

Title: Aichi-Israel Matching Program (Israel Innovation Authority New Business Building Program 2023-25)

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Summary

Participation in the Aichi-Israel Matching Program (Israel Innovation Authority New Business Building Program 2023-25) will allow selected companies in Israel to conduct collaboration with companies in Aichi prefecture, Japan.

Relevant sectors

Additive manufacturing, AI, Industrial technologies, Enterprise, IT & Data Infrastructure, Smart Mobility, Life Sciences & Health Tech, Beauty Tech

1. Program Overview

- i. Background

Aichi Prefecture

In order to maintain and develop the competitiveness of industries in Aichi Prefecture*, the Aichi Prefecture government believes that the formation of an innovation ecosystem with startups is important. Therefore, Aichi Prefecture formulated the "Aichi Startup Strategy" in October 2018 and has been making efforts to form the ecosystem. As one of the activities, the Aichi prefecture government promotes open innovation with foreign startups, builds a network to attract these startups, and works together. The Aichi Prefecture government has signed an agreement with the Israel Innovation Authority to promote collaboration between Israeli startups with cutting-edge technology and businesses in the Aichi Prefecture.

<https://aichi-startup.com/israel/en/israel-innovation-authority>

Israel Innovation Authority

An independent publicly funded agency was thus created to provide a variety of practical tools and funding platforms aimed at effectively addressing the dynamic and changing needs of the local and international innovation ecosystems. This includes early-stage entrepreneurs,

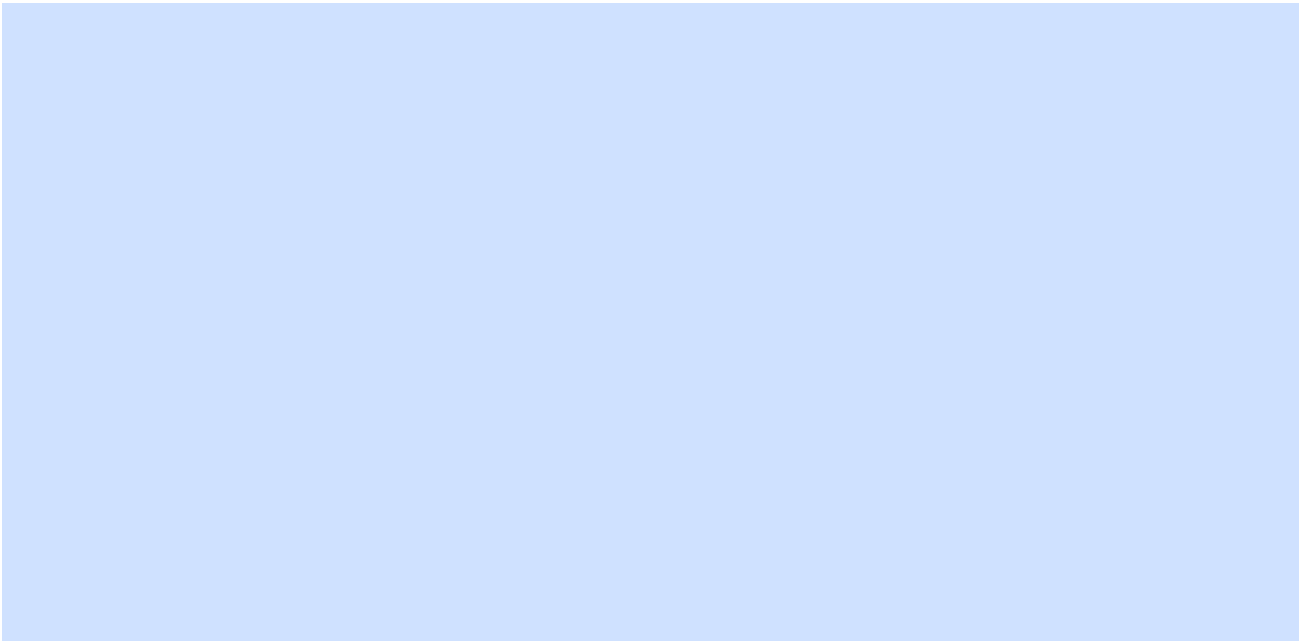
mature companies developing new products or manufacturing processes, academic groups seeking to transfer their ideas to the market, global corporations interested in collaborating with Israeli technology, Israeli companies seeking new markets abroad and traditional factories and plants seeking to incorporate innovative and advanced manufacturing into their businesses.

The International Collaboration Division is responsible for coordinating international collaboration in innovative R&D knowledge and technology between Israeli companies and counterpart organizations abroad, thus offering various competitive advantages for the Israeli industry in the global market.

ii. Purpose of the Aichi-Israel Matching Program

- Facilitate open innovation between Israeli startups and Aichi companies to solve issues Aichi Prefecture faces with Israeli cutting-edge technologies.
- Jointly establish new businesses between Israeli startups and Aichi companies, such as developing new products and/or services, developing new markets, and/or revitalizing existing industries in Aichi Prefecture.
- Attracts and invites Israeli startups to Aichi Prefecture.

iii. Program process overview



iv. Program Schedule is as follows:

1. Reverse Pitch by Aichi Company (October)

- 19th /October 2023, 10 a.m. to 12 p.m.: Online Presentation Day
Aichi Companies present their new business plan and the technologies they are looking for in Israel.

2. Pitch Startup Selection (October-December)

- 19th/October 2023: Application Form Open for Pitch Day
Israeli startups that want to conduct pitches to the Aichi companies can apply for the Pitch Day. (Israel)
- 20th /November 2023 (Tentative): Deadline for Pitch Day Application
Close the application, and each Aichi company selects 3-5 Israeli startups for the Pitch Day.
- 15th/December 2023 (Tentative): Announcement for Pitch Startups
The Israel Innovation Authority will announce which Israeli startups are selected for the Pitch Day.

3. Pitch Day (January)

- 18th /January 2024 (Tentative): Pitch Day (Israel)
3-5 Israeli startups will conduct pitches to each Aichi company, and one of them will be selected for the collaboration with the Aichi companies.

4. Startup Selection (January)

- Each Aichi company will select one Israeli startup – 3 startups will be selected in total.

5. Collaboration Support (~March/2025)

- February 2024 - March 2025: Collaboration Support (detailed in #2)
Each matching pair (Aichi company and Israeli startup) discuss collaboration ideas, schedules, etc. and move on to the next step, such as the PoC.

2. The Opportunities (Collaboration Support for Selected Israeli Startups, - one startup for each Aichi company)

- i. Business Collaboration Support with Aichi Companies by the Third-Party until March 2025
 - Communication support, such as meeting facilitation with the Aichi company
 - Language support (English and Japanese)
 - Business advisory support through the Aichi company
- ii. Potential to be applicable for Aichi subsidy programs (Programs may differ)

depending on the year)

- Details: <https://www.pref.aichi.jp/ricchitsusho/en/guide/>

*KPMG is the third-party advisor until the end of March 2024 (the next year is tentative).

3. Applicant Eligibility (for Israeli startups / companies)

- Israeli registered Company that has intentions to collaborate with Aichi companies at least until 2025
 - Collaboration can be done in various ways, including collaborative development, PoC, sharing knowledge or customer bases, etc.
 - Interests in collaboration with Aichi companies
- Company that has the capability to collaborate with Aichi companies at least until 2025.
 - Financial Ability to support the collaboration.
 - Having dedicated Representatives or Contact persons
 - Ability to visit Japan (if necessary)
- Companies with well-defined products/technologies
- Innovative product/technology
- Intellectual property ownership
- Interest and suitability for integration into the Japanese market

4. Assessment Criteria for the Pitch Day (Not limited below)

- Strong intentions to collaborate with Aichi companies
 - Intention to collaborate with Aichi companies in the long-term (more than 3 years)
 - Intentions for CXO or Managers to commit to this program
 - Intention to visit Japan (if necessary)
 - Intention to expand your business in Japan (potentially having an office in Japan)
- Capability to collaborate with Aichi companies
 - Having representatives or contact persons
 - Experience with international collaborations
 - Financial capabilities
 - Ability to visit Japan (if necessary)
 - Sharing customer bases or assets (if necessary)

5. How to apply (Registration Form Open for Online Presentation Day)

- Apply for "Online Presentation Day" on 19th October (<https://wkf.ms/3DMp07g>)
 - If you cannot attend on the day, choose "apply for recorded video."

*The application form for Pitch Day will be open on the Online Presentation Day.

6. Introduction of Participating Aichi Companies

i. Chuo Malleable Iron Co., Ltd.

- **Company Overview:** Chuo Malleable Iron Co., Ltd. has been involved in the manufacturing of casts and machined parts mainly for automobiles, robots, and industrial machinery for about 80 years, and has many transactions mainly with Toyota Motor Corporation, Hino Motors Corporation, and Nabtesco Corporation.
- **Relevant Sectors:** Industrial Technologies, Enterprise, IT & Data Infrastructure, Smart Mobility
- **Target Customers:** Healthcare & Life Sciences, Mobility, Industrial Manufacturing
- **Issues to solve with Israeli companies/ a New Business Idea:**
 - Background and a new business idea: needs and demands are expected to change in the automotive industry, including the electrification of automobiles. Therefore, we aim to build a one-stop prototype development platform with the aim of contributing to new industries by utilizing our knowledge in strict quality control for automobiles, material development, production technology development, and quality assurance. Target industries are the health tech industry, such as artificial bones and implants that are tailored to individuals, insulating parts that contribute to improving semiconductor performance, and trial sand molds for other high-precision casting parts.
 - Scouting Technologies:
 - High-precision 3D printing technologies for materials such as metals and ceramics
 - Sand mold 3D printing technology
 - DX/AI technology that can analyze and recommend processes for topology design and optimal construction method selection.
 - Important notes: we would like to focus on the following points:
 - Capability to select the most suitable 3D printing method based on shape and material.
 - Capability for functional improvement development of porous, thin-walled, hollow composite material processing.
 - Capability for non-destructive quality assurance through traceability of molding conditions
 - Capability to accumulate data and connect it to new product proposals.
- * We assume that the development of high-performance materials will be based on customer needs.
 - Website: <https://www.chuokatan.co.jp/>
 - Additional information: link to the pdf

ii. MTG Co., Ltd.

- **Company Overview:** MTG develops HEALTH, BEAUTY, and HYGIENE brands and sells them in the EC market and salon market. It delivers products and services to the retail store market and the global market. MTG has all sales channels (B2C, B2B and B2B2C) and has its own direct sales channels without using distribution channels.
- **Relevant Sectors:** Life Sciences & Health Tech, Cosmetics
- **Target Customers:** Consumers, Commerce, and Retail
 - **Background and a new business idea:** Background & New business idea: To become a leading player in the beauty equipment industry, we are striving to develop beauty products and/or services that differentiate from other brands. Particularly, we aim to develop new products for hair care and skincare.
 - To become a leading player in the beauty equipment industry, we are striving to develop beauty products and/or services that differentiate us from other brands. Particularly, we aim to develop new products for hair care and skincare because it is an industry with many competitors and requires innovative elemental technologies.
 - **Scouting Technologies:** Examples of scouting technologies for new businesses include the following:
 - Core technology that, when combined with beauty equipment, can provide beauty effects on the skin and hair.
 - Formulation materials that demonstrate hair care benefits.
 - Development of cosmetic ingredients with whitening and anti-wrinkle effects.
 - **Important notes:** we focus on them below.
 - The technology or material that can provide clear differentiation from competing companies.
 - Potential to foresee a business scale of 10 billion yen in the long-term
- **Website:** <https://www.mtg.gr.jp/en/>

iii. YADAKOGYOSHO Co., Ltd.

- **Company Overview:** For more than 60 years, as a supplier to major electronics manufacturers, we have contributed to solving the problems of our clients through manufacturing. In particular, in the last 10 years, we have focused on improving production efficiency using the Theory of Constraints (TOC) and have shortening lead times, and in turn, advanced low inventory operations. We have a strong ties and trust with our clients in the industry of elevators, escalators, and electric power infrastructure.
- **Relevant Sectors:** Industrial Technologies, Enterprise, IT, and Data Infrastructure
- **Target Customers:** Industrial Manufacturing
- **Issues to solve with Israeli companies/a New Business Idea:**
 - **Background and a new business idea:** our new business idea is the “*Yada Integrated Flow Management Platform*” (*tentative*), which is a one-stop service for ordering process management system. In the Japanese manufacturing industry, clients often ask multiple suppliers to manufacture even one product. However, even when manufacturing the same product, there are many cases where information sharing regarding progress, quality and cost is insufficient between a client and a supplier. In particular, a supplier often estimate “*Saba*” in the delivery date response. (Estimating “*Saba*” means that the supplier extend the delivery date response later because they want to avoid the fear and be relieved). Then, the suppliers tend to start manufacturing too early and that cause wasting time by waiting too long. Therefore, estimating “*Saba*” cause long lead time and low productivity in many factories. Hence, we aim to provide a one-stop service to our clients and improve their convenience, strengthen information sharing between clients and suppliers, and appropriately control the timing of the start of manufacturing to ensure that our suppliers meet their delivery deadlines.
 - **Scouting technologies:** Various technologies are required to launch this business.
 - Image recognition and analysis technology are used to digitize the documents. (In many small and medium-sized manufacturing industries in Japan, orders from clients and work instructions are mainly conducted through documents) QR codes-related technologies could be one of the options. We need simple technologies to make each supplier strictly adhere to delivery dates and improve profitability such as work orders

and purchase orders. We will implement continuous mechanisms improvement for production capacity based on the Theory of Constraints (TOC), including introducing quality and delivery date management systems, and cost management systems.

- Technology for storing, managing, and sharing information across multiple companies and cloud security technology could also be important for this new business.
- Important notes: the most important point for this business is simplicity. Because many small and medium-sized manufacturing do not have enough knowledge about IT. We aim to expand to the whole manufacturing industry in Japan in the future. As a sales target, we would like to start with sales of about 50 million yen for business development to companies in Aichi Prefecture and then aim for sales of 3 billion yen by expanding to Japan overall. We would like to aim for a new approach instead of M&A to boost small-medium sized manufacturing industries.
- Website: <http://www.yadakogyo.co.jp/>
- Additional information: link to PDF

7. Contacts

- i. Israel Innovation Authority:
 - Name: Hadar Zax
 - Position: Business development Japan, Korea & Australia
 - Email: hadar.zax@innovationisrael.org.il
- ii. Aichi-Israel Matching Program Administration:
 - Company: KPMG
 - Representative Name: Takayuki Watanabe
 - Position: Senior Manager
 - Email: JP-FM_Aichi-Israel@jp.kpmg.com

*Aichi Prefecture: Located in the Chubu region of Japan, it is one of the largest cities in Japan. The total population is about 7.55 million, the fourth largest in the country. The headquarter of Toyota Motor Corp. is located in the prefecture, which has the third-largest economy in Japan with a nominal gross domestic product of 291 billion.