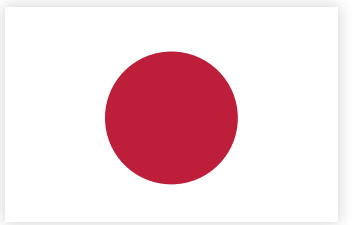


# JAPAN

45th Anniversary of Japan and ASEAN



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## Expanding economic exchanges with Singapore and ASEAN

**KEIDANREN (Japan Business Federation) is a comprehensive economic organization with a membership comprised of 1,350 representative companies of Japan, 109 nationwide industrial associations and 47 regional economic organizations (as of April 1, 2017).**

Synergy Media Specialists asked Mr. Masakazu Kubota, Director General, about Japan's role and partnership with the ASEAN.

**How important is ASEAN to Japanese companies and investors?**

Japan and ASEAN, which celebrate 45 years of friendship and cooperation this year, have built up an excellent relationship over many years. Our economic ties have developed into a very close, mutually beneficial relationship, with more than 10,000 Japanese companies actively engaged in business in many different areas in the ASEAN region.

In terms of trade, Japan's trade with ASEAN is worth \$187.8 billion, accounting for approximately 15% of Japan's total global trade of \$1,251.6 billion. This makes ASEAN Japan's third largest trading partner after China, with \$270.3 billion, and the United States, with \$197.4 billion. In investment, Japan's foreign direct investment position in ASEAN, at \$167.3 billion, accounts for approximately 12% of Japan's total foreign direct investment position



Masakazu Kubota, Director General, KEIDANREN.

globally of \$1,359.4 billion. This is also third after the United States, at \$454.1 billion, and the EU, at \$324.2 billion. In particular, Japanese investment in ASEAN has more than tripled in the past 10 years and ASEAN is increasingly becoming an invaluable partner for Japanese companies.

**How has the growth of the region (Southeast Asia) affected Japanese investment in the 10 nation association over the last decade?**

Since the 2000s, ASEAN has achieved stable growth and has increased its presence as a growth engine of the world. For Japan, in particular, with the entry into force of the ASEAN-Japan Comprehensive Economic Partnership Agreement (AJCEP) in 2008 and the progress in regional economic integration such as the establishment of the ASEAN Economic Community in 2015, ASEAN has been transformed from a collection of individual national markets into a giant economic zone worth some \$2.6 trillion (the world's seventh largest, accounting for 3.4% of the global economy), with a population of more than 600 million. With this transformation, Japanese companies, taking advantage of the respective characteristics of the ASEAN member nations, have built up networks of diverse business locations and strong, effective supply chains in the region. This is contributing to the strengthening of the international competitiveness of Japanese companies.

**With Singapore as the chairman of the ASEAN in 2018, how important does Singapore remain for Japanese investment in the region?**

Many Japanese companies have moved into Singapore (the Japanese Chamber of Commerce and Industry, Singapore, has 821 member companies [as of September 2017]), many of which

have established their regional headquarters there. Singapore is expected to continue to have an important function as a core center of ASEAN and the Asia-Pacific region. We look forward to Singapore, in its role as the 2018 chair of ASEAN, displaying strong leadership in the further growth and prosperity of ASEAN and the development of free and open business environment.

**Message to our readers about Japanese commitment to ASEAN**

Japan hopes to further expand and deepen its economic exchanges with Singapore and ASEAN and to make our close and mutually beneficial relationship a firm and unwavering one. In particular, amid concerns about the rise in protectionism around the world, the maintenance and strengthening of a free and open international economic order is of extreme importance.

Under these circumstances, we hope to join hands with ASEAN to push for the early realization of a comprehensive, high-level Regional Comprehensive Economic Partnership and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), or TPP11, to contribute actively to the stability and prosperity not just of the region but of the world.

[www.keidanren.or.jp/en](http://www.keidanren.or.jp/en)

### Keidanren Policy & Action



"Resilience and innovation are the themes for Singapore's ASEAN chairmanship this year and I feel it's both timely and relevant for Singapore to initiate this as the hub in the region for innovation and a country that has achieved high level income. In order for the other countries in the region to shift from middle income to high level income, they need to innovate and embrace IT and digitalization. We fully support this initiative and are committed to strengthening the 'heart to heart' partnerships we have with each of the ten member nations of the association."

Masataka Fujita, Secretary General of the ASEAN-Japan Centre on Singapore as chair of ASEAN in 2018 and Japan's commitment to the ASEAN.



## BayCurrent Consulting Inc. - Being excellent in Southeast Asia

**The continued integration of the Association of Southeast Asian Nations (ASEAN) has provided Japanese companies with opportunities throughout the tenation regional bloc.**

From Myanmar in the North of ASEAN to Indonesia in the south, companies are evolving into dynamic corporate entities by embracing digitization and operational efficiencies.

Since its establishment in 1998, BayCurrent Consulting Inc. has supported Japanese and multinational companies by delivering comprehensive consulting services and is today the largest independent consulting firm in Japan.

"We are a full-service firm serving large companies across all industries," says chief executive officer, Yoshiyuki Abe. "We focus on company-wide business strategy development, operational im-



Yoshiyuki Abe, Chief Executive Officer, BayCurrent Consulting Inc.

provement and digital transformation."

BayCurrent Consulting Inc. employs over 1,100 consultants and this month (April 2018), the firm will hire one hundred new consultants including recruitment from the ASEAN region which is still small.

"Given the maturity of the Japanese market, it is inevitable that we would develop our business in ASEAN," explains Abe. "While Singapore is a new market for us, the city-states' role as the gateway to ASEAN and its proximity to Japan are key factors as we follow developments there".

Singapore's dynamic talent-pool prompted the firm to establish good relationships with Asia's leading Universities; National University of Singapore (NUS), Singapore Management University (SMU) and Nanyang Technological University (NTU). "Our relationship with Universities is

focused on training and developing consultants for the future", says Abe.

With an increasing amount of cross-border business taking place, BayCurrent Consulting Inc. is able to assist clients with complex operational processes. The firm provides clients with a competitive edge as they navigate through the uncertainty of changeable market conditions and the development of new technologies.



"We provide our clients with the latest emerging-technology trends to help them develop their business", says Abe. "Last year we published our third book on digital transformation which has become a best-selling book in the business category. As a Japanese consulting firm, we deliver value through our focused methodology and we look forward to contributing towards a closer partnership between ASEAN and Japan".

[www.baycurrent.co.jp/en](http://www.baycurrent.co.jp/en)

## Dedicated to realizing the full potential of real estate

**Southeast Asia's growing middle-class and major urban infrastructure projects are creating opportunities across the region's real estate sectors.**

Established in 1995, Kenedix, Inc., Japan's largest independent real estate asset management company is building on its reputation as a key player within the region.

The company manages 546 properties with a value of JPY 2.0 trillion (USD 18.9 billion), five Japan Real Estate Investment Trusts (J-REITs) and over fifty private funds.

Seeing industry growth across the ASEAN (Association of Southeast Asian Nations) region, the company established its Singaporean unit, Kenedix Asia in 2015 to reach out to, and win business, within the ASEAN real estate fund community.

"It was important for us to have a presence in Singapore as a great deal of business in the region goes through Singapore," says Takahiro Uchida, Executive Officer and Head of Business Development of Kenedix, Inc.

"Today, we are actively facilitating inbound investments from Singapore to Japan, sourcing ASEAN investment opportunities for Japanese investors and expanding our overseas operations from our Singapore hub."

In the last three years, the company has made significant investments across the region. In March 2017, Kenedix Asia acquired

fifteen per cent units of 'AmanahRaya REIT', a top-ten listed Malaysian REIT, and forty nine per cent of 'AmanahRaya-Kenedix REIT Managers'.

"We acquired the 'Vista Tower', a sixty three floor Grade-A office building in the CBD of Kuala Lumpur in September 2017", says Uchida. "We then solved investment structural issues and sold the property to AmanahRaya REIT in January of this year to increase our REIT and diversify our portfolio of assets under management".

In 2015, Kenedix Asia acquired the 'V-Tower' property close to the Japanese Embassy in Hanoi, Vietnam. The following year, the company bought a twenty per cent stake in 'AIRA Property', the real estate development arm of Thailand Stock Exchange listed financial group, AIRA Capital.

"AIRA Capital is interested in expanding into REIT's in Thailand so this was an ideal partnership for us to undertake," says Uchida.

As the property sector gains traction across the region, Kenedix Inc. intends to continue to explore diversified investment opportunities.

"We want to be the intermediary between investors and investments in ASEAN", says Uchida. "We are fully committed to serving investors by tailoring our investment proposals to fit each individual's needs and risk allowances".

[www.kenedix.com/eng](http://www.kenedix.com/eng)



Takahiro Uchida, Executive Officer and Head of Business Development, Kenedix, Inc.

## JPX Exchange Group - Anticipating continued growth in the ASEAN Economic Community

**Japan Exchange Group (JPX) is the financial instruments exchange group under which Tokyo Stock Exchange (TSE) and Osaka Exchange (OSE) operate.**

Over twenty years have passed since JPX established a physical presence in Singapore. In the interim, numerous governments, exchanges, and others in related industries throughout Southeast Asia have offered JPX their generous support. JPX would like to take this opportunity to express its sincere gratitude.

Given JPX's direct assistance preceding the conception of and extending through to operations at Yangon Stock Exchange (YSX), JPX is particularly pleased with the on-going success at YSX, which has welcomed five listings since commencing trading in March 2016

JPX works tirelessly to gain rapport for TSE and OSE from



investors in the region through various initiatives to elevate the appeal of its markets, including introducing Japan's Corporate Governance Code, expanding its product lineup, and enhancing the quality of its market infrastructure with trading and data system upgrades.

In 2015, JPX successfully gained approval from the Monetary Authority of Singapore to convert the TSE and OSE representative offices into official branches - in anticipation of continued growth for Singapore and ASEAN with the establishment of the ASEAN Economic Community (AEC). The two exchanges subsequently obtained recognition as Recognized Market Operators in January 2018 to facilitate the promotion of the Japanese market in Singapore. The group's Singapore branch offices would like to express their hope to serve as bridges for deeper and stronger ties between the ASEAN and Japanese capital markets.

[www.jpjx.co.jp](http://www.jpjx.co.jp)



Akira Kiyota, Group CEO, Japan Exchange Group, Inc.

## Supporting semiconductor and LCD fabrication plants in Japan and the rest of the region

**The success of manufacturers in the electronics industry is intrinsically linked to strong partnerships and alliances within the supply-chain. Semiconductor and liquid crystal display (LCD) fabrication plants require state-of-the-art infrastructure and machinery, suppliers and tech-support in order to operate at the optimal level.**

Komono-based Japan Material Co., Ltd. develops, manufactures and sells gas-supply systems and special-material gas which are essential materials to the manufacturing process of semiconductors and LCDs. The company also designs and constructs general equipment piping and manages supplying ultra-pure water and chemicals.

"Our competitive advantage is that we are a group founded on multi-skilled engineers who are focused on providing a life-line to semiconductor and LCD fabrication plants," says Hisao Tanaka, President of Japan Material Co. Ltd.

"Few companies can offer the level of expertise we are able to deliver through our engineers, all of whom hold various licenses to enable them to manage multiple projects in various industries".

The range of services offered by the company includes 'Total Facility Management' (TFM).

"TFM was launched in order for us to undertake the operational management

at cutting-edge facilities with the aim of reducing our customers' costs", says Tanaka.

Having established an extensive network across Japan and entering the Taiwanese market, the company expanded into Southeast Asia in 2015 by acquiring Singapore-based Aldon Technologies Services Group (ATS). (read related article)

"We saw value in Aldon's strengths as a business and recognized that both our companies could benefit by bringing together Singaporean know-how to Japan and Japan expertise to Singapore", says Tanaka.

"I am very happy with our investment in Singapore both from a business perspective and from a people-to-people standpoint. Singaporeans are trustworthy and share the same values and work ethics as their Japanese counterparts. ATS and Japan Material have similar approaches to doing business and today we share a clear goal in terms of the direction in which we are going".

[www.j-material.jp](http://www.j-material.jp)



Hisao Tanaka, President, JAPAN MATERIAL Co. Ltd.

## Aldon Technologies Services Group - Contributing to stronger Japan-Singapore business ties

**As a Japan Material Group company, Singapore-based Aldon Technologies Services Group (ATS) is today a leading integrated product and services provider for the electronics manufacturing industry.**

Aldon Technologies Services Group offers a wide-range of solutions to meet the needs of wafer-fabrication and electronics-manufacturing customers across the Asian region through two group companies: Aldon Technologies Services Pte Ltd. and ADCT Technologies Pte Ltd.

ATS is a second source supplier for consumables, spares, process kits and chamber parts for electronics, semiconductor and flat panel manufacturers.

The company also specializes in process kits refurbishment and repair services. These include advanced plasma-coating of Y2O3 and Al2O3, Arc Spray, Anodization and Chemical Cleaning. In addition, ATS offers value-added services such as refurbishment, maintenance of robots and other auxiliary equipment and develops and implements "Continuous Improvement Programs" to improve clients' processing efficiencies.



Allen SM Ang, Managing Director, Aldon Technologies Services Group.

ATS's expertise, global reach and position as one of the largest second-source parts providers to wafer fabrication plants in Singapore, attracted Japan Material Group as an investor in 2015.



A Company of Japan Material Group

"ATS's advanced plasma-coating technology is highly regarded within the

semiconductor industry and we have developed a strong client base across Asia and North America," explains Allen SM Ang, ATS Group Managing Director. "Both Japan Material and Aldon share common customers in Japan and a similar business strategy, concept and vision."

The company aims to become a leading integrated product and services provider offering clients cutting-edge technology, not only in the electronic and wafer-manufacturing industries, but also in the repair and overhaul industries.

"We have successfully developed synergies between our companies over the last three years", explains Ang. "We have broadened our business scope, strengthened our bottom-line and invested in our research and development capabilities".

With a 50,000 sq. foot facility in Singapore, associate sales offices in China and Malaysia and business partners in Korea, Taiwan and North America, ATS is embarking on larger projects across the region and contributing to stronger Japan-Singapore business ties.

[www.aldongroup.com.sg](http://www.aldongroup.com.sg)