



ASEAN CEO Network Enhancing Project Medical Equipment Report



Picture: Scene from Kobe event

In the month of February in 2017, SME Support, JAPAN invited 31 CEO level decision makers from the ASEAN4 countries (Indonesia, Malaysia, Thailand and Vietnam) operating in manufacturing, as well as importing and sales of medical equipment and devices. In addition, representatives from seven medical equipment associations in respective countries joined together for ASEAN CEO Network Enhancing Project Medical Equipment, co-organized by and held in Tokyo and Kobe City, the latter promoting its “KOBÉ Biomedical Innovation Cluster”, a project that attempt to integrate companies related to medical industry.

Although various approach exists depending on the level of economic progress,

Indonesia promoting localization of medical related industry; Malaysia's national strategy to advance medical equipment industry as part of its Vision 2020; Thailand's upgrade efforts in medical technology to promote Medical tourism; Vietnam's efforts with government intermediary support to expand its market for medical equipment that relies mainly on import, etc., the opportunity for exporting or local business regarding products related to medical equipment is increasing.

Despite this being the first attempt for the CEO Network program at specializing in business area while targeting multiple countries, 232 Japanese companies aspiring to develop businesses in Asia participated due to the event's allure, of the opportunity to meet numerous CEOs from fast growing ASEAN4 countries in one place. Over 1,300 engaged business meetings and enthusiastic sessions of information exchange were held.

Kobe Report

- Event Date : Feb, 22, 2017
- Venue : KOBE Chamber of Commerce & Industry
- Japanese Participants : 81 companies
- Total Meetings : 433

Co-Organizing CEO Network Enhancing Project

Bridging ASEAN companies and medical industry of KOBE



Tatsuo Dantoku
Director
Kobe Overseas Business Center
Kobe City Government

Kobe city is promoting "KOBE Biomedical Innovation Cluster" project that aim to

integrate companies related to medical industry with an industry-academia-government joint effort. As a result, Medical related industry has become one of the essential industries of the city.

At Kobe International Business Center, we maximize diverse network including Hyogo Kobe International Business Square to provide information and various support services for local SMEs' overseas business development.

For further development of medical industry with Kobe at its center, we took the opportunity on this occasion to request SME Support, JAPAN to hold ASEAN CEO Network Enhancing Project Medical Equipment in our city. As a result, with great support from many organizations in the form of co-organizer and supporter, we were able to host the event successfully and I would like to take this opportunity to thank all that supported the event. Also, I would like to extend my thanks to all the participants who joined from across Western Japan.

As for one of the supporting organization of the event, the Foundation for Biomedical Research and Innovation, it actually co-exhibit in overseas tradeshows on an annual basis together with a company, but it is an invaluable opportunity for Japanese companies to meet with CEOs from ASEAN4 countries all at once right here in Kobe city.

Business meeting events initially provides a valuable opportunity to meet but it does not end there. I feel that both parties need to continue communicating closely in order for specific results to materialize. Moving forward, I am committed in maximizing the opportunity and the network that we gained here and continue to work hard in supporting overseas business development for the companies in Kobe city.

Voices from the Participants

--- Merit in speaking with overseas CEOs ---



Kenjiro Nitanda

Executive Vice President

Nitanda Pharmaceutical Industries Co., Ltd.

We are a pharmaceutical company based in Kure city of Hiroshima prefecture, manufacturing and distributing, as well as contracted manufacturing, of Japanese and non-Japanese herbal medicine and health food. Although pharmaceuticals is on the rise, over the counter medicine that we manufacture is influenced by the declining population trend and forecasted to hit a ceiling in the future.

The fact that I was able to directly meet overseas CEOs in this event was a big gain. I feel this way because currently we have an ongoing negotiations with overseas companies but all of them involve multiple companies in the middle so it takes time for reviews and adjustments.

This event is a fantastic opportunity that cannot be easily achieved elsewhere because both parties' leaders could express thoughts and desires while reading each other's response face to face on the spot.

From the Vietnamese pharmaceutical company that we met to today, we felt their strong interest in Japanese medicine (herbal medicine) and renewed my sense of possibility for a new market. I would like to overcome any hurdles to actualize overseas development.

--- Gaining knowledge of overseas market trend---



Masayuki Ito
Managing Director
Itoi Factory Inc.

In addition to various precision plastic processing, our company is involved in precision metal processing and medical phantom manufacturing. To explain, medical phantom is an inspection equipment to test the accuracy of image diagnostic devices, such as PET/MRI, etc.

Our products are durable because they are made of plastic resin, so once delivered it is difficult to create further demand. When looking at the future in terms of existing product line, I am concerned that we are inching closer to market saturation, so we participated in this CEO Networking Event with overseas development in mind.

I had meetings with five companies handling image diagnostic devices, but I was surprised to find that only one company recognized medical phantom. Although I had an acute realization about how unknown medical phantom is, it was a great opportunity to learn that the market has great upside.

Almost all of the companies had said they would survey the market upon returning to their respective countries and would contact me when finding demand, so I will prepare information with further detail and continue communicating.

---Met a potential partner I was looking for---



Yoshiaki Mizoo

CTO, Head of Development Dept.

Adachi Co. Ltd

We are a trading company specializing in medical equipment, selling mainly endoscopes and other medical equipment/devices, and we also develop and import laboratory instruments as well. We joined this business meeting event to find an assignee for mass production of nursing equipment that our company developed.

As I became familiar with a company from Thailand, I learned that it is equipped with enough technology and experience, so it led to an agreement for a prototype having next month as a target schedule and plan on working on narrowing down the cost.

The medical equipment is rather on the lower end of the price spectrum and due to the small market it is hard to find partners for mass production which prevented us from making this into a product. For this reason, the fact that we were able to find a potential partner in this CEO business meeting event as we had hoped was a tremendous gain.

I hope to have this project in business either this summer or this winter at the latest. And also, I would like to build upon this opportunity to consider exporting in the future as well.

---Prior information for pre-selecting companies---



Koji Sugimoto
Sales Maneger
KOYO Engineering Co., Ltd.

Our company mainly designs and develops lock mechanism as well as various parts including angle adjustment. In particular, our original fine gear technology has gained a track record in chair and sofa industries, both in and out of Japan.

Currently, we are also focused on medical, nurse care and welfare industries. We joined this event to acquire evaluations from the ASEAN market on our newest headrest units in our universal design and the steel type which is highly versatile and durable.

We met with one company from Thailand and two companies from Indonesia, and received positive feedbacks from all three companies. We even had a meeting where the other party agreed to have its engineer send us specific customization requests upon returning home.

This business meeting event distinguishes itself from others by providing us information on overseas companies prior to the actual event, making it easier to determine which meeting I should request, which increases the chances of highly productive business meetings. In particular, this event was specifically restricted to the medical equipment industry so we were able to join with clear goals.

Other Useful Benefits!

I participated to conduct market research before productization

---No product, first time, no problem. You will achieve---



Nobuyuki Fujisawa

President & CEO

FUJI SEISAKUSYO Co., Ltd

We design and manufacture gas equipment for professional and industrial use. We entered the medical market when developing sterilization device for wheelchairs upon a request by our client.

Currently, we are co-developing a sterilization device with low-temperature plasma with Dr. Toshihiro Takamatsu of Kobe University. Although we have not yet developed a specific product, we decided to join the CEO Networking Event because Ms. Ritsuko Nakanishi, an Executive Director of Medical Innovation Kobe Community System, who consults us on medical matters, encouraged us to take part by saying "even though the product is not finalized, let's participate to research the overseas market."

When informing a company from Vietnam that we are planning to release a product from the technology we are currently developing in five years, the company said in a pleasing reaction, "NO! If you wait that long, other countries will beat you to it, so you must speed up the process. Upon completing it, we would certainly like to carry it."

Even though it was my first time engaging in business meetings with overseas companies, I was able to communicate seamlessly due to the support given by the advisors from SME Support, JAPAN. I believe that even companies without completed products or first time challengers of overseas development will benefit from unexpected rewards by joining a CEO Network Enhancing Project.

--- I achieved a variety of realizations ---



PhD. Toshihiro Takamatsu
Kobe University

The sterilization technology that we are co-researching and developing is still in the research phase but because we participated in this CEO Network Event I realized that there is an area that all 4 countries are interested in, which helped me realize market potential but at the same time challenges became clear as well.

Products in the medical field require applying for patents and other administrative process that must be cleared which could be overwhelming, but by taking advantage of the information gained in these events I would like to further improve our technology under development to an even better product.

---Research at CEO Events before expanding overseas---



Nakanishi Ritsuko
Executive Director
Medical Innovation Kobe Community System

The Medical Innovation Kobe Community System, where I work, provides opportunities by creating a platform for medical and academic research institutions to meet local SMEs to help facilitate a cooperative framework among industry, university, government and financial sectors. As part of this effort, I am involved in R&D of new medicine at Fuji Seisakusho as a consultant of pharmaceutical affairs.

Although we are still in the development phase, we have had good test results, so I recommended President Fujisawa to join this CEO Network Enhancing Project to conduct market research in anticipation of raising funds.

When I speak to people working for SMEs, many of them say, "it's not the right timing for us to develop business abroad", but there are many aspects that cannot be understood unless speaking directly with persons from abroad or by actually visiting the place in person. Even from this CEO business meeting event, we were able to gain greatly by realizing that technology owned by Fuji Seisakusho could be applied to many other fields. I believe it would be beneficial for SMEs that are contemplating but concerned about expanding overseas to participate in this type of events because it provides an opportunity to take the first step.

In Kobe, in addition to the business meeting event, a networking party and a visit to Kobe Medical Device Development Center (MEDDEC), a surgery training and R&D facility, was held.

Tokyo Event Report

- Date : Feb, 23 & 24 (Thr & Fri) 2017
- Venue : TKP Garden City Shinagawa
- Japanese Participants : 151 companies
- Total Meetings : 879

In addition to business meetings, seminars on medical equipment and networking party was held on the 24th in Tokyo



Picture: Scene from Tokyo event

Voices from the participants

--- We appreciate the information and good pairings---



Kon Takabatake (Right)

General Manager

Yoshihiro Hattori (Left)

Assistant Manager

Domestic and Asia Sales Dept.

Japan Precision Instruments Inc.

(NISSEI)

Our company manufactures and sells electrical medical devices such as blood pressure manometer, pulse rate meter and monitoring camera Iris. We have manufactured many OEM products for the European market, and at one point the products we made had 40% share in the European blood pressure manometers market, but we want to incorporate the technology that we have accumulated over the years into our own original medical products in the future.

Today, we participated in this CEO Network Enhancing Project to expand our

original brand business in other Asian countries. In the past, we often participated in overseas trade shows and rarely joined this type of business meeting events, but because the prior information on other participant companies and the match-makings were effective, we were able to conduct meetings efficiently.

Furthermore, a company we met informed us that it knew of our OEM product, which helped us see our OEM client's position in the market, usually a type of information that could only be achieved by actually visiting the country.

Even if its 30 minutes per business meeting, information could be exchanged via email at a later time if given an opportunity to meet. So, with the information gathered today, I would like to enthusiastically develop business in Asia.

---Thoughtful support by the advisors is assuring---



Shin Sanada
President
Actlas Inc.

We develop, manufacture and sell automated controllers, measurement devices and information devices, as well as electron source application system.

We entered this CEO Network Enhancing Project to research the trend and potential of ASEAN market. Tohoku Bureau of Economy, Trade and Industry, which we are well acquainted with, has positioned medical devices as one of its strategic industries and is aggressive in its support for SME overseas development efforts, so we wanted to gather information to make a decision on whether or not to truly engage in overseas development by directly meeting companies from abroad and research our potential.

It was our first time joining a business meeting event with companies from abroad, but it was fascinating to get a variety of responses in such a short time. And, since

everyone had decision making powers, they decided quickly. I was surprised to be approached with a direct manner when an Indonesian company said, "I want that product ASAP, how much?"

Also, having an advisor accompany us on our very first meeting, it was very assuring. I feel that CEO Network Enhancing Project will provide that momentum in the beginning for first-timers to participate with a feeling of ease.

---Learning current medical status from business leaders is valuable---



Yusuke Naoe (Right)

Ai Nagaoka (Left)

International Business

Fuji Systems

We make medical equipment made of highly safe silicon material with management system that is high quality standard even on a global scale. We have distribution network mainly in the U.S., Canada, and Europe but we still do not have any dealers in many of the ASEAN countries, so we joined this event with a goal to expand our market.

It was my first experience in this type of business meeting event but it was well organized and we were able to have meetings with 7 companies just today. It is especially valuable to be able to speak directly with the leaders of companies. We had good responses from two companies, from Vietnam and Thailand, and we will be sending them samples. Often times our products are at a disadvantage due to our price tag but by being able to explain face to face, I believe they were able to see the advantages.

It was very fortunate to have had the opportunity to hear the reality of the medical

industry in ASEAN countries. Usually, without visiting a company overseas with whom we already have business with or by attending overseas trade shows, these types of opportunity is hard to achieve. I appreciate the fact that we are able to participate at free of charge and furthermore learn the situations of various countries. I certainly would like to take part in this event again in the future.

---Hoping high quality custom-made medical devices in ASEAN---



Minoru Hirata

President

Hirata Precisions Co., Ltd.

Our company's strength is in manufacturing custom-made parts for use in endoscopic surgery. We make parts according to detailed requests by the surgeons and although most of the products are forceps for medical use that not even major companies make but in recent years, we received praises saying, "very easy to use and they are durable", or "now we can't operate without your products." So, we wanted to be of a good use in the ASEAN medical scene where the demand for endoscopic surgery is expected to rise and joined for the first time.

As for the meetings, the other party watched with great intent when we presented our video of a surgery using our products and it appeared that they understood the high quality and uniqueness of them. It was particularly impressive when a former physician turned president of a company took our product in hand with a bewildered look and studied it carefully over and over.

If you are looking for mass production and low price, we cannot match Chinese products. However, since medical scene handles human lives, the wealthy class of ASEAN countries and its doctors and patients are increasingly looking for high-quality, and that we could expect a high demand in the future. I believe it was a

good opportunity that will lead to the future by getting to know our company and technology.

---Attention to technology & expertise of Japanese companies---



Valor Health Co., Ltd. (Thailand)

President

Mr. Prasert Vaiyavatjamai

We are import and exporter of mainly medical device products and a provider of medical services, working out of offices in Thailand and the Philippines.

I pay close attention to the high level of technology and expertise that Japanese SMEs own. I joined this event for the first time with a goal to find these outstanding technology and products.

Because information on Japanese companies were provided prior to the event, I had researched each company's products and found a product that I would like to start importing immediately. Therefore, when it was time for our meetings, I was able to prepare specific paperwork in order to achieve business progress.

I found that the Japanese companies were well prepared in regards to paperwork and presentations, and they were very passionate. Also from management perspective, the support provided by SME Support, JAPAN and other involved organizations, were very considerate, which made this CEO Network Enhancing Project a highly satisfactory event.

---Finding Mutual interest with a Japanese company---



Hexamine Sdn Bhd (Malaysia)

President

Ooi Ben Hin

Our company mainly carries out import and sales of medical devices and distribute them mostly in Malaysia and Singapore.

From about 10 years ago, I thought about having business with Japanese medical device manufacturer with very high level of technology but I had a hard time finding mutual interest with a Japanese company. Although large companies could be contacted relatively easily because they transmit large amount of information targeting the global market, information on the Japanese SMEs, however, is very difficult to find. And, even when I do find it, language often becomes a barrier.

Faced with these difficulties, the CEO Network Enhancing Project was an optimal opportunity for me to be able to meet with SMEs in the Japanese medical device related field. It was also a great gain for me to have built a relationship with a reliable organization such as SME Support, JAPAN for me to consult with.

In this event, I was able to meet with two companies that has potential for future businesses so I look forward to how it will unfold.

---Valuable meetings with thorough support---



United Healthcare Factory Ltd Co (Vietnam)

President

Vo Xuan Boi Lam

Our company manufactures products such as catheter and stents, and also import and distribute medical related products.

In this event, one of our goal was to find a company that could provide raw material and I was able to meet a Japanese company with potential. Currently, we import raw material from Germany but if the test results are positive and the cost does not increase, then I would like to shift to a Japanese company.

Moreover, I found several products with innovative technology that are worth introducing them to Vietnam. We are in negotiation for the price now. Japanese companies have a very high skill level, so I am considering technical collaboration with a goal to develop new products.

Of course SME Support, JAPAN and the rest of the Japan side gave us full support during the business meetings but also in other areas as well.

I truly appreciate the opportunity that was provided to meet with many companies.

*All personal titles reflect those at the time of the event

• Main Organizers:

Organization for Small & Medium Enterprises and Regional Innovation, JAPAN

- Co-Organizer : <In Kobe> Kobe City / Hyogo Kobe International Business Square /Kobe Chamber of Commerce and Industry (KCCI) International Business Committee

• Supporting Organizers : < In Tokyo & Kobe >

Ministry of Economy, Trade and Industry / Small and Medium Enterprise Agency /ASEAN Promotion Centre on Trade, Investment and Tourism / Japan Federation of Medical Devices Associations

< Kobe only> Foundation for Biomedical Research and Innovation / Kobe Industrial Promotion Foundation / Hyogo Industrial Association / Kobe Machinery & Metal Firms Association Inc. / Medical Innovation Kobe Community System