

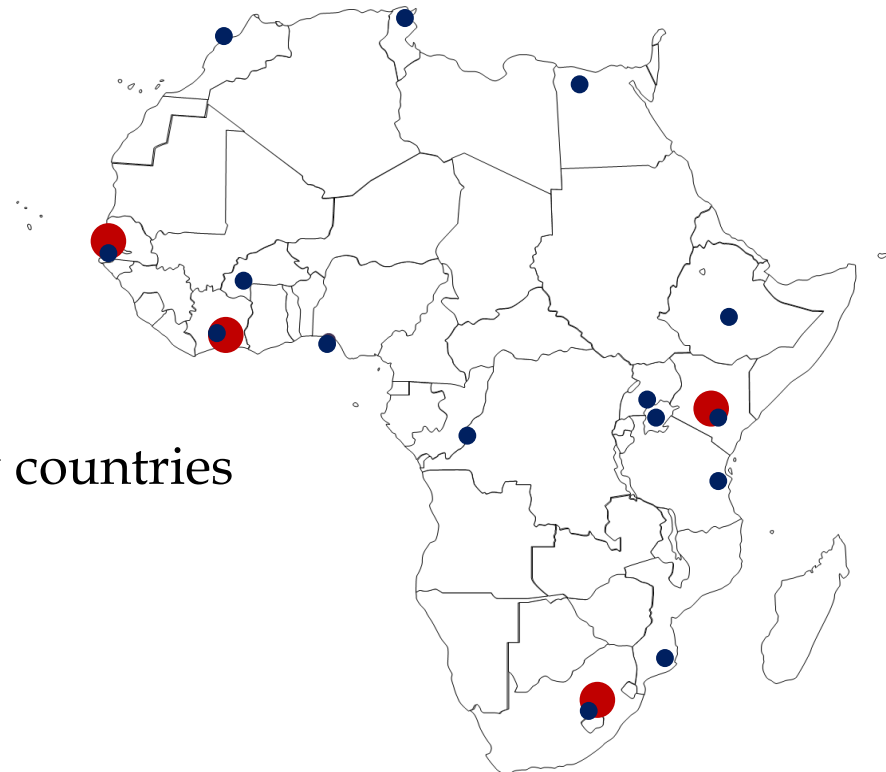
Partnership matters for African and Japanese companies in African business



Africa Business Partners LLC
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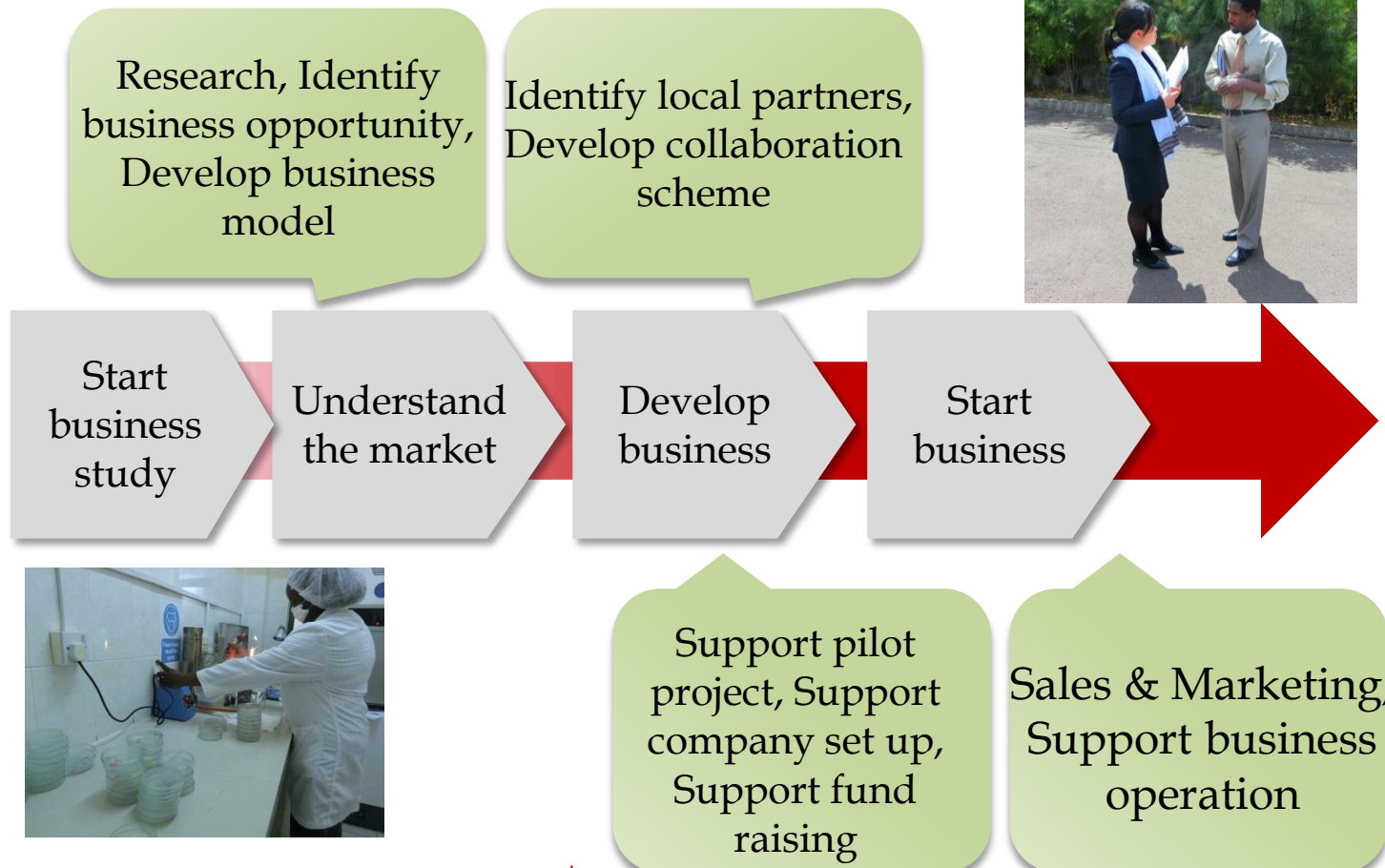
Overview of Africa Business Partners

- ▶ Established by 3 Japanese to provide business development services to Japanese companies who want to do business in Africa
- ▶ We have local offices in Kenya and Senegal and are preparing new offices in South Africa and Côte d'Ivoire (Red mark)
- ▶ We have track records in many countries of Africa (Blue mark)



Our mission is Developing Business in Africa

- ▶ We support Japanese and African companies' business to move forward



AFRICA BUSINESS PARTNERS

What is the biggest issue for Japanese companies to do business in Africa?

- ▶ Security? Political stability?
- ▶ Distance?
- ▶ Lack of Information?



- ▶ No. lack of Connection / Network between Africa and Japan are more impacted
 - If you don't know anyone in the country, it is impossible to start business and succeed there.

Lack of connection Issue

- ▶ We search and identify your partner from our network of Japan and Africa
- ▶ We are also going to establish a membership organization for Japanese companies that provides connection with African business people



- ▶ Gap of communication method / business method make more difficult to move partnership ahead

Gap of communication

(1) Objective and Goal should be discussed

- ▶ If you don't share each idea on business objective and goal in the first step of making partnership, the business gap becomes bigger.

Japanese Company

- ▶ When Japanese companies work with Japanese companies, they don't have custom to confirm objective and goal because they can imagine the other's idea naturally

African Company

- ▶ African companies also have their own ideas but they also don't discuss with Japanese

Gap of communication

(2) Misunderstanding about competitive environment

- ▶ Now, in an office of African excellent company, many local and international companies are doing business meeting.

Japanese Company

- ▶ Japanese companies don't understand that they should visit frequently to get business from African Company. Already African business is competitive. Connection is one of the most important factors of success.

African Company

- ▶ African companies can't react and manage every potential customers because of lack of resource

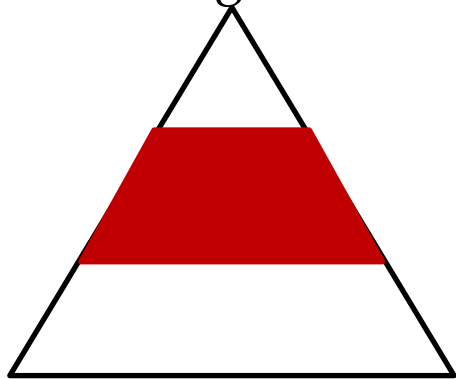
Gap of communication

(3) Right person and method of business development are different

- ▶ A system of process management of business development is different between Africa and Japan

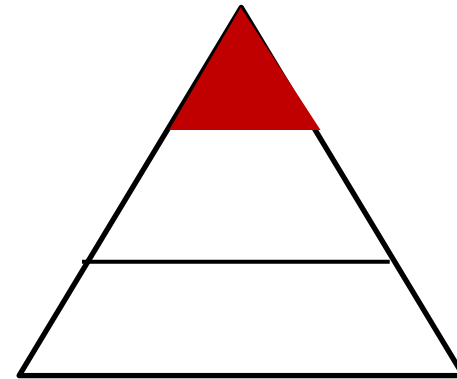
Japanese Company

- ▶ In Japan, middle management people manage and operate business perfect. After all has been determined, top person appears on stage



African Company

- ▶ In Africa, top person manages and decides everything



Take-away

Partnership with long-term common goal based on decent communication matters for business between Africa and Japan

- ▶ We, African company and Japanese company should understand that we have different method
- ▶ Therefore, we need frequent and decent communication to develop business
- ▶ Assistance of communication make the business development faster and move it ahead

We briefly introduce two case studies regarding partnership

- ▶ Case Study 1: Even good product cannot penetrate the market without partnership
- ▶ Case Study 2 : Good partnership enables market entry

Case Study 1: Even good product cannot penetrate the market without partnership

A Japanese company identified one Senegalese company as a potential distributor

- ▶ Introduced by some Japanese in Senegal, a Japanese company (Company “X”) approached the Senegalese company (Company “S”) as one of the potential distributors
 - X has already set up business of the product in other African countries

- ▶ X thinks S is one of the most attractive potential partners in Senegal
 - S has a business related to the product of X in Senegal
 - S’s lucrative business network in Senegal was attractive for X
 - CEO of S has international business background which gave X some confidence to appoint S as partner

- ▶ X started communication with Company S

Case Study 1: Even good product cannot penetrate the market without partnership

The recognition gaps emerged and were understood as “conflict” between X and S

Example issue 1

X claimed for delayed response from S

Recognition by Company X

- ▶ Incompetent business capacity and lack of discipline of the company

What really happened in S?

- ▶ Some emergent issues were there
- ▶ Only CEO can handle the issue
- ▶ This cannot be disclosed to the external people

GAP

Example issue 2

X requested to order one container, but S refused

Recognition by Company X

- ▶ The product is so good that S can sell easily
- ▶ No intention to develop business by S even for good product
- ▶ Cheated by Company S

What really happened in Senegal?

- ▶ As the market for the product doesn't exist, market creation should come first
- ▶ For mutual benefit by long-term business success, both party should pay together for market creation activity

GAP

The relationship between X and S was “X v.s. S”, which is not “partnership”

Case Study 2 : Good partnership enables market entry

Our company considered to make investment into rice milling company “GAA” in Senegal

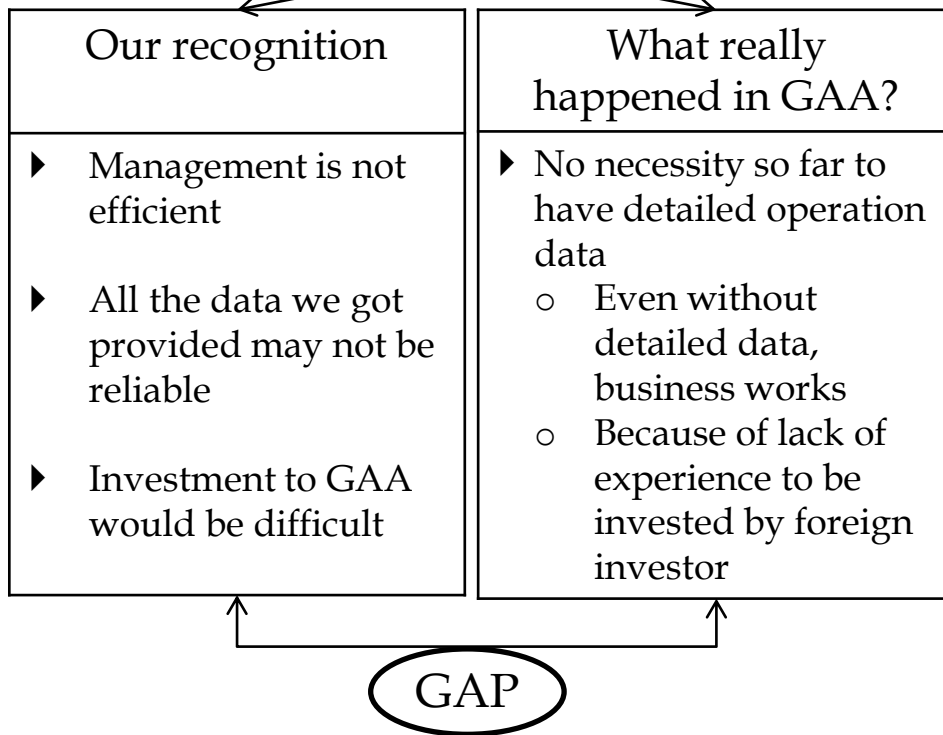
- ▶ We think agro-business is one of the promising field in African business
- ▶ Real investment by our company to such business can generate business opportunity for the other Japanese companies
- ▶ We identified GAA as target company for our investment
 - Investment opportunity exists in rice milling business in Senegal
 - Many private companies exist in Senegalese rice milling business
 - However, demand is higher than supply still
 - GAA is one of the good company to invest
 - GAA is one of the largest rice millers in Senegal
 - Good financial performance
 - GAA’s CEO has international financial business background
 - GAA has good business network in Senegal not only for agriculture
 - GAA has plan to extend business in Côte d’Ivoire

Case Study 2 : Good partnership enables market entry

We set long-term business development process with GAA as partner to tackle with issues

Example issue

Detailed operation data didn't exist



Actions taken

- 1** Set long-term common goals
 - GAA wanted to enlarge business in Senegal and Côte d'Ivoire
 - GAA wanted to be partner with ABP to bring Japanese technology and products
 - ABP wanted to introduce good agro-business opportunity in Africa to Japanese companies→ GAA and ABP confirmed the intention to bring investment from Japan
- 2** Discuss in detail about the long term business development
 - GAA and ABP decided to do real transaction at this time anyhow
 - ABP can provide some financing & consulting service and wants to make this case profitable
 - GAA can provide business opportunity and has intention to know what Japanese investors want→ As the 1st step, ABP provides loan to assure return, with consulting to manage operational data which benefits ABP as upside earning

We successfully established the relationship of “GAA & ABP v.s. short-term issues” to achieve long-term goal

Introduction of Africa Business Partners

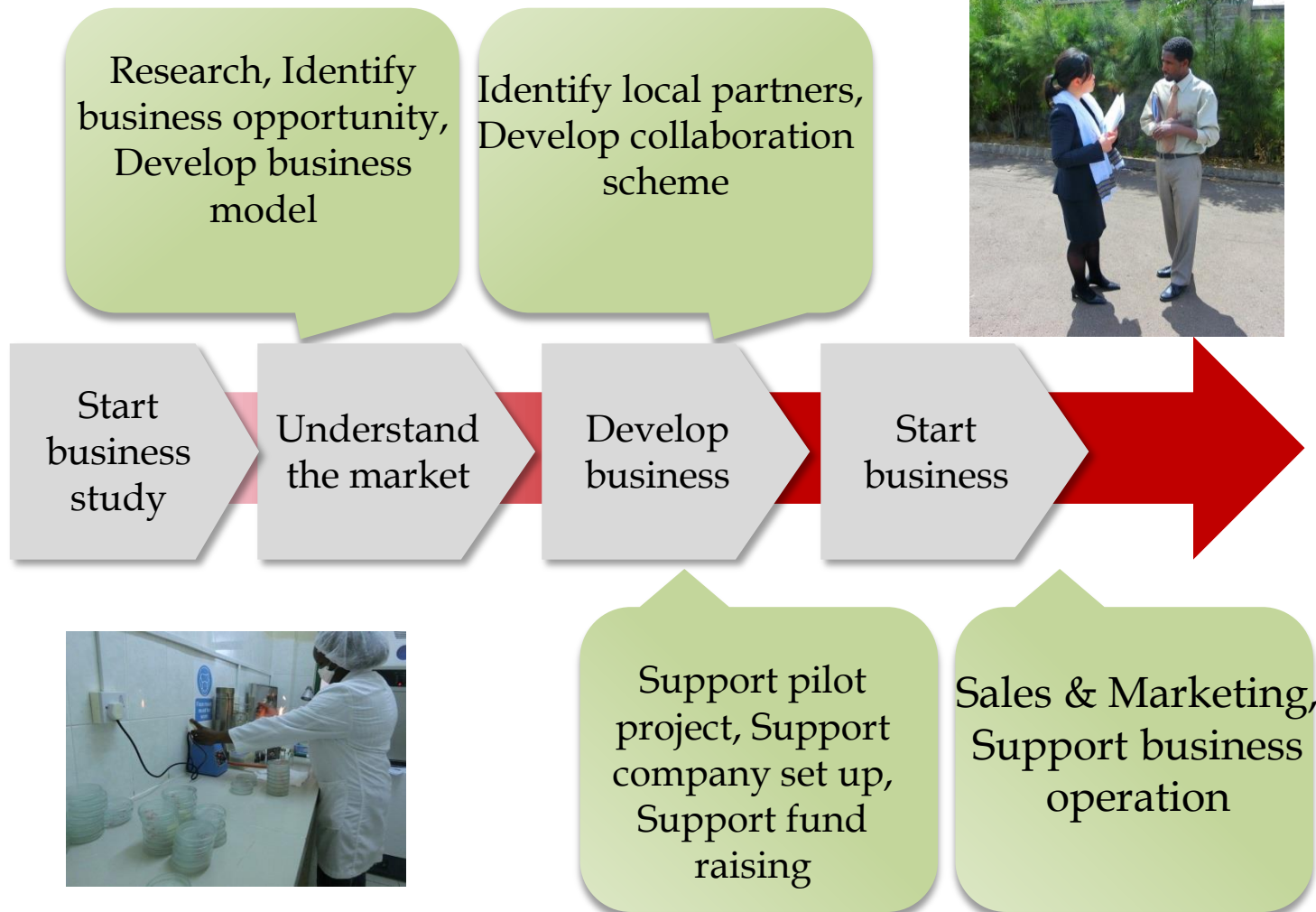


Africa Business Partners LLC
http://abp.co.jp/vision_e.html

Corporate Profile

- ▶ Company Name: Africa Business Partners LLC
- ▶ Established: July 2012
- ▶ Offices
 - Headquarter: Tokyo, Japan
 - Overseas office: Nairobi, Kenya and Dakar, Senegal
(Offices in South Africa and Côte d'Ivoire are to be opened)
- ▶ Board members
 - Managing Director & Chief Consultant: Shigeomi Sato (Mr.)
 - Chief Consultant: Yukari Umemoto (Ms.)
 - Partner: Akinori Niimi (Mr.)
- ▶ Advisor
 - Ken Shibusawa (Mr.)
President, Commons Asset Management Inc.
Vice Chairperson, Africa commission, Japan Association of Corporate Executive
- ▶ Collaborations
 - The Kenya National Chamber of Commerce and Industry
 - The Industrial Group of the Lagos Chamber of Commerce and Industry
 - Consulting and Research firms in African countries

As the only Japanese consulting firm specialized in African business, we support client's African business to move forward based on the exceptional field experience



Track records

▶ Industries

- Manufacturing
 - Construction equipment
 - Construction material
 - Agriculture, Irrigation
 - Agricultural material
 - Environmental material
 - Food
 - Electronics
 - toiletry
- Service
 - Agriculture
 - IT, Software
 - Finance
 - Human resource
 - Advertisement agency
- Trading company
- Public institution
 - International organizations
 - Japanese governmental organizations (JICA, Ministry of Economy, Trade and Industry)

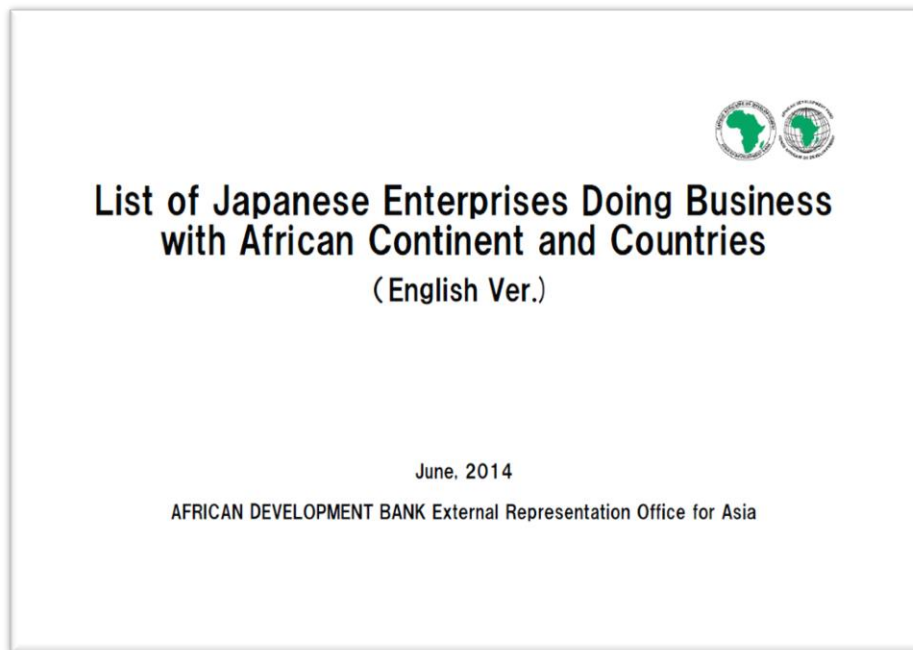
▶ Countries

- East Africa
 - Kenya
 - Ethiopia
 - Tanzania
 - Uganda
 - Rwanda
- West Africa
 - Nigeria
 - Senegal
 - Cote d'Ivoire
 - Burkina Faso
- Southern Africa
 - South Africa
 - Mozambique
- Central Africa
 - Democratic Republic of Congo
- North Africa
 - Egypt
 - Tunisia
 - Morocco

Publication: :List of Japanese Enterprises Doing Business with African Continent and Countries (in English)

~The only document which describes Japanese companies' activities in Africa~

- ▶ Base on the request by African Development Bank, we research Japanese companies' activities in Africa, publishing the list of them every six months



- The only document you can understand which Japanese company does what in which African country
- The latest version published in Jun 2014 lists up 424 Japanese companies which has subsidiary, branch or representative office in Africa and/or has business relationship with Africa

- ▶ This list can be downloaded from our website. http://abp.co.jp/about_e.html
We can also provide paper version. Please contact us from info@abp.co.jp .

Consultants' profiles

▶ Shigeomi Sato

- Started his career in Japan and India as a system engineer
- Worked for Booz Allen Hamilton (currently Booz & Company), a U.S. based strategic consulting firm. Supported business transformation for private companies in ICT, human service, apparel and governmental agencies
- Worked for Japan Bank for International Cooperation for India and Southern Africa
- Having worked as a consultant to support Japanese companies' investment for Africa since 2011
- 1st Japanese who obtained Master of Business Administration in Sénégal (Institut Supérieur Management, Senegal, 2011)

▶ Yukari Umemoto

- Working for Nippon Research Center, an Marketing research firm, focused on overseas' market research for FMGC companies and develop sales and marketing strategy in overseas markets
- Worked for Corporate Direction Inc., strategic consulting firm. Supported business development, corporate strategy, strategy implementation for private companies in ICT, Foods, Restaurant, FMGC industries
- Having worked as a consultant to support Japanese companies' investment for Africa since 2010
- Established music label business AMP MUSIC of musicians in Kenya and Senegal
- Master of development, currently studying in Ph. D program in the field of Industrial development, labor market, vocational training in Africa

Contacts

- ▶ Missions, Services of Our company
http://abp.co.jp/vision_e.html
- ▶ About Us
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