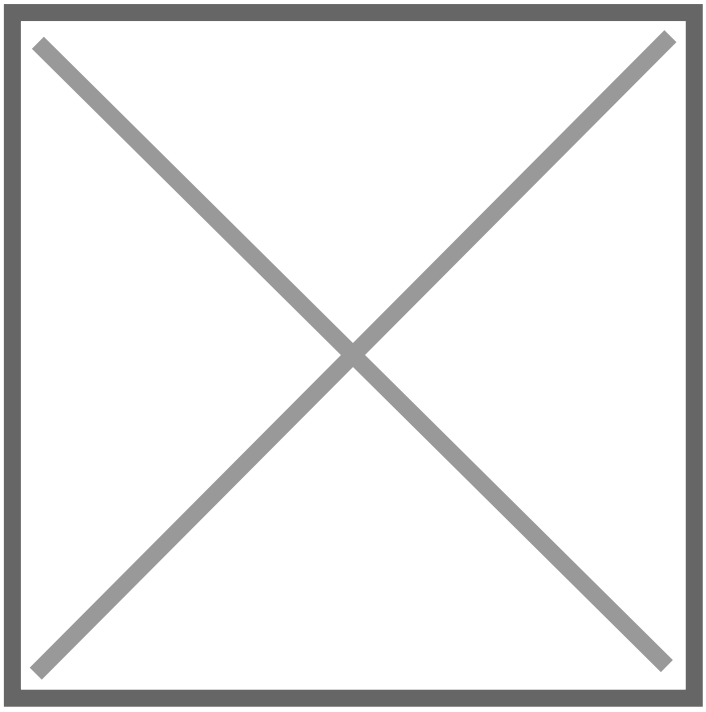
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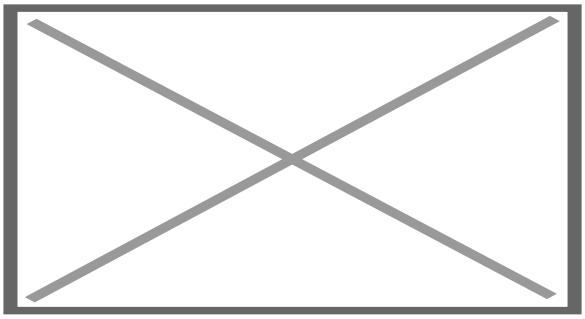
Japan to have 1000 biotech companies by 2010

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The Japanese government has made very strong commitments to support development of biotechnology industry and small businesses. The Japanese government estimates that its biotechnology market will reach 25 trillion yen and create at least 1000 new bio-based companies, driven primarily by transferring basic research and development into industries that are entrepreneurial in nature.

Japan in 1998 had just 10 companies and by 2002 there were 333 bio-companies. In 2004, there were 450 bio-companies. In their Statistical Analysis of Japanese "Bio-ventures" in 2003, Japan Bioindustries Association (JBA) reported identifying over 330 bio-ventures earning a total of 105 billon yen in sales in Japan. Over one-third of these ventures, 154, were bio-medical ventures in the Kanto area. The top four commercial areas were pharmaceuticals and diagnostics (94 companies), DNA and protein analysis (78 companies), bioinformatics (41 companies), and reagents and research tools (38 companies).



According to Dr Yasuhiro Hashimoto, president and CEO, MediBic, unlike in the US where small entrepreneurial companies made the first steps into biotech, large established Japanese companies were the pioneers in Japan's early biotech industry. The Japanese government has funded long-term projects. About 46 percent of bio-based companies are spin-offs from the larger companies that are seeking to commercialize academic research.

Dr Hashimoto further added, "Japanese pharmaceutical companies look for alliance partners aggressively. Major targets for their partners are US/EU biotech companies. Now they are closely looking at China and India. The alliances with Japanese biotech companies have just begun now."

"Japan is not familiar with the Indian biotech industry"

-Yasuhiro Hashimoto, president and CEO, MediBic

MediBic's president and CEO, Yasuhiro Hashimoto was in Bangalore to attend the annual biotech event Bangalore Bio and shared some views on how India can forge better ties in biotech with Japanese companies, with Priya Padmanabhan of CyberMedia News. MediBic, founded in 2000, went public in 2003 and has a market cap of $100 million.

Are Japanese biotech companies aware of the potential that India offers right now?
The Japanese industry is not familiar with the work that is going on in India. For partnerships, many Japanese researchers have historically looked towards US and Europe. Biotech is a new area of focus and the Japanese industry is now looking at opportunities in China and Korea, which are geographically close.

Historically, Japan has no connections with India. Besides the distance, language is a barrier. Indians speak English but that is a disadvantage if one has to do business in Japan. Countries like Korea, China, Taiwan and Singapore have Japanese speaking people, which make it easy to do business. India should do something to address this problem.

While big companies like Toyota find it easy to come to India, for researchers it is difficult since we are smaller companies. People learn about India's technology, excellence and standards largely through Silicon Valley in the US.

Can you tell us about your partnership with Strand Genomics, in which you have invested recently?
Strand works with pharmaceutical companies to provide total solutions to Japanese pharmaceutical companies. They are looking for technologies to make their research better like in silico drug discovery. We get inputs from pharmaceutical companies and so Strand is able to customize their products to suit Japanese customers.

MediBic's association with Strand Genomics has made the latter very famous in Japan.

We are demonstrating the results of a successful relationship with India. Initially, the Japanese customers thought Strand Genomics was an American company.

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