technologies in 2016, JMES has benefitted from its parent company's expansion plans – with the prospect of an offshore office in Singapore and a new client in the works.

"Japan Material has grown substantially over the last three years, having nearly doubled in profits, and JMES presents an opportunity for us to make our business more global," says Hisao Tanaka, president of Japan Material. "Because of Japan Material's relationship with Micron Hiroshima and our foothold in Singapore, for example, a new opportunity for JMES has come up with Micron Singapore."

Semiconductor production is a complex process requiring a great deal of highly sensitive equipment operating non-stop 24 hours a day. From equipment maintenance and cleanroom environment management to on-site engineer service operations, JMES provides the technical expertise to help clients successfully meet and exceed product standards.

"Human resources are an indispensable part of JMES' ability to offer high-quality technical services at world-class manufacturing facilities," Tanaka says. "We focus on the in-house education of our engineers, who eventually acquire high technical skills across different areas of expertise – and are open to recruiting regional talents from Vietnam and Singapore."

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JAPAN MATERIAL SECURES Foothold IN SINGAPORE WITH EXPANSION PLANS

With Tokyo scheduled to host the upcoming 2020 Summer Olympics, major preparations are underway to accommodate the influx of international visitors to the city. For electronics and graphics solutions market leader Japan Material Group, the future looks especially busy. The company is in the midst of several strategic initiatives to expand its customer reach, product scope and manufacturing expertise.

Last year, Japan Material Group fully acquired Singaporean company Aldon Technologies – a provider of specialised products and services in the semiconductor industry with sales offices across Asia-Pacific and the United States – after a joint venture in 2015. The move supports the company's plans to establish a business focused on the repair and maintenance of manufacturing equipment in Singapore.

"Partnerships are a marriage based



Hisao Tanaka, president

on trust and reliability – our relationship with Aldon is good because we are both very stable," says Hisao Tanaka,

president. "Their location in Singapore presents a number of opportunities for us to take our business forward."

Mainly focused on gas selling and the development, manufacturing and sales of gas supply systems and related services for semiconductor and liquid crystal production – a business that accounts for 90 per cent of its sales – Japan Material Group is the preferred one-stop shop for integrated gas solutions by major clients such as Sony, Toshiba, GlobalFoundries, among others.

Having continuously grown in sales and profits since 2013, Japan Material Group aims to attract engineers from Vietnam and Singapore as part of its expansion programme.

"Although we are open to partnerships, we are committed to growing the company slowly, steadily and organically focusing on our domestic and existing customers," Tanaka says.

PHARMAPACK ADDS INVENTIVE SOLUTIONS TO STERILE PHARMACEUTICAL PACKAGING

Pharmaceutical products require special packaging. They must be kept sterile and free from contamination. Thanks to blow-fill-seal (BFS) technology, containers can be formed, filled and sealed in one continuous process in a controlled environment.

One company specialising in BFS is Pharmapack, Japan's leading pharmaceutical products contract manufacturer. Founded in 1965 and a member of the Hanshin Group, it takes pride in its mastery of BFS technology. Besides research and development support, Pharmapack uses the plastic parts manufacturing expertise of a Hanshin subsidiary – Hanshin Kasei – to enhance its service offering. These capabilities help make Pharmapack a key player in the industry.

"By combining our know-how with Hanshin Kasei's, we can develop products which other companies cannot," says Junichi Takata, president of Pharmapack. The company produces inhalation solutions, eye drops, disinfectants, nose drops and enema in its 14,000 square metre plant. It can create products befitting customers' needs, for example,

a casing with plastic parts for single-dose eye drops employing a unique opening method.

Pharmapack has initiated activities to increase market share and global competitiveness. In 2016, it participated in the BFS International Operators Association meeting as a major sponsor. It expanded the plant's quality evaluation area last year, and started constructing a new factory set to be finished this year to increase its capacity by 20 per cent. Pharmapack employs quality improvement strategies to be on par with good manufacturing practice (GMP) standards.

All these initiatives are for bolstering domestic market activities and for future overseas expansion. Pharmapack, which has partners in Taiwan, eyes collaboration with companies that understand local regulations to help it secure certifications from international organisations such as the

Food and Drug Administration in the United States.

"Pharmaceuticals BFS manufacturing is a niche sector requiring constant technological advancements. We are open to various possibilities both in product developments and new markets," Takata says.



Junichi Takata, president



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DAISHOWA'S TOTAL PACKAGING SOLUTIONS TAKE FRONTLINE IN WORLD'S BATTLE VERSUS PLASTIC

Cleaning up the world's oceans – where more than 8 million metric tonnes of plastic waste are dumped per year – is a massive dilemma that even the biggest companies struggle to solve. There is one way, however, through which even the smallest business or youngest environmentally conscious individual can help: choose paper over plastic.

Daishowa Paper Products makes such a choice not only easy, but also smart, efficient and safe. From a traditional paper bag manufacturer founded in Shizuoka in 1940, Daishowa has grown into an integrated, end-to-end supplier providing total packaging solutions – from design and customisation to manufacturing and quality control to recycling.

"More than 40 countries have already banned plastic bags, but Japan has yet to catch up," says Daishowa CEO Ryosuke Saito. "Daishowa aspires to lead the charge against plastic waste starting here at home, then help take the battle globally."

Daishowa has risen to global prominence in recent years through its iconic Juunihitoe range of tissue paper priced at US\$100 per box of 288 sheets. Designed in honour of the 12-layered ceremonial Japanese kimono, the elegantly packaged, luxuriously soft and delicate tissues come in 12 colours named after wood, flowers and other natural elements.

"The price tag may have caught the attention of the global media, but the

product's quality made Daishowa a name to remember," Saito says. "Juunihitoe demonstrates how we spare no expense in creating products we are passionate about and take great pride in."

These days, much of Daishowa's passion is focused on promoting environmental awareness through its products and production activities. Among its major initiatives are recycling and industrial waste reduction through its modernised factories.

A representative of the Japanese Paper Bag Manufacturing Organization, Saito has also taken it upon himself to help educate society on environmental responsibility and sustainability. Part of his advocacy is engaging Japan's politicians and decision makers in

discussions that address Japan's stand on various environmental issues.

"For instance, paper products are increasingly becoming environment-friendly, but many other components such as handles and printing inks remain laced with harmful materials," Saito says. "This is why we need to continuously seek innovative, ingenious technologies such as deriving ink from natural materials such as rice, while constantly elevating the quality of existing products."

From paper food boxes to pop-up books, all of Daishowa's products are made in-house where uncompromising quality is ensured by repeated tests and inspection safeguarding durability, functionality and safety.

The integrity and quality of each

product are further guaranteed through an automated process and added measures for workers such as air showers that remove dust and prevent contamination.

At the company's Tokyo showroom, customers can relay their ideas and specifications to Daishowa's designers in the morning and see actual samples in the afternoon. The company has successfully replicated such efficiency in Shanghai, which – together with its Hong Kong sales subsidiary and Tianjin factory – is positioned to attract more Asian customers.

"Regular training courses, including technical knowledge transfer, make certain that each Daishowa facility, product and employee replicates the level

of commitment demonstrated at its Japan headquarters," Saito says.

Daishowa serves other Asian markets from its Shanghai facilities, which function as the company's regional headquarters. It eyes a bigger role in Southeast Asia, where it aims to open new facilities that will cater more closely to the region's demands and requirements.

"I am very enthusiastic about working with the next generation of managers who will hopefully continue the battle for the environment," Saito says. "We are also thrilled to meet like-minded clients and partners who similarly think outside the box in order to help the world make better choices, improve lives and create a brighter future – and cleaner oceans – for everyone."



Ryosuke Saito, CEO

C.I. TAKIRON SYNERGY, FORTIFIED EXPERTISE YIELD HIGHEST-QUALITY VALUE-ADDED PLASTICS

More than just two companies coming together for expansion, the merger of two of Japan's biggest plastics processing manufacturers – Takiron and C.I. Kasei – into C.I. Takiron signifies proactive, innovative synergy required by the increasingly hi-tech industry.

C.I. Takiron completed its merger in April, joining the ranks of distinctive companies that achieve more than US\$1.5 billion in annual sales. It takes greater pride, however, in its fortified expertise in value-added plastics, whose applications range from packaging to flooring, furniture, environment-friendly housing and construction, to agriculture and civil engineering.

"Quality takes precedence over everything else, including price," says C.I. Takiron president and CEO Yosuke Minamitani. "Our customers have long trusted us to deliver on such commitment – and we hope to earn the trust of even more like-minded, quality-driven partners and customers as we grow along with them globally."

Key to C.I. Takiron's growth is a close relationship not only with clients but also with end users, including farmers who have come to rely on its products since

1965. The company's greenhouse cover films and related products, for instance, help farmers efficiently produce crops in a controlled environment with reduced pesticide usage.

Among its most pioneering products is the industry's first ultraviolet-blocking, five-layered agricultural PO film in Japan that prevents pest activity and degradation of materials inside the greenhouse. The advanced film has a coated surface for a long-lasting anti-drop function, which also enables high durability with superb transparency.

Another strong expertise is industrial plastic plates used in the semiconductor and liquid crystal display industries, where the highest quality is required. Backed by a reinforced research and development team, C.I. Takiron also develops innovative solutions for new applications such as radiation-proof plates for medical use.

"Overseas sales currently account for about 16 per cent of total revenues, but we target to raise this number by boosting exports," Minamitani says. "We are open to further acquisitions, particularly of specialised companies with in-depth knowledge of value-added plastics and additives."



Yosuke Minamitani, president and CEO

DAIKI AXIS' COMPLETE WATER TREATMENT SOLUTIONS READY TO FLOW INTO ASIA

Key industries and local governments in Asia can soon have better access to Japan's highly effective wastewater treatment. Daiki Axis, Japan's leading authority in wastewater treatment, water recycling and drinking water manufacturing, is looking for more distributors in the region for its hi-tech solutions.

"We sell more than 10,000 units of our johkasou wastewater treatment tanks in Japan every year and only about 500 pieces overseas," says president and CEO Hiroshi Ogame. "We would like to even out the numbers by exporting more to Asia."

The Daiki Axis johkasou wastewater tank uses microorganisms and fibre-reinforced plastic technology to convert sewage into high-quality water similar to that produced by large wastewater treatment plants. Moreover, clients can realise a quick return on investment as the system can be installed underground in only two days. Designed for individual households in Japan, Daiki Axis will customise the technology to serve local governments and industries in Asia including food and beverage, pharmaceuticals and chemicals.

For its drinking water solutions, the company will offer hospitals and similar



Hiroshi Ogame, president and CEO

establishments in Asia its build-own-operate business model. Daiki Axis invests in developing the facility on-site and charges the client for the water usage.

"We are not only manufacturing and selling water systems. We can do everything from start to end – from analysis and engineering through to operation and maintenance. We are a one-stop shop," Ogame says.

Besides operating subsidiaries in China, Singapore and Indonesia,

Daiki Axis wants to expand to other Asian and developing countries such as Vietnam, Myanmar, India and Kenya. To this end, the company welcomes local distributors and research partners comprising universities and technology companies.

"We are excited to build lasting relationships with local governments and industry players, delivering to them Japanese technology customised to meet local needs at local prices," Ogame says.

LINK AND MOTIVATION BOOSTS ORGANISATIONAL PRODUCTIVITY THROUGH MOTIVATION ENGINEERING

Motivation engineering maximises engagement between employee and company. That effect transforms this into an engine that drives business success.

Link and Motivation Group is the first consulting firm in the world to use this concept, and has provided support to about 3,000 corporate clients. In operation since 2000, the Tokyo-based company has helped these companies enhance their approach to organisational and human resource development.

"No matter how good the business strategies or information technologies are, the human resource still matters the most," says Hideki Sakashita, president and representative director. "We've studied how to collectively motivate a diverse group of individuals to boost organisational productivity. This is where our expertise lies."

Motivation engineering is the company's original technology to muster the underlying motivation of employees to achieve sustainable and effective ways of working. It is composed of diagnostic techniques to identify organisational problems and transformational solutions to resolve these challenges.

Link and Motivation has built a diagnostic database of more than 2,700 companies and 600,000 employees,



Hideki Sakashita, president and representative director

visualising the engagement level between companies and employees.

Link and Motivation has been helping Japanese firms of all sizes, from large corporations with overseas operations to small and medium-sized enterprises. Among leading companies that have adopted Motivation Cloud – its organisational diagnostic and development platform – are Mitsubishi Electric, JCB and Calbee.

Link and Motivation also provides support services for career development through its individual development division, and provides opportunities to link organisations and individuals through its

matching division. Its business scope additionally includes capital and organisational incubation support for venture companies.

"Valuing relationships between companies and employees from a long-term perspective to achieve sustainable prosperity highlights the true essence of Japanese management – this is an approach that organisations should adopt all over the world," Sakashita says. "We look forward to bringing our real-world solutions outside Japan and initially seek partners in developed markets such as Singapore, Hong Kong and South Korea."

FUJI SEIKI'S HIGH-PRECISION MOULDING SOLUTIONS DRIVE HIGHER MANUFACTURING EFFICIENCY

Incorporating advanced technologies into time-tested expertise and methods has empowered Fuji Seiki to push the boundaries of high-precision and injection moulding. Removing the need to manufacture test pieces which can become costly over time, Fuji Seiki adopts technologies such as computer-aided engineering and 3D printing to develop products with higher precision and quality requirements.

Fuji Seiki is a one-stop shop for precision moulds, moulding machines and injection-moulded components that are crucial for high-efficiency manufacturing. The company develops relevant solutions for industries such as medical, electronics and packaging by working closely with its clients. It also deploys its workforce globally to study industry trends.

"In our company, we never stop testing new products. This is how we've built our technology expertise throughout the years," says president Takeshi Ii.



Takeshi Ii, president

In understanding what industries truly need, Fuji Seiki is able to continuously fuel its research and development initiatives in creating innovative and durable solutions.

Fuji Seiki is open to partnerships with companies that can help it explore the use

of the latest materials and chemicals for new components and applications, particularly in the automotive sector. It also welcomes partnerships with companies that have the capacity for high-quality mass production.

Fuji Seiki goes the extra mile and supports its customers in terms of staff training and maintenance. It is no wonder that some of the world's biggest names trust Fuji Seiki for their injection and precision moulding needs.

Outside Japan, Fuji Seiki is gradually building its presence to cater to companies from Asia. Fuji Seiki has established manufacturing facilities in Thailand, Indonesia and China to support the company's future growth plans in these markets.

"Fuji Seiki can contribute to increasing manufacturing efficiency. We have the technical expertise and know-how, and hopefully we can have the opportunity to work with more companies in Asia," Ii says.

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LEOPALACE21 SEEKS PARTNERSHIPS WITH LANDOWNERS AND BUILDERS FOR ITS APARTMENT GROWTH STRATEGY IN ASIA



'We are acquiring more properties, and our main goal is to provide high-quality Japanese apartments and other related services to the Asian market,' says Leopalace21 president Eisei Miyama

Conceived for utmost functionality and innovation, apartments of Leopalace21 cater to tenants' every need. However, as Japan's leading property developer and leasing manager looks to expand its operations across Asia, the company is creating excitement not only among potential tenants from Asia. With an excellent cash-flow position and nearly half a decade of experience in the field, Leopalace21 is also offering Asian landowners and real estate players such as construction companies a business opportunity that is difficult to ignore.

Tenants planning to stay for only a month can take the monthly contract and simply extend the agreement on a daily basis if they need to stay longer. For tenants planning to stay in the apartment for at least a year, Leopalace21 offers the Chintai contract. Under the agreement, customers may opt to purchase "right of use" tickets, which are good for a month each. The tenants may choose among the different available units across Japan. They also have the option of apportioning the tickets only for the months they need to use the apartments.

"We are thinking about mergers and acquisitions [M&A] or general acquisitions," says president Eisei Miyama. "I guess there are two strong points for the company. One is that we have a lot of experience in Japan concerning property and tenant management. I think such know-how is not that strong in the other countries in Southeast Asia, so we have a strong point here. Secondly, we have a lot of cash that we can leverage and use to invest in Asian countries."

Growing presence in Asia

Soon, more customers in Asia will experience the same level of quality and commitment Leopalace21 has been known for in Japan and select Southeast Asian countries. To date, the company has launched serviced apartments in Vietnam, Thailand and Cambodia. In Vietnam, Leopalace21 has master leased a property from a landowner and subleased it to tenants. For Thailand and Cambodia, the company owns the land and the apartments.

"We are investing in the development not only of residences but of other property types as well," Miyama says. "We are evolving to become a localised construction and full-service company in each of the markets we enter."

Leopalace21 has grown into the business of office space rental. Its serviced offices in the Philippines, Myanmar and South Korea come with everything that companies require to conduct business. The sites in Manila, Yangon and Seoul come with desks, chairs, internet connections and other communications equipment, a reception area, shared conference rooms and cafeterias. These offer lower initial costs than the traditional office and allow companies to begin doing business right away.

The locations can be used for setting up a new business base, a small office, or for any number of other purposes. Besides shared offices and co-working spaces, the Manila, Yangon and Seoul sites also offer the virtual office concept where Leopalace21 leases the address required for corporate registration so clients can list their office location in these premiere business districts.

Leopalace21 is also looking into opportunities in the areas of elderly care. Though the company believes the regional demand for such properties and services may not come up until between 15 and 20 years into the future, the need for such offerings may come earlier for China. The company, however, wants to study the investment environment in China further before investing.

Leopalace21 already has four offices in China tasked mainly with attracting tenants and promoting international exposure for the company's properties for now.

"We are in the process of acquiring more and more properties, and our main goal is to provide high-quality Japanese apartments and other related services to the Asian market," Miyama says. "In the past, we could only concentrate our efforts on the apartment business, but as we have grown earning-wise today, we can invest in new businesses overseas. We are pinning our hopes on the Asian market."

Committed to raise the share of its businesses in Asia to about 25 per cent of overall profits, the company is on the lookout for partners and companies to acquire. The company has no preferred target firms for its M&A strategy across Asia, but is excited to meet players in the construction industry and individuals and organisations that own land overseas. Leopalace21 also welcomes collaboration with Japanese companies doing business overseas.

"There are a lot of companies that do only construction in the Asian market. We as a company, however, do not only build but are also able to manage apartments and other properties while making a lot of profit in the leasing business as well," Miyama says.

In addition to this, Leopalace21 has also gained broad experience in working with landowners, and has always come up with excellent ways to use land. The company has developed win-win business models with landowners. These include master leasing the property, which guarantees the owner of the land a steady income from his property for the next 30 years. Under this scheme, the landowner does not have to worry if the apartments are actually taken up by tenants.

"Our strongest points are our experience and know-how in property development and management for residences and other types of properties in Japan and other markets in Asia. As such, if other industry players are contemplating about potential income gains, I think we may be the best company to partner with in this regard," Miyama says.



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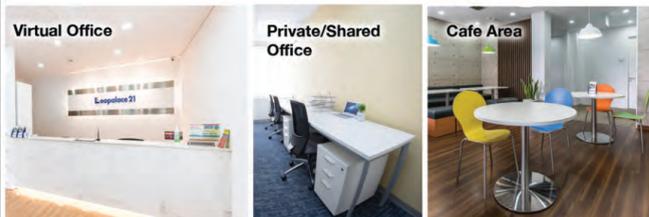
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Excellent service features

Leopalace21's large following in Japan has been driven by its passion for ensuring total customer satisfaction. Committed to become a one-stop solution provider, Leopalace21 differentiates itself in the market by providing added value.

The apartments are fully furnished with an air-conditioner, TV, washing machine, refrigerator and microwave, which are rarely included in most apartments in Japan. In addition to this advantage, the company's "my DIY" programme allows tenants to choose a wallpaper design to suit their preferences.

Committed to become a one-stop solution provider, Leopalace21 differentiates itself in the market by providing added value

Leopalace21 also provides tenants with state-of-the-art technologies developed especially for the apartments. One of such devices is the Life Stick, a slender white remote control attached to the TV set via HDMI or USB connection. The gadget can access LEONET, an in-house internet service that allows clients to surf websites, watch movies, play games, shop online and monitor garbage collection schedules.

The LeoRemoon, on the other hand, is a sophisticated learning remote control that can automatically configure apartment settings. Using internet-of-things technology, LeoRemoon is capable of checking current environmental conditions and use such information to adjust the settings of the apartment's air-conditioner or lights to provide optimal humidity or brightness. An environment map displays the status of the rooms at a glance, including hot and dry zones, and suggests solutions for the tenant. LeoRemoon can respond to voice command and is also linked to the global positioning system sensors of smartphones, enabling the gadget to turn on or off appliances based on the location of the tenant.

Competitive pricing

Leopalace21 delivers all these conveniences at a competitive price point. In addition to providing all furniture and electric appliances, the company also waives all other fees traditionally charged by lessors in Japan. Leopalace21 does not require tenants to pay a deposit equal to one to two months of rent for possible damages that will be caused by the tenant.

The company has also waived the brokerage commission, which is equal to one month of rent, and the gratuity fee, which is equivalent to up to two months of rent. The brokerage fee is the payment made to the real estate agency as a reward for finding the tenant, while the gratuity fee is a non-refundable payment made by the tenant to show gratitude to the owner of the apartment. For international students staying in Japan, Leopalace21 offers special promotional campaigns such as discounted rental rates and a free stay for a whole month.