

ACE Japan KK

Myanmar-based ACE Data Systems Ltd. is one of the largest companies in the growing offshore market in the country. The company, having established its first overseas base in Tokyo, is aiming to expand its business in Japan together with its Japanese partner company.

ACE Data Systems Ltd., a company which provides software development and offshore IT outsourcing services for corporations in Myanmar, has established ACE Japan KK in Tokyo as a joint venture with USE Information System Development Co., Ltd., a system development company in Japan.

ACE develops software for money transfers, payment, human resource management and customer management for its clients in Myanmar such as national and private banks and distribution companies, and sells such software to these clients. The company also provides offshore IT outsourcing services to overseas companies. Since its foundation in 1992, the company has been steadily expanding its business to become one of the largest IT companies in Myanmar with approximately 420 employees and annual sales of about 5 million dollars (500 million yen) within the group. The group has various operating companies engaged in areas such as consulting, trading and mobile services. The comprehensive services that the group offers are highly appreciated by Japanese companies as well.



Reason for its business expansion in Japan and facts behind it

Ms. Chizuko Funabashi, CEO of USE and President and CEO of ACE Japan, gives “a growing need for offshore development services among Japanese companies” as a reason why ACE expanded its business in Japan. In Myanmar, because of the rapidly expanding domestic IT market due to the country’s recent economic growth, as well as its lower labor costs compared to other countries such as China and India, the market for offshore development on a contract basis has been growing. Also in Japan, more companies are using offshore development services in Myanmar and there are many Japanese companies who wish to partner with ACE having a high profile in the market. ACE and USE cooperated together in a project by a major research institute in Japan, which led to the establishment of the joint venture this time.

In offshore software development in general, the leader in a development team plays an important role, connecting the team and the Japanese company that placed the order. The development team leaders are required to have language skills to understand technical specifications written in Japanese, to have a thorough knowledge of both the development site and the headquarters and to be capable of managing the entire project. Currently in most cases, Japanese companies send their employees to Myanmar, but due to the recent rise in the cost for having someone stationed, more companies are looking for local staff with advanced Japanese language skills as an alternative way for continuous system development.

Success Stories –ICT/Software

In this situation, one of the client companies of ACE, a major electronics manufacturer in Japan made a suggestion - “We would like Myanmar staff of ACE to come to our office in Japan to learn programming skills and Japanese, then would like them to lead our projects in Myanmar after going back there.” This suggestion was a big trigger for ACE’s business expansion in Japan, which led to the establishment of ACE Japan.



ACE employees at work (Yangon City, Myanmar)

Ms. Funabashi says that there was a “relationship of mutual trust” behind the fact that the establishment of ACE and USE’s joint venture went smoothly. The companies agreed on making “building a win-win relationship” the top priority in their management attitude, and have built a medium-to-long-term relationship by signing an MOU before the establishment of the Japanese subsidiary and so on. This relationship of mutual trust that the companies built came to fruition and “ACE Japan was established.”

Bridge between Myanmar and Japan

Myanmar employees on loan to the above-mentioned Japanese client company from ACE Japan are studying Japanese hard every day and the company is actively supporting their studies. “Our Myanmar employees are learning Japanese seriously

and aspiringly,” says Ms. Funabashi. She also says that many of their clients are happy with how their offshore service levels have improved as the Myanmar employees’ Japanese language levels have increased. In addition, the company plays a role in contributing to building the relationship between the two countries in areas other than business, by putting up an exhibition booth at the Myanmar Festival, a Japan-Myanmar cultural exchange event annually held in Tokyo since 2013, hosted by Japanese citizen groups and the Embassy of the Republic of the Union of Myanmar in Japan, among others.

Future business development in Japan

It seems that the company is receiving more and more inquiries about offshore services in Myanmar partly due to the extensive news coverage of the “establishment of ACE Japan”. The company currently has six Myanmar employees working in Japan, but in the future, in order to expand the offshore business in Myanmar with Japanese companies, the company will increase the number of Myanmar employees working in Japan up to 10 to 20. In addition, they are planning to work on the development of infrastructure in Myanmar through the projects of the Japanese government, such as ODA.



At the Myanmar Festival in October 2014
(Zojoji Temple in Tokyo)

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Mr. Zaw Moe Thant, Myanmar representative of ACE Japan (third person from the left in the back) and staff members

JETRO's support

In order to set up its Japan subsidiary, JETRO's Invest Japan Business Support Center (IBSC) provided the company with a range of support and services, such as consultations with experts in the fields of company registration, visa, tax and labor

matters. JETRO also helped them by introducing some local service providers. Ms. Funabashi says, "Contact was made with JETRO directly through USE. JETRO's advice on establishing a company was a great help to us. On every occasion, they were very considerate in their guidance so that we could complete the procedures smoothly."

(April 2015)

Corporate history

- 1992 Established ACE Data Systems Ltd. in Myanmar
- 2012 Entered business tie-up with USE Information System Development Co., Ltd.
- January 2014 Established ACE Japan KK as joint venture with USE

ACE Japan KK

- Establishment: January 2014
- Business: ICT (Software development, etc.)
- Parent company: ACE Data Systems Ltd.(Myanmar)
- Address: 2nd Floor, Kanda NR Building, 6-4-1, Sotokanda, Chiyoda Ward, Tokyo
- URL (parent company): <http://acedatasystems.com/>