DSM Japan Engineering Plastics KK

DSM Japan Engineering Plastics KK, a segment of Dutch life and material science company Royal DSM NV, was incorporated in Tokyo in 2003. The company opened the DSM Engineering Plastics Japan Technical Center in Yokohama in 2013 to provide solutions that utilize its sophisticated technologies for customers not only in Japan, but also overseas.

Royal DSM NV (“DSM”), the parent company of DSM Japan Engineering Plastics KK, was founded as a state-run coal-mining company in the Netherlands in 1902. Having expanded its business to fertilizer, petrochemistry and functional chemicals since its foundation, DSM is now engaged in “life sciences” that deal with nutritions such as vitamins and “material sciences” that handle plastic materials for industrial use at more than 200 locations in 55 countries around the globe.

DSM began expanding its business into Japan by establishing its representative office there at the beginning of 1980, which was then incorporated as DSM Japan in 1990. In 2003, DSM Japan Engineering Plastics KK (“DJEP”) was established as a segment engaged in material sciences.

DJEP opened the DSM Engineering Plastics Japan Technical Center in Yokohama in April 2013. Establishment of the research and development base in Japan has enabled the company to respond to the needs of Japanese manufacturers faster and to drive forward technological development and innovation by applying global trends and the latest findings.

**DJEP’s advantage**

DJEP is a supplier of plastic materials that have among the most advanced performance in the world and excellent thermal resistance. Its products are used as materials for various modules and components of automobiles, mobile phones and personal computers both in Japan and overseas. DJEP acquired polyamide business from Mitsubishi Chemicals in 2010, which added a new product line and led to DJEP’s increased presence in Japan. Currently, the company boasts about a 20% market share of a nylon resin called PA6 in Japan.

**DJEP’s advantage is a global supply capacity** that makes good use of all of its own production and sales bases in Asia, Europe and North America. This allows smooth delivery of DJEP’s products to manufacturers that have production bases in every corner of the world. Amidst a trend which has seen companies review their supply chains since the occurrence of the Great East Japan Earthquake, many have shown interest in DJEP’s global supply capacity.

In addition, DJEP has “an excellent development capacity for particular usages.” DJEP proudly has engineers with extensive knowledge on machines and parts as well as chemicals in order to develop products on a customized basis so that each product will suit a customer’s needs. Having set up a framework in which DJEP’s engineers can...
have technical discussions at a deep level with its customers, DJEP is able to dig deeper to find where customer’s needs lie. As a result, DJEP is able to provide unique solutions that cannot be realized by other companies.

**Attractiveness of Japanese market**

Mr. Hiroshi Yoshida, Managing Director of DJEP, says the Japanese market has two major elements of attractiveness: the first is “the presence of excellent customers.” In Japan, there are a great number of automotive and electronics manufacturers conducting global business. Adoption of a product by these companies will lead to wider deliveries of such products to their production bases all over the world. Since most of these global companies determine product specifications at their headquarters in Japan, it is extremely advantageous for a supplier to locate a base in Japan in order to have its products adopted by Japanese companies. Mr. Yoshida says, “It is very worthwhile to expand your business into Japan even if only for the possibility of forming business relationships with the Japanese companies leading the world.”

The second element of the attractiveness is “the high innovation capacity of Japanese manufacturers.” In the engineering plastics industry, great importance is attached to how to replace metal parts of finished products with resin. In Japan, sophisticated design technologies are being developed every day that are needed for the replacement of metal parts with resin. Mr. Yoshida is enthusiastic, saying, “Through our business in Japan, we would like to be able to actively join the innovation led by Japanese companies.”

**Establishment of Japan Technical Center**

DJEP established the Japan Technical Center as its first Japanese research and development base in Yokohama, Kanagawa in 2013. The premises, with a gross floor area of 740 m², are equipped not only with test instruments, but also with a small-scale production line that can produce samples of a new product. Building this technical center has enabled DJEP to perform evaluations on its products and provide information services in Japan, both of which were previously commissioned to third party organizations or other technical centers overseas. Thus, DJEP has realized a faster response to the various needs of its customers. This center plays an important role in responding to the high levels of demand of Japanese companies and in taking advantage of business opportunities.

Although it is only two years since its establishment, the utilization rate of the Japan Technical Center is very high. The facility’s high standards of quality are well known to DSM group companies overseas, with many clients sending their samples all the way to Japan from their home countries to have them evaluated.

**Future business development**

As the number of cases gradually increases in which DJEP’s products are adopted by Japanese global companies and introduced at their international production bases, DJEP is planning further expansion of its business. Mr. Yoshida says, “We are willing to work hard and actively to become involved in our customers’ product development process by utilizing the technical center in Yokohama.” He sees room to enter the global business that is being developed by Japanese companies. Japan is
one of DJEP’s most important strategic bases in Asia.

DSM began active efforts to promote open innovation in Japan since 2012, and is now leads the entire group in this area. Collaborating with companies and universities that have innovative knowledge and ideas, the company aims to create a globalized business expanded from Japan.

Support from municipality and JETRO

The building of the Japan Technical Center was subsidized by the “Subsidy Program for Projects Promoting Asian Site Location in Japan” by the Japanese Ministry of Economy, Trade and Industry as well as the “Yokohama Targeted Industry Location Promotion Subsidy Program” by the City of Yokohama. JETRO Invest Japan Department provided the company with a variety of incentive information for setting up its research and development base in Japan. It also provided with consultations on application for subsidies in the capacity of the secretariat of “Subsidy Program for Projects Promoting Asian Site Location in Japan”.

Mr. Yoshi da says, “The support from the Ministry and the municipality helped us decide the location of this technical center. After visiting a number of other candidate sites, we concluded that Yokohama was the best with an adequate space and convenient transportation.” Having forged relationships with the ministry and the municipality, DJEP was also able to impress upon prospective customers considering business with the company that it is officially recognized by administrative agencies as eligible for subsidiaries.

Mr. Hiroshi Yoshida, Managing Director of DSM Japan Engineering Plastics KK

(September 2015 Interview)

Corporate history

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1902</td>
<td>DSM founded in Heerlen, the Netherlands</td>
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<tr>
<td>1980</td>
<td>DSM’s representative office established in Tokyo</td>
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<tr>
<td>1990</td>
<td>Representative office incorporated as DSM Japan</td>
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<tr>
<td>1997</td>
<td>DSMJSR Engineering Plastics KK established through merger with JSR</td>
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<tr>
<td>2003</td>
<td>DSM Japan Engineering Plastics KK established</td>
</tr>
<tr>
<td>2013</td>
<td>DSM Engineering Plastics Japan Technical Center opened in Yokohama</td>
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**DSM Japan Engineering Plastics KK**

Establishment: October 2003  
Business: Material Sciences
Parent company: Royal DSM NV

Address: The Front Tower Shiba Koen 8th Fl, 2-6-3, Shiba Koen, Minato-ku, Tokyo, 105-0011, Japan

URL: http://www.dsmjapan.com

**JETRO’s support**

- Provision of incentive information
- Provision of consultation on subsidies