



KEIZAI SILICON VALLEY

US - JAPAN BUSINESS FORUM



TRENDS IN BIOTECH: VALUE CREATION & INNOVATION

JUNE 15TH, 2016 WEDNESDAY EVENING
@ WILSON SONSINI GOODRICH & ROSATI

By Keizai Staff

According to reports from PricewaterhouseCoopers, recent venture capital investments in the biopharmaceutical industry were some of the largest in history averaging \$6B-\$7B per year. Thanks to the ease of global monetary policy, the rapid increase in merger & acquisition (M&A) activities along with much easier access to public financing via IPO and robust revenue growth help fuel the venture ecosystem and provide a fertile ground for high-risk companies and young start-ups. The recent paradigm-shift innovations, such as immunology and targeted therapies for previously

incurable diseases, surely helped open up many doors of opportunities for both companies and investors alike.

The panelists will share their experiences and insights on both value creation via sound business model and innovation in disease treatments, which are the two important elements for growth and success. Effective partnership/M&A as well as ever-changing US/global regulatory challenges and opportunities will also be discussed.

continued on page 3

SUMMER NETWORKING IN THE PARK

Our Annual
JOINT SUMMER NETWORKING
event organized & presented by
KEIZAI SILICON VALLEY with
cooperation of **SUNBRIDGE**
on Sunday **JULY 31, 2016**
@ **WASHINGTON PARK**
in the city of **SUNNYVALE, CA**
from **1:00 PM - 5:00 PM**



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NEDO
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continued from page 1

FEATURED PANELISTS



DR. AKIKO FUTAMURA

is the President and CEO of InfiniteBio, Sunnyvale, California. She has extensive background in the business and science of biotechnology, and has worked for over 30 Japanese and US lifescience companies as an advisor/consultant and played key roles in many important

business deals and scientific collaborations. Currently Dr. Futamura is also the President and CEO of CarnaBio USA, the US subsidiary of Carna Biosciences. In addition, Dr. Akiko Futamura is formulating a new biotechnology company which is based on Dr. Futamura's past research. Her new company will specialize in rational gene design and therapeutics development, especially in the areas of oncology and rare disease.

She was the founding member and the Executive Vice President of SC BioSciences USA from 2001-2006. SC BioSciences, the subsidiary of the Sumitomo Corporation. She was also the Vice President of Summit Biotech from 2001-2004 where she was one of the primary decision makers conducting investment activities of Sumitomo Corporation. Dr. Futamura obtained her B.S. in Biotechnology from University of Tokyo and a Ph.D in Biochemistry from the University of Illinois Medical School, Chicago.



MR. KEN HORNE has over 12 years of experience in the life science industry as an executive, entrepreneur and investor. He joined Symic Bio as CEO in April 2014. Previously, he was a founding member of TauTona Group, an early stage life science venture capital fund. At TauTona, Mr. Horne founded Aline Aesthetics, a

novel biomaterial company, where he led the company as General Manager until its acquisition by Allergan (AGN) in 2014. He also served as Vice President of Business Development for TauTona portfolio companies, which included acquisitions by LifeCell and Novadaq (NVDQ). Mr.

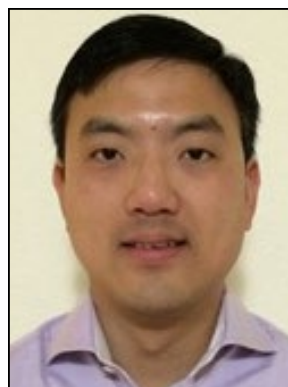
Horne has a BS and MS degree from Stanford University in mechanical engineering. He serves on the board of the Bay Area Discovery Museum (non-profit), and is also a Kauffman Fellow..



DR. KAZUNORI

MARUYAMA is the executive investment director and the head of Astellas Venture Management (AVM), a California-based corporate venture arm of Astellas Pharma Inc. that is a top tier pharmaceutical company in Japan. Dr. Maruyama was appointed to the current

position in December 2015. AVM is the fund management company with over \$200M under management and with 50 investment portfolio in total. Prior to the current position, Dr. Maruyama served as Director, Business Development/ Innovation Management at Astellas Pharma Inc. from 2008 to 2015. He joined pharmaceutical industry as a research scientist at Yamanouchi Pharmaceutical in 1991, where he led a team of molecular endocrinology. Dr. Maruyama was one of the founding members of the corporate venture arm of Yamanouchi Pharmaceutical and deeply contributed to the expansion of its portfolio by 9 investments from 2003-2007, which ended up with four successful exits to date. He holds a PhD from The University of Tokyo.



MODERATOR: DR. DANNY

OOI is a CMC regulatory professional at Genentech Inc. (a member of Roche Group) serving as a key stakeholder in numerous early-late stage drug development programs and contributing to the development of technical and global/US regulatory strategies. He currently co-

authors a book chapter on ICH Quality guidance. He previously worked for TLC Biopharmaceutical in business development/R&D and Burrill & Company, a life-science focused venture capital firm based in San Francisco. Dr. Ooi received a BA from University of California, Berkeley and a Ph.D. from Harvard University. ☘

WHAT IS ABENOMICS?

By Joe Quinlan

We all hear the term “Abenomics” batted around a lot, but just what is Abenomics? Abenomics has most typically been defined as composed of “three arrows”: fiscal stimulus, monetary stimulus, and structural reform. I am struck by the fact that two of these arrows are policies that have been tried continuously ever since Japan’s economy first went into the doldrums in the early 90’s. Fiscal stimulus is a well that has been drawn on so often over the past two decades that Japan now has one of the highest debt ratios in the world. Japan’s current debt-to-GDP ratio stands at a whopping 233%, versus 72% in the United States. And what has Japan gotten for all this stimulus? Dams on rivers that didn’t need dams, government owned hotels where no one stays, and strange extensions to the bullet train system, like building the Kyushu Shinkansen from Kagoshima and waiting another decade to take the Shinkansen from the shores of Hokkaido to its major city Sapporo. As for monetary stimulus, Japan has had interest rates at zero or negative since the 1990’s. What more can you do? Pay people to borrow money and charge people who save money? This would accelerate a negative spiral. Abenomics succeeded in weakening the yen for a time, but now it is strengthening again.

So all of Abenomics really depends on the third arrow: reform. Since the 1990’s, many economists have known that this is the only real key to resumed growth in Japan.

But this arrow is the one where it is hardest to point to any actual policies of Abenomics. The most touted example of this third arrow is the Abe-supported TPP. But TPP has massive opposition in Japan, even from the rural strongholds of Abe’s own LDP party. There are many other possible structural reforms in Japan. Japan Post Bank remains the largest bank in the world by total deposits; it should probably be broken up and given to several commercial banks in Japan. Corporate and government pensions could be replaced by 401(k) and IRA style retirement plans, which are much less susceptible to corruption (see dams, hotels, and trains above). This would in turn stimulate the undersized mutual fund industry in Japan (think Vanguard Japan). And finally there is the intractable problem of poor participation by women in the career labor force. Japan retains a culture of overtime work, which means that women who want to have a family must choose between children and a career. As a result, major companies still have very few women in senior management.

But does Japan really want to do these reforms? I am reminded of the book by previous Keizai guest speaker Michi Kaifu called Paradise Sakoku (closed country). Perhaps Japan really is satisfied with things as they are: no TPP, no breakup of Japan Post Bank, pensions instead of 401(k), and women at home raising children. In this sense, I believe that Japan needs to search within its own soul to find out who it really wants to be, and that will determine whether the Japanese economy will grow in the future. ☘

JUNE 2016 EVENT DETAILS

Date and Time

Wednesday, June 15, 2016

Registration/Networking — 5:30 p.m. – 6:00 p.m.

Program — 6:00 p.m. – 8:15 p.m.

Networking — 8:15 p.m. – 9:00 p.m.

Location

Wilson Sonsini Goodrich & Rosati
650 Page Mill Road, Palo Alto, CA 94304

Food

Sushi and beverages, will be served.

Dress

Business casual

Ticket Fees

Early Bird Discount for first 30 — \$15
by Saturday, May 28th, 2016 (11:00 p.m.)

Regular Registration — \$20
by Saturday, June 11th 2016 (11:00 p.m.)

Late Registration — \$35
by Monday, June 13 2016 (12:00 p.m.)

Walk-ins — \$50
(Subject to room capacity / cash or check only)

Registration Website

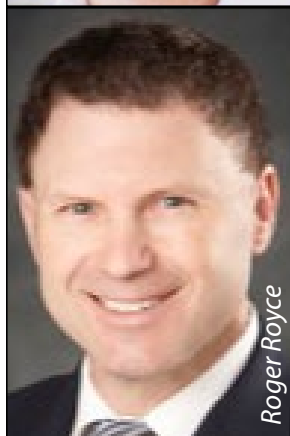
www.keizai.org



Nathan Dorn



Tomer Poran



Roger Royce



Moderator: Tim Koide

TRENDS IN AGTECH: REAL NEEDS IN THE INDUSTRY

By Joe Quinlan

On Thursday, March 31, Keizai Silicon Valley welcomed three interesting speakers to discuss the subject of ag-tech. Tomer Poran of Draper Nexus Ventures led off the evening. For reference, he provided some interesting figures on the large size of farms in the US. The average US farm is 4,500 acres, and the average field farm (corn, wheat, etc) is in the range of 10,000 to 15,000 acres. Tomer said that technology's contribution to this industry is in the area of precision agriculture, making better use of the resources (water, fertilizer, pesticides, etc) that are devoted to farming. However, the barriers to entry of technology into agriculture can be high, because it is a very traditional industry. As a result, the number of M&A's in ag-tech is still small compared to other areas of technology, like enterprise software.

Nathan Dorn of Food Origins explained that precision data has led to a high increase in bushels/acre for field crops, but not for hand-picked crops like berries. The opportunity for ag-tech in hand-picked and specialty crops seems to be great. For field crops like corn, 10 workers can handle 10,000 acres of land, but for hand-picked crops, it requires 20,000 workers to harvest those same 10,000 acres. As a result, a state like California has 250,000 migrant workers. Roughly half the cost of hand-picked foods like berries and lettuce is the labor required to grow and harvest them. Looking at Japan, agricultural production has declined over the past few decades, primarily because of the lack of labor to work the land. The result of all this is that robotics may greatly

revolutionize currently hand-picked crops. Until recently, the ROI timeframe on such robotics investments was in excess of 20 years, but now it is getting down to less than 10 years.

Roger Royce of Royse AgTech Incubator spoke of how ag-tech is a great natural marriage of two of California's largest industries: tech and agriculture. The Silicon Valley and the Salinas Valley are not that far from each other, but in some ways they are very far apart culturally. Getting these two regions to work together on ag-tech means that the tech industry needs to work on problems that the ag industry actually wants to solve, not dream up solutions by themselves that will never sell.

In the Q&A session, the speakers touched on the controversial subject of drones. One question that arises is: Who owns the image data of the fields? Is it owned by the landowners, or can a company like Monsanto collect and sell it? Drones themselves fill a spot between field sensors and micro-satellites. The tech world needs to evaluate which of these solutions work best for each particular agricultural situation. Additionally, instead of building drones, it may make more sense to Uberize private planes to collect the needed image data of the fields. Many of the questions revolved around how the investment in ag-tech will develop over the coming years and where the funding will come from.

All in all, it was a very thought-provoking night. The audience was an interesting mix of ag-tech attendees and frequent Keizai attendees. We hope to have many such future events, which bring together the US-Japan business community with interesting and developing areas of technology. 🌸

Additional event photos can be found at — <http://keizai.org/photos-videos/>



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