

Taiwan builds on its brand strength

There are very few countries that have displayed an ability to adapt very quickly to the fast-changing global economy better than Taiwan, which has stepped up efforts to market the country's brand and expand that strength to more industries.

Until the 1980s, the island was known mostly as the world's factory, producing the goods of foreign-based companies, some of which were the biggest and most recognized names in their industries.

Down the road, Taiwan acquired the expertise to develop and market homegrown products that could rival the most reputable brands. Eventually, "Made in Taiwan" became a reliable stamp of quality and reliability for many consumers.

Starting with textiles and moving to toys, sports equipment and basic electronics, Taiwan soon became one of the most important players in the semiconductor and IT industries.

Regarded by many as the single most significant invention of recent times, the semiconductor has been the engine driving the information age, as well as the life-blood of Taiwan.

In 2008, due to superior advances in R&D, Taiwan leapt four places higher on a rating of the most competitive IT economies

around the world, just behind the top-ranking U.S.

Taiwan's biggest names in this field continue receiving global recognition, with local giants such as Lite-On, Transcend and BenQ promoting their brands and products more heavily.

As the global economy transforms itself swiftly, Taiwan, thanks to the government's foresight and strong support, has been just as ready and well equipped to adapt to the ever-changing economic landscape.

Government policies have allowed Taiwan to evolve rapidly through the previous four decades from an agricultural economy into a highly industrialized one. Today, it has shown signs of becoming a major player in the services, pharmaceutical and biotechnology sectors.

Taiwan has every reason to boast about its achievements.

In a report on global competitiveness by the World Economic Forum last year, the country placed third, according to the number of patents granted. Also, the Economist Intelligence Unit recognized Taiwan's outstanding performance in technological innovation and R&D capability.

Meanwhile, Taiwan has been posting GDP growth above the global average despite a world-

wide economic downturn and remains among the top six best locations in terms of investment risk, according to U.S.-based Business Environment Risk Intelligence.

Yet, these achievements have gone largely unnoticed in a world where many companies seem to focus beyond the strait to mainland China.

In fact, Taiwan contributed significantly to China's extraordinary economic expansion – a result of low-cost, mass-production manufacturing capabilities.

It is estimated that between 40 percent and 80 percent of China's information and communications hardware exports are produced in Taiwanese-owned factories.

Some have even gone so far as to say that Taiwan made China what it is today with "all the manufacturing capacity in China being overlaid with the management and marketing expertise of the Taiwanese, along with their contacts all over the world," according to one consultant.

There are over 1 million Taiwanese who live and work on the mainland, and executives based on the island make frequent trips to thousands of factories across the strait.

"Taiwan is the shortcut to the mainland," points out Dr. Gee San, vice chairman of the Execu-



Taiwan has stayed ahead of other economies by developing and entering high-growth industries. A leader in the pharmaceuticals and biotechnology industry, ScinoPharm has been dubbed the newest Taiwanese success story.

tive Yuan's Council for Economic Planning and Development.

Japanese companies have seen this unique advantage and have partnered with Taiwanese companies to help them successfully enter the Chinese market.

While Taiwan's successful ven-

ture into the mainland has had some negative effects on the local economy, the government has implemented "policies for increasing deregulation, stimulating domestic consumption and further facilitating foreign investment," says Dr. Gee.

And over the last few decades, Taiwan's government has been strategically building industrial parks across the island, operated by the Northern, Central and Southern Taiwan Science Parks Administrations.

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Eternal maneuvers to top of high-growth region

In today's highly interconnected world economy, it is necessary for companies to expand and diversify to survive.

"The days of being small and beautiful are gone. Now, you have to be big! Otherwise, you don't have the capability and capacity to have your own strategy," says Eternal Chemical President Allen Kao.

Founded in 1964, Eternal Chemical first diversified its business in the late 1970s when it added electronic materials to its product

range. It hasn't looked back since.

The company has expanded consistently and boosted its market share year after year. Its product line has grown to include resin and specialty chemicals, as well as electronic chemicals for certain goods such as circuits, semiconductors and LCD monitors.

With growth exceeding 15 percent every year for the last decade, Eternal Chemical has eclipsed global giants such as DuPont and Hitachi to become the largest supplier of dry film photo-resist ma-

terials to the printed circuit board sector, where it commands a market share of over 30 percent.

Eternal Chemical has two main product groups: electronics chemicals materials and conventional chemicals, both of which pose their own unique challenges.

In conventional chemicals, price movement is very steady and profit depends on volume, but profit margins are low. On the other hand, electronics materials offer a much more volatile environment.

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Eternal Chemical President Allen Kao

The next generation triumphs

In a country ranked second by the Economist Intelligence Unit for IT industry competitiveness in 2008 and where the Internet penetration rate is among the world's highest, Chunghwa Telecom (CHT) commands an astounding 85 percent of the domestic broadband market.

Bolstered by that strength, the country's largest telecommunications company is transforming itself into a next-generation IP-based network, with the construction of the network completing its first phase, led by Dr. Lu Shyue-Ching, who was named as chairman of CHT last August after spending 12 years as president.

"We are seeing more and more customers migrating from 2G to 3G, and 5G is even becoming available," Dr. Lu says.

Recently, the telco collaborated with HTC – one of the world's largest smart phone manufacturers – to develop the world's first Chinese 3G PDA phone, the

CHT9000 mPro handset.

The new handset and its features – such as "push" mail and a direct-to-server e-mail application – have proved so popular among Taiwanese business users that over 50,000 units have been sold in just two years after going on the market.

With every third mobile user in Taiwan being a CHT customer, the mobile segment is playing an increasingly crucial role in the company's growth as it also secured the rights to sell Apple's iPhone.

During the Beijing Olympics last year, CHT staged another first when it delivered the most extensive coverage of the games on the island by providing content via three mediums.

CHT allowed Taiwanese viewers to watch more than 3,800 one-hour clips via IPTV or MOD (for TV viewers, who had access to seven channels, two of which were in high definition), emome

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Chunghwa Telecom Chairman Dr. Lu Shyue-Ching

A partnership of longevity

When Chung Zaw-Rung stumbled upon a few terrapins (or freshwater turtles) in the waters of Kaohsiung in 1959, the Taiwanese-born farmer immediately sensed a unique business enterprise that, 50 years later, has since grown from a tiny operation into a multi-million dollar biotech enterprise that provides one of the best examples of Taiwan's deep-rooted partnership with Japan.

Starting with just five terrapins, Chung briskly researched and implemented methods to breed these freshwater creatures artificially, and within just two years was sup-

plying 3,000 terrapins a day to downstream farmers.

Before long, the industry pioneer was exporting terrapins to the Japanese, who have long believed in the many health benefits derived from products made from the world's longest-living creatures.

When terrapin imports were banned in 1983, Japanese company Miyaku quickly dispatched experts to Taiwan to help Chung develop a method of processing terrapins into powder and oil before shipping it to Japan. This was the origin of Chia Jei Business Technology Co. Ltd., now

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Chia Jei's staff in front of their manufacturing and training facilities in southern Taiwan



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TTL retains its dominance

Until Taiwan joined the World Trade Organization in 2002, the country boasted several profitable state-run monopolies, with one of the foremost being Taiwan Tobacco & Liquor Corp. (TTL), formerly the Taiwan Tobacco and Wine Monopoly Bureau.

Formerly the sole producer of Taiwanese beer, spirits and cigarettes, TTL competes against many foreign brands in a deregulated and highly competitive sector.

Reporting annual sales of \$1.73 billion, TTL remains the leader in Taiwan, with its market share reaching 80 percent for beer, 52 percent for liquor and 38 percent for tobacco.

"The advantage of TTL is our name. We are 100 percent government owned and consumers trust us. Consumers are familiar with the taste of our cigarettes and liquor. We have to keep this consumer confidence," says Chairman Dr. Wei Po-Tao.

While TTL's Shaohsing wine and Long Life cigarettes remain favorite brands, Taiwan Beer is still the most famous in the country, where annual beer consumption is valued at about \$1.49 billion, or around 60 percent of the island's total alcohol consumption.

While 97 percent of TTL's revenue comes from the local market, the company has expanded aggressively overseas, including in the U.S., Japan, South Korea, and in Southeast Asian countries such as Cambodia and the Philippines.

Given the large number of Taiwanese living and working across the strait, Wei has identified mainland China as TTL's priority mar-



Taiwan Tobacco & Liquor Corp. Chairman Dr. Wei Po-Tao

ket.

"The market is there. There are distributors buying our product and shipping it to China. My job is to turn the existing underground channel into an official channel," he says.

TTL has also invested in advertising, developed new products and improved marketing strategies to include duty-free stores at Taoyuan International Airport and Kaohsiung International Airport.

While talks to privatize TTL are under way, the company remains a distinctive business entity whose true value is hard to determine.

"We will lead TTL as a global player of these consumer goods — beer, cigarettes and spirits. We are very unique because most international companies only specialize in one product. But only a very few have these three lines," says Wei. ♦

<http://en.ttl.com.tw>



TTL's world-renowned Premium Shaohsing Chiew

Long Da helps build firm foundations

Over the past 30 years, Long Da Construction consistently consolidated its reputation in Taiwan through the superior and timely completion of a huge portfolio of residential and civil infrastructure projects.

The first Taiwanese construction firm to be listed in the country's over-the-counter (OTC) market, Long Da has garnered several awards and citations under the leadership of Chairman Chen Wu-Tsung, who has been guided by the principles of quality, innovation, safety and service.

Long Da's excellent reputation and track record attracted the attention of Japanese construction giant Maeda Corp. when it was looking for a partner to build the MRT subway system in the southern city of Kaohsiung.

That successful collaboration will hopefully result in another partnership to construct the Metropolitan Railway Underground Project.

"I'm very grateful for our relationship with our Japanese friends at Maeda. We have both benefited a lot and learned a lot from each other. We appreciate the Japanese values of responsibility, trust and loyalty. These have been vital in establishing our good relationship with them," says Chen, who is also head of the Real Estate Development Association of Kaohsiung.

As Kaohsiung grows more important as a transport and shipping hub between mainland China and Taiwan, Long Da linked up with Chen Yan Building & Construction Group to develop southern Taiwan's biggest residential project, Ming Quan Si Wei.



Long Da Construction Chairman Chen Wu-Tsung



Long Da Construction's newly constructed residential project in Kaohsiung, the largest of its kind in the south of Taiwan

Located at the intersection of two 60-meter green avenues, the 300-apartment structure occupies 15,000 sq. meters, and includes a small forest courtyard and a clubhouse.

The project uses VEM dampers from Nippon Steel Corp., Inax natural stone tiles and aluminum windows from YKK of Japan.

An advanced optical fiber sys-

tem and centralized monitoring equipment highlight the developer's attention to detail, and its focus on customer tastes.

Ming Quan Si Wei is set to become the preferred residence of business executives as it is located close to the Economic and Trade Park, World Trade Center and a popular music center. ♦

www.longda.com.tw

Mastering the art of hospitality



A room at the centrally located Howard Garden Suites

Due to common culture, shared history and close proximity, Japanese visitors and expatriates adjust very easily when coming to Taiwan. Located in the heart of the business and fashion districts of the capital Taipei, Howard Garden Suites has proven quite popular among Japanese visitors, business travelers and tourists alike.

But the hotel attracts guests from other parts of the world as well, drawn by the growing reputation of its well-trained and accommodating staff, as well as excellent amenities and facilities, including high-speed Internet access in every room.

The 14-story hotel has 87 rooms, with or without kitchen, and provides all its guests with a complimentary breakfast buffet that features Asian and Western fare — a perfect way to face a day

packed with business meetings or sightseeing.

Later in the day, Howard Garden Suites also offers all guests complimentary afternoon tea at its Deh-Lin Yuan Café.

The hotel is only a three-minute walk from the nearest subway stop and a 10-minute ride to the Songshan domestic airport. It is also located near the major Chung-Shan expressway.

With the new high-speed train that links Taipei to Kaohsiung and another that will run along the eastern side of the island, most parts of Taiwan will be within easy reach.

Fortunately for visitors, The Howard Hotels Group has 12 other properties across Taiwan, including four in Taipei. ♦

<http://green-suite.howard-hotels.com/>

St. Shine Optical's sharp focus on quality

While all industries require accuracy in production and consistency in quality, there are some specialized businesses that also demand precision. On matters as important as

eyesight, there is zero tolerance in the manufacture of contact lenses.

Founded in 1981 as a lathe cut lens manufacturer, St. Shine Optical has developed enviable expertise in its field to become the large-

est supplier of contact lenses in Taiwan.

With this strong technical background, the company also developed a wide range of products that include cast-mold spheric, toric disposable and cosmetic lenses.

St. Shine first gained access into key Western European and Asian markets when it started production of daily disposable lenses in 2003.

Today it has 1,100 employees, and three subsidiaries in Los Angeles, the Netherlands and Shanghai due to the company's commitment to maintain the highest manufacturing standards and undertake innovative product design.

"Every day, we strive to ensure that everything we do is in line with the St. Shine standard. The eye is the most sensitive part of the body. There is no room for error," says company co-founder and Managing Director Johnson Chou.

Japan dominates the company's business overseas, particularly in

Asia, with every major chain store in the country carrying St. Shine products.

"Japan was one of our first export markets when we were only a lathe cut production company. Our manufacturing standard was built from Japanese standards. We are meticulous about quality," says International Business Director Jason Ong.

"We have already built our reputation among distributors and end-users. We have gained trust throughout the whole chain. This is very important as we gain our foothold in the Japanese market," says Chou.

"We achieved double-digit growth for the past few years and our goal for the next five is to get 3 percent of users worldwide to use our lenses," he adds.

In recognition of its commitment to quality, St. Shine received several international awards over the years, including the "Fastest



St. Shine Optical's headquarters in Taipei

Growing High-Tech Firms" from Deloitte Asia and "Asia's 200 Best Under-A-Billion Company" from Forbes magazine.

But the citation that St. Shine is most proud of comes from home. In 2006, it received the "Golden Root Award," which the government gives out to companies that display excellence and keep their

roots firmly planted in Taiwan.

Since coming out with its first pair of contact lens 30 years ago, St. Shine's objective remains the same — to produce superior-quality lenses with state-of-the-art technology and provide the best possible service to its customers around the world. ♦

www.stshine.com.tw



St. Shine Optical Managing Director Johnson Chou (left) and International Business Director Jason Ong

New name, new game

For over a decade now, Ricoh has been a highly trusted provider of office equipment for many Taiwanese customers.

In October 2008, the leader in multifunction products took a major step forward when it adopted the name "Ricoh Taiwan Co. Ltd." Up until then, the company was acting as a branch of Ricoh's Hong Kong division.

The move reaffirmed Ricoh's commitment to the Taiwan market, which Managing Director Wilson Mak says is the largest office equipment market in Southeast Asia.

Already the top supplier of multifunction products in the U.S., Europe and the Asia-Pacific region, Ricoh is also the only brand in Taiwan to sell and service MFPS and printers directly, providing Taiwanese customers with "one-stop shopping" and "best customer satisfaction" in their OA output needs.

In Taiwan, Ricoh has undertaken a hybrid distribution strategy, wherein it can deal with customers either directly or through partners. The approach allows the company to work with customers more closely via its five major local offices while extending its reach across the country thanks to an extensive islandwide distribution network of partners.

Being a customer-focused business, the strategy has proven crucial for Ricoh as it achieved a machine uptime of 99.7 percent and attended to 85 percent of service calls within two hours in urban areas.



The team at Ricoh Taiwan

Meanwhile, Ricoh has launched Office Consulting Service, a first in Taiwan.

Conducting actual on-site surveys for clients, Ricoh is able to determine, with a high degree of accuracy, the cost per page for each individual piece of equipment used and suggest an office plan accordingly.

Realizing significant cost savings for its clients, Ricoh has secured lucrative contracts in Taiwan and added more clients to its growing roster.

Mak aims to attract even more customers, particularly from the electronics companies that are looking for a reliable partner to help them manage all their office equipment and reduce their costs.

With global revenues of over 2.22 trillion Japanese yen in the 2007 fiscal year, the managing director wants Ricoh Taiwan to be a major contributor to the overall business.

"We want to be No. 1 in MFP



Ricoh Taiwan Managing Director Wilson Mak with the RICOH Aficio™ SP C420DN color laser printer, launched in November

A partnership of longevity

CONTINUED FROM PAGE B1 managed by Chung Shyang-Fong, the founder's son.

Today, Chia Jei commands an 85 percent share of the Taiwan market as it has mastered the most effective way to grow terrapins and process them while maintaining the maximum amount of nutrients. Chia Jei is able to retain 95 percent of nutrients while its competitors retain a mere 40 percent to 45 percent.

Adopting a multi-level marketing plan, Chia Jei has greatly boosted the distribution of its products and has educated consumers about their health benefits along the way.

By using all-natural breeding and processing with the well-being of the terrapins in mind, and investing in facilities and technologies with the health of consumers in mind, Chia Jei has developed a



Chia Jei's range of nutrition products derived from terrapins

trusted relationship with the Taiwanese market.

By becoming a publicly listed company in 2002, Chia Jei further set itself apart from its competition as it proved its dedication to the consumer and solidifying his trust.

Currently, Chung Shyang-Fong is investing more in research as well as in facilities in China to achieve his objective to double his business within two years, increasing sales revenue to \$30 million by 2010. ♦

www.chiajei.com.tw

Eternal maneuvers to top of high-growth region

CONTINUED FROM PAGE B1

"To be successful in electronics chemicals, you have to be fast! The product life cycle is very short. So you must be flexible and respond to rapid changes," Kao says.

This flexibility and quick reaction time is what gives Eternal Chemical the edge on its rivals.

Located in the Pan-China area, a region that Kao refers to as "the world's factory," Eternal Chemical is surrounded by all

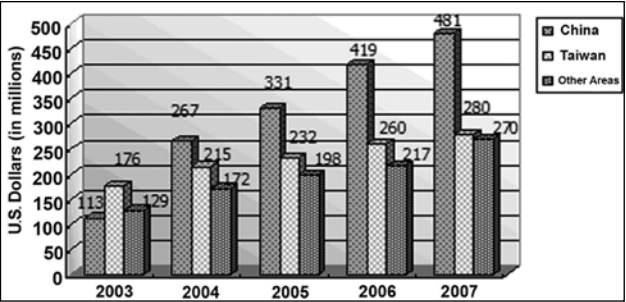
the major producers of industrial chemicals in Taiwan and China.

The China market has also contributed substantially to Eternal

Chemical's growth. Last year, the company opened its 12th and 13th factories on the mainland.

The windfall from Eternal Chemical's boom in China resulted in more business with its Japanese partners, which have increased their orders for their Chinese operations.

"Our sales to Japan may have slowed, but our Tokyo office is busier than ever," Kao



Eternal Chemical's annual sales growth from 2003 to 2007



Taiwan's first Earth station, installed by NEC, serves as a symbol of successful Taiwanese-Japanese partnership.

Taiwan builds on its brand strength

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Each of these parks has established a cluster for each industry it houses, enabling tenants to be close to customers and suppliers.

With the commencement of the High-Speed Rail service in 2007, the entire network is now connected by a 90-minute journey, from end to end.

Further supported by international airports and harbors within close range, these science parks, full of booming industries such as solar cells and biotechnology, are geared for export dominance.

Many of these high-tech industries are exactly the areas where Taiwan would love to extend its time-honored business partnership with Japan.

Masaki Saito, chief representative of the Interchange Association of Japan, believes "strengthening ties with China, and improving cross-strait relations is good for the security and prosperity of the whole region."

In terms of imports, Japan is the largest supplier to Taiwan, evidence of Taiwan's fondness and affinity for Japanese products.

"The Taiwanese understand the Japanese way. They also understand the Chinese way. They are a good partner, so we Japanese should concentrate more on working together with the Taiwanese," observes Marubeni Taiwan Chairman and President Kazunari Yamawaki.

After decades of being a quiet achiever, the high-tech workhorse that is Taiwan has thrust itself fully into the spotlight and has attracted even more of the world's attention. ♦

www.eternal.com.tw

Taiwan

In challenging times, Denso Taiwan provides solutions



Denso Taiwan's headquarters in Taoyuan County, where the majority of the country's automotive parts makers are located

The slowdown in the automotive industry that stemmed from high oil prices and the worldwide financial crisis has posed a host of challenges for the top automotive component manufacturers.

The industry is feeling the pinch in Taiwan, where the number of

motorbike users is rising because of the higher gas prices and the amount of car owners is declining due to improved public transportation.

Denso Taiwan Corp., a leading supplier of advanced automotive technology, systems and components, has instead focused on the

opportunities and solutions that those developments can provide.

We are utilizing our technological and R&D strengths, and creating new added value of products to supply carmakers with superior parts and contribute our effort to strengthen the competitiveness of the Taiwan automotive industry. We also use Taiwan's flexible production ability to expand our export market. We are focusing on the minority of the market to which we can supply and from whom we can accept small orders, such as those for older car models and after-service parts," says Chairman and President Kenzo Hirata.

And with its highly developed IT industry, and with a majority of high-level engineers and production managers located in the country, Denso Taiwan Corp. is implementing the process of development and production on non-automotive electronic products.

The company has been collaborating with its Japan headquarters very closely to survey possibilities in those non-automotive activities.

"We are seeking out new niche markets and utilizing our current advantages to penetrate these markets. All companies within the Denso Group are experiencing problems and we are discussing what specific solutions Denso Tai-



Denso Taiwan Chairman and President Kenzo Hirata

wan can provide," he says.

According to some predictions, it will take some time before Taiwan's automotive market recovers. In the meantime, the company will need to become a streamlined but optimum operation in the region.

"Localization is very important. We want to be a company that can contribute to local society and be welcomed by local people. It is a tough situation now but it is a good opportunity for Denso Taiwan to strengthen our structure and design applicable products for the future," he says. ♦

<http://www.globaldenso.com/en/>

Taiwan Plus Corp. – in a class of its own

Mundane items such as paper, pens, staplers and correction tape attract very little attention, yet Taiwan's stationery industry generates annual sales of more than \$3 billion.

Synonymous with high quality, Japanese office products have dominated the Taiwanese market for several decades.

PLUS Corp., a leading Japanese office supplies maker, continuously reinvents its image to maintain its competitive edge by offering new products to loyal customers.

"We target the elementary student market. Our products win over the student's affection, and they tell their schoolmates and parents about it. Our reputation in Taiwan has grown through oral tradition," President Hiroyuki Mitsuhashi says of his marketing strategy.

Established in 1985, Taiwan PLUS was originally a joint venture with a Taiwanese company up

until 2001, when Japan-based parent company PLUS Corp. became independent of a local partner.

Developing unique, easy-to-use products for the general consumer, PLUS's correction tape series is widely favored among Taiwanese youth, earning a market share of over 70 percent as estimated by local dealers.

"We are the No. 1 brand in correction tape. This year, we hope our sales will reach 13 million units. This is an ambitious target, considering the population in Taiwan is only 23 million," Mitsuhashi says.

In an industry where supply exceeds demand, the Japanese executive knows that attracting customers is not just a matter of quality but also of innovation. PLUS's latest offering is a privacy-protection product called "KESHIPON."

The PLUS brand for Mitsuhashi has an image of high quality, sleek design and competitive costs.



Taiwan Plus Corp. President Hiroyuki Mitsuhashi

"So far, our products have been well received. We will continue to build the brand and we are brainstorming to introduce even more

new products into the market," he says. ♦

www.taiwan-plus.com.tw

Ajinomoto keeps Japanese tastes alive in Taiwanese bellies

Absorbing various cultures, people and lifestyles that have trod its shores, Taiwan boasts of a diverse culinary culture that features flavors from the East and West. Japan is one country that has strongly influenced the Taiwanese attitude toward food.

"The Taiwanese love to eat. Anyone who has ever been to Taiwan will tell you this. Through the years they have become more particular about their eating culture. They understand quality," says Ajinomoto Taiwan President Tomoo Higuchi.

Although a newcomer in Taiwan, Ajinomoto has already experienced what Higuchi refers to as "success stories."

With 57 employees and four offices across the country, Ajinomoto has increased its sales year after year, and its products, such as instant soup Vono and flavored seasoning Hondashi, grab bigger market shares.

"Taiwanese like Japanese soup.

Vono has a thick, rich and creamy texture. The taste is completely different from Taiwanese instant soup. Hondashi is already a very famous seasoning in Taiwan, and is targeted to consumers and the food service industry," says Higuchi.

Ajinomoto's business in Taiwan is focused on three main segments: the general consumer, the food service industry and food manufacturers.

"We will focus more strongly on the food service business in the future. The Taiwanese are willing to spend on food. They eat out 70 percent of the time, so food service is a big market. Of course, there are big giants to contend with, but we are focusing on what we are good at," says Higuchi.

A special team was created to cater specifically to the food industry segment by providing product information and creating a variety of tasty menus using Ajinomoto's products. The team has mainly been targeting small restaurants



Ajinomoto Taiwan President Tomoo Higuchi

and food stands in Taiwan.

As the Ajinomoto group celebrates its 100th anniversary next year, Higuchi intends to breathe new life into the brand by introducing new products into the market. The target for the next two years is to increase Ajinomoto's

awareness rate and brand recognition in Taiwan.

"The Ajinomoto logo is a symbol of quality. Our goal is contribute to Taiwanese culture by enriching lives and enhancing tastes." ♦

www.ajinomoto.com.tw

With PIC/S Nang Kuang has Western market in its sights

Having formed some successful partnerships with the world's biggest pharmaceutical brands, Nang Kuang has set its sights on further international alliances.

Established in 1963, Nang Kuang is Taiwan's leading manufacturer of parenteral drugs and medicines.

Best known for large volume parenteral (LVP) soft bags, in 1996, the company manufactured Taiwan's first non-PVC soft bag. Non-PVC soft bags are a more environmentally friendly and non-toxic alternative to their PVC counterparts, which can produce a hazardous and harmful chemical known as dioxin.

The drug maker has been a premier supplier to Japan since 2001 through strategic partnerships with several Japanese pharmaceuticals, making the island neighbor its largest export market.

Since then, it has gone on to establish links to several Japanese manufacturers as a trusted OEM and ODM partner.

Partnerships with Europeans B.Braun and Merck, which happen to be two of the big-

gest pharmaceuticals in the world, have also helped Nang Kuang develop a commitment to quality and adherence to global standards.

"We are always pursuing the highest quality and trying to meet the worldwide standard in medicine. Nang Kuang is ready to work with any company that wants to have the highest-quality product," says General Manager Wang Yu-Pei.

Recognizing big opportunities for Nang Kuang in international markets, Wang has begun laying the foundations for a push onto the global stage.

Last year, Nang Kuang increased R&D spending to 10 percent and produced 13 new generic drugs. It also opened a brand-new manufacturing facility dedicated entirely to exports and a fully automated warehouse.

With construction of its new anti-cancer drug plant to be completed later this year, Nang Kuang aims to expand even further into the international market, extending its dominance in Southeast Asia and eventually tapping into Western markets once it acquires PIC/S accreditation. ♦

www.nanguang.com.tw



Nang Kuang's newly constructed facilities are dedicated to producing drugs solely for export markets.



Nang Kuang is the only company in Taiwan to make non-PVC and toxic-free LVP soft bags.

CCPC has right prescription for growth



China Chemical & Pharmaceutical's management board

Infrastructure, electrical equipment, machinery, chemicals and metal products have been the industries that have defined long-running trade relations between global economic giant Japan and export-driven Taiwan.

Although still quite young, Taiwan's overall life science industry (pharmaceutical and biotechnology) has shown signs of becoming a major component of the country's economy. Since 2001, it has grown an average of 12 percent every year and has attracted the attention of a growing number of Japanese companies seeking Taiwanese partners.

For more than 50 years, China Chemical & Pharmaceutical Co. Ltd. (CCPC) has led the way in pharmaceutical manufacturing and sets the standards in Taiwanese-Japanese partnerships.

"When my grandfather founded the company in 1952, Sankyo Co. Ltd. (now Daiichi Sankyo Co. Ltd.) assisted us in building our first manufacturing site in Taiwan. In fact, our first plant director was a Japanese executive from Sankyo," explains Chairman and President Derek S. Wang, whose company formed alliances with other Japanese companies, such as Ono Pharmaceuticals.

Since its establishment, CCPC

has made numerous advances in the development of pharmaceutical products across a wide range of therapeutic areas, and has contributed to innovation and R&D in Taiwan's pharmaceutical industry.

Expansion across the Taiwan Strait has also been a major driver of growth since the 1990s. To meet higher demand, CCPC set up Suzhou Chung-Hwa Pharmaceutical & Chemical Industrial Co. Ltd. (SCCPC) in mainland China in 1993.

"We became the first Taiwanese pharmaceutical company to make an investment in China with the approval of Taiwan and mainland China authorities," explains Wang.

With the facilities in place and well-developed manufacturing capabilities, CCPC has begun exporting its products to Japan.

"We do the product development in Taiwan and China, and then we manufacture the products they want with their packaging and brand," says Wang.

The company is expected to partner with more Japanese companies for some of their products that are no longer economically feasible to be manufactured in Japan but can be outsourced from

reputable companies in Taiwan like CCPC.

"We can provide over a half-century of manufacturing expertise in Taiwan and China with the highest quality standards, as well as integrated solutions for their products, such as raw materials to be developed and manufactured to their exact specifications, and dosage forms," says Wang, who hopes to maintain his family's ties with the Japanese. ♦

www.ccpc.com.tw



China Chemical & Pharmaceutical's head office in Taiwan

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BEIJING REPRESENTATIVE OFFICE
TEL: +86-10-65188173

Specialty API with Asian advantages

Driven by the booming market for cheaper generic drugs and a growing trend of offshore outsourcing, the active pharmaceutical ingredients (API) industry is growing at 11 percent a year, nearly twice as fast as the overall industry. According to market research data, the API sector is predicted to reach a value of \$46 billion by 2010.

With such a sizable market predicted for the API business, many specialty pharmaceutical companies were established to meet the demand for a variety of active ingredients. Among those specialists is ScinoPharm Taiwan, Ltd., which works with more than 200 drug companies today, including the world's largest drug makers.

ScinoPharm is Taiwan's flagship pharmaceutical company and was set up more than 10 years ago with significant investment from the Taiwan government, which aimed to promote the local API industry by establishing a world-class API company.

With many Taiwanese studying and working abroad, the government convinced these experts to return home and help build the country's pharmaceutical industry, and make it a leader in the world. Among them were Dr. Jo Shen and Dr. Hardy Chan, two colleagues at California-based Syntex Corp., which has since been acquired by The Roche Group.

Shen and Chan, who have more than 50 years of experience in the pharmaceutical industry between them, set up ScinoPharm in 1997 with two other associates from Syntex, and have since dispelled doubts of cynics by attracting foreign partners and establishing the firm as a major international API company.

"Local investors were used to quick gains, which often characterizes the mainstay of local industries such as electronics and optoelectronics. But we knew that we had to get everything set up just right before we can be profitable," recalls Chan.

In the past 11 years, ScinoPharm's has developed over 40 generic APIs, with eight launched onto the market. Its emphasis on creating its own proprietary process, coupled with swift regulatory registration, has quickly built a broad client base, many with long-term supply agreements. The company has registered at least 320 Drug Master Files in dozens of countries, with 28 in the U.S.

With a team of more than 150 skilled scientists working at its sites in Taiwan and Shanghai in China, the company has developed expertise in R&D to offer a valuable mix of custom API services.

Aside from its generic APIs service, ScinoPharm also provides contract API services to brand drug makers and new drug development companies from clinical materials to commercial production.

The comprehensive life-cycle services place ScinoPharm in a unique position to attract international business. The company has handled 45 New Chemical Entity projects, six of which have entered into Phase III clinical trials and one launched successfully in the major pharmaceutical markets.

Those achievements, combined with what Shen



The interior of ScinoPharm's plant

identifies as the

"Asian advantage" of being able to provide cost-competitive R&D and manufacturing in China, and high-quality IP-protected GMP production in Taiwan, have given ScinoPharm a unique edge in the market and been the key to its success thus far. ScinoPharm has maintained strong double-digit profitable growth since 2006.

Shen and Chan have set their sights on Japan's recently opened-up generic drugs market after the company passed Japan's regulatory GMP inspection in 2008. Japan's pharmaceutical sector presents a great opportunity to local as well as overseas players that all want to capitalize on the growing off-patent medicines business spurred by the government's pro-generic drug reforms.

Recognizing Japan as the biggest source of potential, ScinoPharm plans to establish local distribution links in the country and create partnerships that leverage its strengths in developing and manufacturing complex, highly potent APIs.

The company's cGMP multipurpose manufacturing facility in Taiwan, specifically designed to manufacture cytotoxic and high-potent compounds, can readily handle oncology and hormonal products, as well as most other APIs made of small molecules, peptides and nucleic acids.

With an eye on achieving a dominant position in the specialty API market, ScinoPharm continues to develop services not only in small molecule drugs but also in medium and large molecules.

It has already worked with a number of industry research institutions in developing advanced technologies such as linked drugs and drug-delivery vehicles for targeted cancer therapy. By moving quickly to address the emerging markets, the company is looking to prepare itself for long-term success. ♦

www.scinopharm.com.tw



ScinoPharm's KunShan site in Shanghai, China

New chief takes TCB into new era

Having occupied numerous senior policymaking positions in the last 34 years, Dr. Liu Teng-Cheng retired from the Ministry of Finance last year to become chairman of the Taiwan Cooperative Bank (TCB), the country's largest commercial bank.

At a time when the global finance industry faces its most serious crisis in decades, Dr. Liu certainly has the background and experience to surmount the enormous challenges, and lead such a large banking institution.

As deputy director general of the Department of Finance (DOF) and director general of the National Treasury Agency of the Ministry of Finance, he oversaw the seven ex-provincial-owned banks, and was involved in the supervision and regulation of state-run banks, respectively.

The TCB is Taiwan's largest privately owned bank – second overall only to the government-owned Bank of Taiwan – with more than 300 branches, the highest number in the country.

After decades of stable growth, the 62-year-old bank tops all other domestic banks in terms of assets, loans and deposits. It was listed on the local stock exchange in 2004 and has acquired several smaller banks since then.

The bank has carved a niche for itself in corporate financing thanks to its long-running experience in creating strong consumer loyalty. In 2007, corporate financing accounted for 70 percent of its total revenue while fee income made up 10 percent.

As of September 2008, TCB had five flagship financial planning locations backed by a further 283 financial planning zones. It also installed professional financial consultants in all branches to consolidate its services through cross-marketing to its customer base of over 6 million people.

And in December 2006, TCB and France-based BNP Paribas signed a memorandum of understanding to combine the foreign



Taiwan Cooperative Bank Chairman Dr. Liu Teng-Cheng

bank's expertise and the Taiwanese bank's wide distribution ability to expand the wealth management and life insurance business.

Aside from boosting TCB's wealth management business, Dr. Liu wants to strategically position the bank amid a growing trend of regionalization.

"The regional bank is the future and the greater China area will be the next huge integral market," he says.

At present, TCB has one subsidiary in Belgium, overseas branches in Hong Kong, Manila, Los Angeles and Seattle, and a representative office in Beijing. With improving cross-strait relations, TCB hopes to extend its presence in mainland China with another branch, possibly in Suzhou.

Other potential international branch locations include Sydney and Ho Chi Minh City, where applications to operate are being processed.

The TCB is determined to be the bank of choice for Taiwanese businesses abroad and become a leading bank in the Asia-Pacific region by, as the chairman says, finding its niche. ♦

www.tcb-bank.com.tw

The business of building relationships

Among trading companies, success has always come from building close relationships. And in Taiwan, Japanese trading giant Mitsubishi Corp. has clearly succeeded in forging fruitful ties with its local partners.

Having capitalized on Taiwan's geographic advantages and improving cross-strait relations, Mitsubishi Corp. Taiwan (Ltd.) has helped create competitive business conditions for the domestic economy.

With over 200 bases of operation in 80 countries around the world, Mitsubishi takes pride in the long relationships it has cultivated with the largest companies in Taiwan.

In the last few years, Chairman and President Kazuhira Ogura has witnessed Taiwan's transformation into a technological powerhouse and is determined to increase collaboration with Japan.

"Japan has sophisticated technology, brand power and unique product control abilities. Taiwan has high-quality human resources, quick decision-making capabilities and business know-how in mainland China. We must establish deeper relations between the two sides in order to take advantage of

these benefits," Ogura points out.

Stationed in Taiwan for over 13 years, Ogura is also the senior director of the Japanese Chamber of Commerce and Industry, and has been an honorary citizen of Taipei since 2006. His fondness for Taiwan and belief in its potential is evident.

"I have seen the economy develop over the years and grow into a key player. After careful analysis of the changing business landscape, I intend to strengthen our alliances with local Taiwan companies," he says.

While it strengthens its core business, Mitsubishi Taiwan has also been planning to secure new projects and investments in promising fields such as power, solar cells and aeronautics.

The company has also taken an active role in the major infrastructure projects of the Taiwanese government, including the Taiwan High-Speed Railway and the new power plants.

The inauguration of the Dah Tarn Power Station this year was a milestone for Mitsubishi Taiwan. In cooperation with a local engineering company, Mitsubishi Taiwan was designated as the EPC contractor in 2003 for the gas-fired



Mitsubishi Corp. Chairman and President Kazuhira Ogura

power plant, which upon completion will be one of largest in the world.

"We will try to secure more domestic infrastructure projects such as EPC of power plants, as well as transportation and environment projects in collaboration with local partners," he says.

As part of a commitment to give back to the local community, Mitsubishi Taiwan has expanded its CSR-related activities, such as donations to the institutions connected to Taipei's government, the annual Mitsubishi Charity Concerts and scholarships to Taiwanese students.

Under the group's "Innovation 2009" global strategies, Ogura plans to enhance Mitsubishi Taiwan's business portfolio while continuing to serve as a bridge between Taiwan and Japan.

"In order to compete in the global market, it is essential for Japanese and Taiwanese companies to collaborate. To enable this collaboration, the Japanese business community should know more about Taiwan," he says. ♦

www.mitsubishicorp.com / www.mitsubishicorp-tw.com



Mitsubishi's Dah-Tarn combined cycle power plant in Taiwan, the largest of its kind in the country

Solartech looks toward Japan

The Taiwanese have a deeply ingrained entrepreneurial spirit that has kept their small island nation at the top of high-tech industries, such as the development and production of hard disk drives (HDD), semiconductors and thin film transistor liquid crystal displays (TFT-LCD).

With the growing importance of so-called green energy, Taiwan has capitalized on another opportunity wherein it can harness its existing strength and expertise in high technology to become the leader in another revolutionary field – solar energy.

Backed also by highly skilled manpower, world-class research and a strategic geographic location, Taiwan has readily applied its strengths to create a competitive advantage in the field of solar-cell technology.

One company setting the pace in that burgeoning field is Solar Applied Materials Technology Corp. (Solartech), which was awarded for its Outstanding Performance in International Trade by the Taiwan government's Executive Yuan last year. In 2007, the company's export revenue from Japan soared 86 percent compared to the previous year.

Aside from its tremendous increase in export earnings from Japan, Solartech's overall group earnings increased 57 percent to \$545 million in 2007 from \$347

million the previous year.

A longtime supplier of chemicals to local and Japanese manufacturers of hard drives, semiconductors and flat panel displays, Solartech accounted for 25 percent of the magnetic hard drive market last year, up from 10 percent just two years earlier.

Solartech worked closely with Trace Storage, a local leader in HDD, to build and streamline its production system. And when Japan-based conglomerate Showa Denko formed a joint venture with Trace recently, Solartech made a significant move into the Japanese market.

"Little by little, we boosted our target capability and now we are more complete," says Solartech Vice President Ma Chien-Yung, whose company has also begun a photovoltaic (PV) project with Sumitomo of Japan.

"We have been able to penetrate the Japanese market but it wasn't easy because the Japanese require very tough quality specifications," Ma adds.

Solartech has also diversified its PV business by moving into CIGS, a new semiconductor material made of copper, indium, gallium and selenium that provides a much more efficient, and much cheaper method for converting sunlight into electricity.

Solar Park, located 40 km from its headquarters in Tainan, is a



Solar Applied Materials Chairman Howard Chen (left) receives the Outstanding Taiwan Exporters Award from Chiu Cheng-Hsiung, vice premier of Taiwan's Executive Yuan.

new production facility that Solartech has opened to meet growing demand and rising need for localized support for its mostly American buyers of semiconductors, and for its Japanese buyers of flat panel display components.

Composed of four buildings with a total floor area of 153,000 sq. meters, the first phase of Solar Park was completed early this year. The new complex will first address Solartech's flat panel business. The next phases of Solar Park will accommodate the company's semiconductor and solar-cell divisions.

With the Chinese market still very lucrative and business in photovoltaic panels booming, Solartech built a new factory on the mainland as well.

"A key strategy for us is 'cross-



A leader in this field, Solar Applied Materials develops and manufactures advanced materials for hard disks, semiconductors and thin film transistor liquid crystal displays (TFT-LCD).

strait complementary manufacturing" of the four factories in Taiwan and two others in China," says Ma.

Recognizing the unique needs of its Japanese flat panel display customers, Solartech plans to establish a new company called Solar Japan and is looking for partners in the project.

"We know the Japanese market is increasingly more important for many reasons. So we know that we have to set up a company to support all the potential Japanese customers directly. The CEO or president can be Japanese. We can be the chairman. It can be a joint venture. We are quite flexible," stresses Ma.

"We can, through our manufacturing and our core strengths, contribute to the value of our Japanese customers' products. So what the Japanese partners want, through Solar Japan, they can have," he says. ♦

www.solartech.com.tw

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Brand Quality with Asian Advantages

Scino Pharm® Taiwan, Ltd.
provides a full range of API services from process development, production of early phase clinical trial material to large-scale manufacturing for commercial launches. Supported by our unique blend of technical expertise and unmatched regulatory know-how along with Asian productivity, we can serve your R&D and manufacturing needs quickly and efficiently.

Special Capabilities

- High potency & cytotoxic compounds
- APIs for injectables
- Complex molecules
- Custom cGMP peptides
- Nucleic acids synthesis
- Recombinant proteins & monoclonal antibodies

We are currently seeking talented, highly motivated individuals to join our rapidly expanding company. Interested individuals are encouraged to send your resumes to: resume@scinopharm.com.tw

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Generic APIs
Contract Research & Manufacturing
Biopharmaceutical API services

Growing Together with Taiwanese Society

~Social Contributions~

《Basic Policy on Social Contributions》

Mitsubishi Corp. engages in a wide range of activities that contribute to communities around the world based on an awareness of our responsibility to be a good corporate citizen.

《Music for the disabled》

Mitsubishi Corporation Taiwan has carried out extensive contributions to Taiwanese society. We recognize that music is a good tool to communicate with the disabled. So, we held the "Mitsubishi Charity Concert" for the "Taipei Municipal Yang Ming Home for the Disabled" and the "Angel Hearts Family Social Welfare Foundation." Our employees also join volunteer activities, such as a charity bazaar wherein we sold products made by the disabled. Moreover, we donated a pickup truck and a bus to help in their transportation needs, and gave a greenhouse for the disabled for them to gain experience in agriculture.

Background picture : Mitsubishi Charity Concert in 2007

Mitsubishi Corporation (Taiwan) Ltd.
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