

Approach to Internationalization

Support for SMEs Dealing with Internationalization

Supporting the Internationalization of SMEs

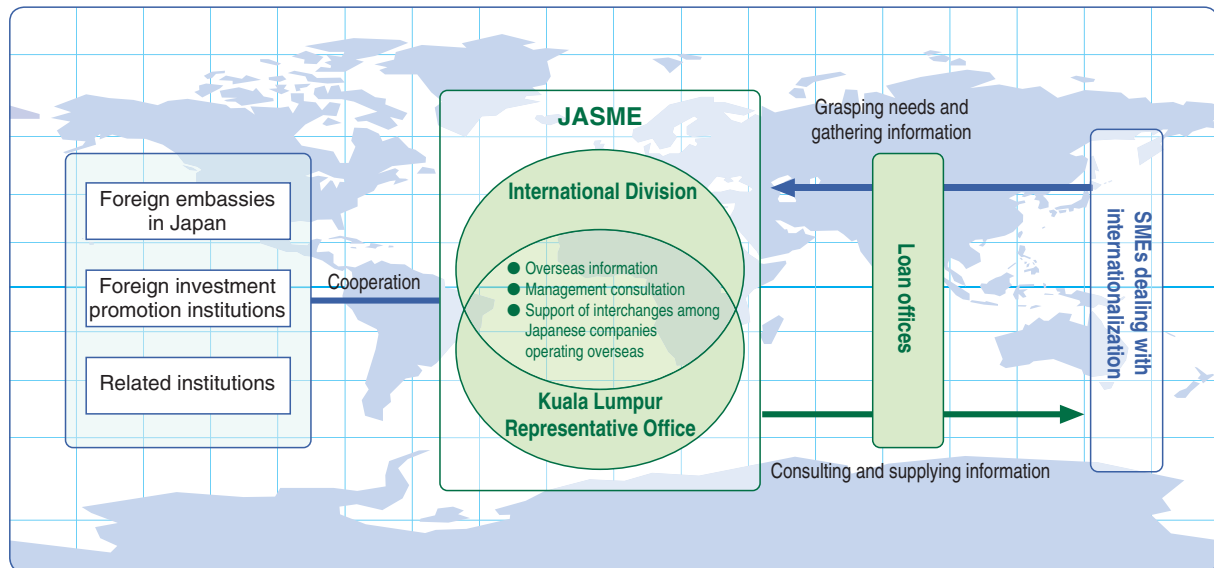
JASME's client companies currently maintain approximately 4,000 overseas subsidiaries. Given the trend toward internationalization, JASME set up its International Division in April 2005 to enhance its support to outward-looking SMEs.

JASME has long provided SMEs dealing with internationalization with timely supply of overseas information. In the ASEAN region, especially, JASME

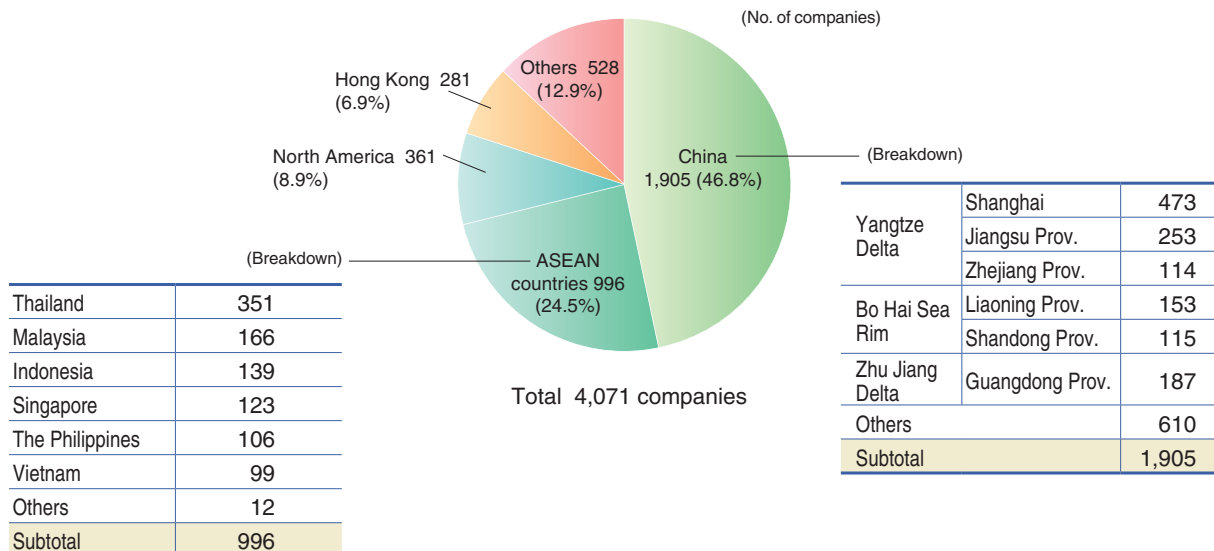
has supported local subsidiaries of its clients via its Kuala Lumpur Representative Office in Malaysia.

In cooperation with related institutions in Japan and overseas, JASME will continue to support internationally active SMEs with a wide range of services, such as the supply of overseas information, consulting services and promotion of interchanges among Japanese companies operating overseas.

JASME's Support for Internationalization



Number of JASME Clients Operating Overseas (As of March 31, 2008)



Consultation on Internationalization

To support client companies developing overseas activities, JASME’s staff visit their head offices in Japan and their overseas subsidiaries to provide consultation on resolution of management problems.

Case Study

Company A has a local subsidiary in Shanghai, China, facing difficulties in securing highly competent local engineers due to the increasing number of foreign companies making inroads into the area. JASME’s staff visited the company’s head office in Japan and presented a brochure entitled “State of Labor Management at Japanese Companies Operating in China” and introduced some successful cases in which turnover rates were reduced significantly by improvements to welfare benefit systems.

Afterwards, JASME’s staff paid a visit to the company’s subsidiary in China and supplied, with the help of an outside expert, key input about expanding business scope as order receipts grow, including some case studies.

Company officials appreciated JASME’s attentive consultation process, which resulted in a solution geared to specific needs that followed visits to the company’s head office and overseas subsidiary.

Disseminating Overseas Information

Surveys on Affiliates of JASME’s Clients in the ASEAN Region and China

JASME carries out an annual questionnaire survey on business conditions of the local subsidiaries of client companies that have expanded into the ASEAN region and China. It has garnered a reputation for being the only survey of its kind that targets SMEs.



Management Information

JASME publishes bulletins to provide overseas information on the ASEAN region and China, where many of its client companies have expanded, to serve as a reference for the managers of SMEs that are considering overseas expansion. The bulletins cover the recent investment environment as well as the establishment, revision and abolishment of laws.



Support in the ASEAN Region

Kuala Lumpur Representative Office

JASME's Kuala Lumpur Representative Office in Malaysia supports Japanese SMEs that are active in the ASEAN region through such means as helping with the formulation of plans for investment in the ASEAN region and providing advice in response to inquiries concerning management after expansion into the region. In addition, by utilizing its network of SMEs, JASME acts as an intermediary to a range of specialists including accountants and lawyers, depending on the specific nature of its clients. (The Kuala Lumpur Representative Office will be relocated to Bangkok, Thailand from October 1, 2008)

JASME held a seminar presented by an accountant and a business network meeting in Thailand in September 2007. Seventy-three people from 58 client companies (Japanese head offices and local subsidiaries) that have expanded into Thailand came together to take part in an exchange of opinions and at the same time to build local networks.

Moreover, in March 2008, JASME collaborated with the Small and Medium Enterprise Development Bank of Thailand, which is a policy-based finance institution for SMEs in Thailand, to hold a business negotiation meeting for its clients, primarily in the food industry. Approximately 20 companies from Japan and 20 from Thailand took part in lively business discussions.




Business Network Meeting for client companies in Thailand (Left) and Business Negotiation Meeting (Right)

Support in China

Given that more than 1,900 subsidiaries of its client companies are operating in China – a number that is growing continuously– JASME has been stepping up support for Japanese SMEs operating in that country by dispatching staff to the Shanghai Office of the Japan-China Economic Association in addition to periodic business trips to China.

In addition to the provision of advice on various management matters, JASME, in fiscal 2007, launched support for interchanges among locally operating client companies. Business network meetings were held in Shanghai and two other locations, attracting a total of 269 participants from 160 companies.



Business Network Meeting for client companies in Guangzhou, China

International Cooperation

Cooperation with Relevant Overseas Institutions

Cooperation among APEC Financial Institutions Dealing with SMEs

To promote cooperation with SME-related financial institutions within the APEC region, JASME signed a MOU ^(Note) with 14 financial institutions in the region, including the China Development Bank (CDB), the Small and Medium Enterprise Development Bank of Thailand (SME Bank) and the Vietnam Bank for Industry and Trade (VietinBank). JASME participates in the annual meeting and engages in technical cooperation and information exchange.

Note: Memorandum of Understanding on Cooperation Among APEC (Asia-Pacific Economic Cooperation) Financial Institutions Dealing with SMEs.



The 4th APEC MOU Annual Meeting (Hong Kong)

Cooperation with ACSIC Member Institutions

The Asian Credit Supplementation Institution Confederation (ACSIC) comprises 16 institutions, including the Korea Credit Guarantee Fund (KODIT), Credit Guarantee Corporation Malaysia Berhad (CGCMB) and the Small Business Credit Guarantee Corporation (SBCG) of Thailand. As an ACSIC member, JASME takes part in the annual conference and promotes the ties with overseas government agencies and financial institutions.



The 20th ACSIC Conference (Indonesia)

Accepting Research and Study Groups from Overseas

JASME cooperates with foreign countries in their efforts to strengthen and expand financial support for SMEs. JASME willingly accepts foreign government officials and research/study groups from overseas by introducing its operations including credit analysis methods.

During fiscal 2007, JASME welcomed a total of 117 visitors from nine countries from across a wide area, including Asia as well as Mexico and Nigeria.

Number of Visitors by Country/Region (Fiscal 2007) (No. of visitors)

China	31
Vietnam	19
Malaysia	19
Thailand	16
Korea	9
India	8
Others	15
Total	117