



British Business Success in Japan

Our market specialists in UK Trade & Investment in Japan are ready to assist your company to successfully enter or expand into the Japanese market.

Innovative British businesses – from large multinationals to smaller family companies – are proving that success is possible in this varied and lucrative market. Around 450 British companies currently have a base in Japan with UK exports worth over £8bn a year. The £4.3bn of goods exports includes pharmaceutical products, chemicals, power generating and electrical machinery. Services exports include sea transport, insurance, business and financial services,

This guide showcases British companies that have recently tasted success in the market and have been assisted by the UKTI Japan team in the British Embassy Tokyo and the British Consulate-General Osaka.

Success: technology

The Wand Company produces a product called the Kymera - a magic wand which is programmed to control a range of devices from television sets to iPods. The company attended the Tokyo International Gift Show in February 2011 to showcase their product. They then commissioned UKTI Japan to identify potential partners, and in April 2011 signed a deal with Links International, a Tokyo-based distributor. The company has subsequently sold over 10,000 units in Japan. They have also featured on the BBC's Dragon's Den programme.

A HUGE MARKET

3rd largest market in the world

GDP twice the size of the UK

Greater Tokyo's economy is bigger than Russia

Central Japan's economy is bigger than South Korea

GDP per person is 10 times that of China

Case Study: Antenna Firm Sends Clear Signals in Japan

A producer of high performance miniature antennas has its future mapped out after a successful launch into the Japanese market. Navigating its way through language and culture barriers, Northamptonshire-based antenna producer Sarantel has credited Business Link Japan and the UK Trade & Investment (UKTI) team with the level of its success in Japan.

With new personnel and a sales office in the capital, new products in development and budding relationships with all their key potential customers in Japan, bosses at Sarantel are optimistic about the firm's future there.

Established in 2001, the company built a significant presence across Europe and the United States. By 2008, it was decided it was time to branch out into new markets. Japan was identified as a possible opportunity. Sarantel already had distributors in Tokyo who had begun to identify potential demand for their technically advanced antennas. Although experienced exporters, the senior team at Sarantel realised they didn't have the necessary experience to deal with such a complex market.

"In the US we had local contacts, local knowledge, similar cultures and no language barrier," explains Chris Muir, Sarantel's Director of Sales. "We knew there would be significantly more challenges entering Japan and that we'd need more support. We had two main objectives. Firstly to identify potential customers and secondly to find license partners for our technology.

Chris continues: "Not only did Business Link Japan already have local presence and expertise in licensing deals but we were able to access UKTI's Overseas Market Introduction Service (OMIS) which uses the UKTI commercial team in Japan to do our research and get us in to see interested customers."

"The relationships we've built since our first market visit give us an immediate legitimacy and relevance in Japan."

Case Study: EvaluatePharma

Japan's pharmaceuticals market is the second largest in the world in terms of prescription drug sales. It is home to several major pharmaceuticals firms with affiliate operations in Europe and the United States, and a large number of medium and smaller-sized companies that are either focused on the domestic Japanese market or are proactively looking to expand their businesses into Western markets.

All of which made Japan an appealing destination to Evaluate Ltd. and CEO Jonathan de Pass. Set up in 1996, the firm provides data through EvaluatePharma for financial, consulting and pharmaceutical and biotechnology companies.

But as most firms looking to do business will tell you, cracking the Japanese market is rarely straightforward. "We knew that we would face a number of challenges to break into the Japanese market," said De Pass.

"The major ones were that we were not a known brand or company in Japan, the market was reasonably well served by other providers, we did not have a physical presence in the country, there were language, business and cultural challenges and we would need to make a significant investment - for our size of business - to build a presence in Japan."

De Pass initially attempted to broach the market here by recruiting an agent with local industry expertise and good connections with Evaluate's target clients, but it quickly became apparent that the events were not bringing the company closer to its target clients.

It was only in 2009 that De Pass realised what UKTI was able to offer. The 2009 trade mission "significantly helped us to generate awareness of our company in Japan," De Pass said, adding that it was well attended and focused and enabled Evaluate to introduce itself to more than 100 senior executives at pharmaceutical firms in Tokyo and Osaka.

Even after the events, UKTI provided continuing support through introductions to other organisations in Japan that could offer further support and advice, such as the Japan External Trade Organisation.

On the basis of the breakthrough in 2009, EvaluatePharma KK was set up in January 2011, with a business development and client service team based in Tokyo. Since then, De Pass said, the business has grown significantly, the company secured all its renewals and sales are rising.

"EvaluatePharma KK's business development operations are now fully set up and we have significantly grown our sales in 2011 by 50 percent since the opening and appointment of the new Japanese business development team," De Pass said. "We also look forward to growing our sales significantly in Japan in 2012."

"Furthermore, with an established team in Japan, we are targeting our business growth plans in other Asian markets, with a particular focus on South Korea, China, Singapore and Hong Kong."

"We are grateful for the assistance and valued advice we have and continue to receive."

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Success: Life Sciences

A **British laboratory equipment and consumables company** commissioned a number of market introduction services after attending the Life Sciences trade mission. As a result, the company received their first order from a Japanese partner in 2011.

Dignified Living, a supplier of innovative assistive products, undertook its first market visit to Japan on the Healthcare trade mission in February 2009. The company identified a Japanese distributor as a result of UKTI Japan's market introduction service soon after that. The company is now distributing to care homes across Japan.

GlaxoSmithKline KK faced a number of market access issues for imported vaccines and sought British Embassy assistance. They subsequently signed an agreement with the Japanese government for the supply of pandemic adjuvanted flu vaccine. GSK is now the fastest-growing pharmaceutical company in Japan.

A **British healthcare software developer** commissioned the Embassy to identify potential Japanese distributors. Its healthcare software products enable the smooth exchange of patients' medical imaging data. A suitable distributor was found by the company, and in August 2011 the software went live at the Osaka University Hospital and its affiliated hospital.

JAPAN: THINGS TO CONSIDER

Business is business in Japan like other advanced economies, but some things are different

Building relationships over time matters

You may need to be patient as Japan is often the market for medium to long-term success

An investment of effort in the market can lead to long-term stable rewards for your business

Quality expectations from business and consumers are high

Case Study: Emma Ball Ltd

Renowned watercolour artist Emma Ball sketches out a bright future for her business in Japan following a recent UKTI visit to Tokyo.

Whether designing for stationery, fabric and giftware or producing limited edition prints and original artworks, Emma's quintessentially English style has made her designs sought after, not only in the UK but all over the world. With regular visits to international trade fairs and distributors on board in both the United States and Europe, the Nottinghamshire based artist was no stranger to the international arena. However, when a Japanese distributor expressed interest in her work she knew that she would need extra support to make the most of the opportunity.

"I wouldn't want to approach a complex market like Japan alone" says Emma, "This was a new market with a very different language and culture and it's halfway round the world."

Emma was invited to a Japan Day to network, meet the Japanese trade minister and listen to expert speakers with a local insight on how to do business in Japan. In the afternoon the group split up for sector specific briefings where a Nottingham based sculptor who had already been successful in Japan gave a presentation from a creative perspective.

The Embassy team identified 15 potential distributors and five appointments were organised for Emma's visit. All the meetings were held in Emma's hotel in Tokyo, with one distributor even flying in from Osaka.

"It would have been daunting to travel around Japan on my own," says Emma, "I was very impressed that all my potential distributors came to visit me and that interpreters were provided when needed."

Things have moved on apace at Emma Ball Ltd following the visit. Extraordinarily, offers were received from all the distributors Emma met. EDOM who have an extensive network throughout Asia, and an experienced brand-building distributor for UK creative companies, were appointed.

Emma adds, "We now have a growing relationship with EDOM and sales are building. The 2011 earthquake and tsunami obviously had an impact on business but things are getting back on track and our distributor handled the situation really well. Japan has a culture where politeness and respect are everything – they are a lovely people to deal with. What a great way to do business."

Published on the UKTI website in January 2012 - www.ukti.gov.uk/japan

Map of Japan



Success: Design

Designwright, a UK design company, recently launched its playground furniture in Japan with Kotobuki, one of the largest furniture companies in the market. They began collaboration following a meeting in the UK whilst Kotobuki were on a UKTI-sponsored design mission from Japan to Britain.

A UK design company, **Keechdesign**, participated in the Japan Design mission in 2010. As a result, they managed to secure an order from Japan's second-largest menswear retailer, Aoki, to design a range of shirts for their British Fair. These went on sale in 100 outlets around Japan in October 2011.

JAPAN IS CUTTING EDGE

68 Fortune 500 companies are Japanese (Britain has 30)

It is hungry for IP: especially high-end electronics, bio-pharma and business services

Increasingly globalised outlook, with English more widespread

Young, internet-savvy, entrepreneurs are challenging old ways

Consumers are early adopters of new products and services

Second highest R&D spend in the world (3.3% of GDP)

Success: Fashion

Several **British fabric manufacturers** received orders totaling £500m from Japan's second-largest menswear chain for suits and jackets for a UK promotion held at over 100 stores across Japan. This promotion came from an introduction made to the company by UKTI Japan.

A **UK fashion company** participated at the Asia Task Force event last year. They subsequently agreed a new distribution agreement for Japan with a joint venture part-owned by the largest department store group in Japan.

Success: Advanced Engineering

Aggreko sought advice from the Embassy before entering into a contract with Tokyo Electric Power Company Inc. (TEPCO). They are renting 200 MW of emergency power from Aggreko to help counter the loss of electric power following the tsunami in March 2011. The contract is for 100 MW of gas-fired and 100MW of diesel-fired generation, on a minimum one year term and came into operation in July 2011.

A **British marine technology company** commissioned a market introduction service from UKTI Japan in September 2011. As a result they have formed a lucrative partnership with a leading Japanese company in the field.

Rolls-Royce signed a letter of intent with the Japanese airline Skymark to provide Trent 900 engines worth \$1bn to power six Airbus A380 aircraft. This agreement includes long-term engine service and support. The aircraft will enter into service in 2014. The Embassy drew Skymark's attention to Rolls Royce's engineering and aftercare excellence.

Success: Food and Drink

Celtic Beer exhibited at the large Foodex event in Japan in March 2011. They subsequently established a contract with a Japanese food and drink agent through an introduction by UKTI Japan.

Frank Cooper, a marmalade manufacturer, entered the Japanese market with assistance from UKTI Japan.



Success: Lifestyle

Race Glaze, a car-care product company, visited Japan for the first time on an East Midlands regional trade mission in September 2011. Through an additional market introduction service, UKTI Japan identified three potential customers and the company received orders from all three of these companies.

Cath Kidston, has held two events at the Embassy to showcase its products to Japanese audiences. The firm has now opened 19 stores nationwide, and in November opened the world's first "Cath's Cafe".

Success: Financial Services

A **large UK bank** regularly uses the Embassy for promotional and networking events. In 18 months this has helped them establish a niche business advising Japanese companies on overseas infrastructure investments, with clients in all the major trading companies.

UKTI JAPAN: OUR OFFER

Experience: A team of unrivalled experience. Our 9 specialist Senior Trade Advisers average over 11 years experience working for British business in the market. Many also come directly from the relevant industries in Japan.

Contacts: One of the strongest contact databases in a country where connections matter. In addition, we have access to a wide-range of Japanese-language resources.

Profile & credibility: The British Embassy is widely respected in Japan. We can open doors, and enhance the profile and credibility of your company, products and services.

Knowledge: Considerable knowledge of the market, the competitive environment, as well as regulatory and quality standards issues in Japan.

Personal service: A one-to-one service with an experienced Sector Specialist providing professional and clear advice.

For more **information** about the current opportunities that exist in Japan for UK business go to: www.ukti.gov.uk/japan

To **contact** the UKTI team directly, please email: exporttojapan@fco.gov.uk