

Business Proposal for Localization used a JUVAIR product (OXYUNIT)



Table of Contents

I . JUVAIR History

II. JUVAIR Oxygen Generator Technology

III. Background of the Overseas Localization Business Proposal

IV. Business Proposal through Product Localization

1.OEM

2.SKD (Semi Knock Down)

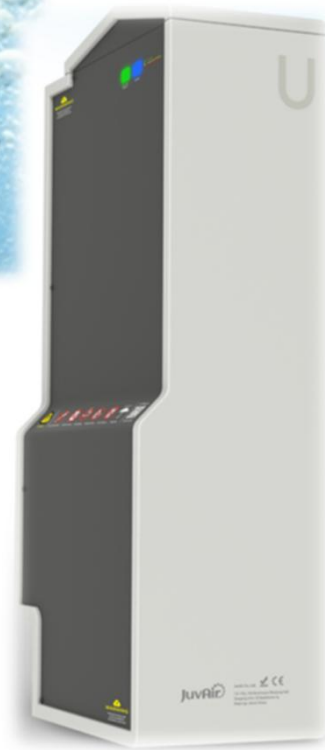
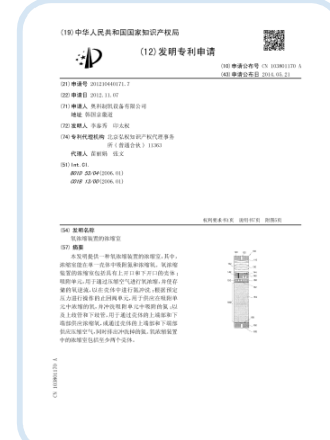
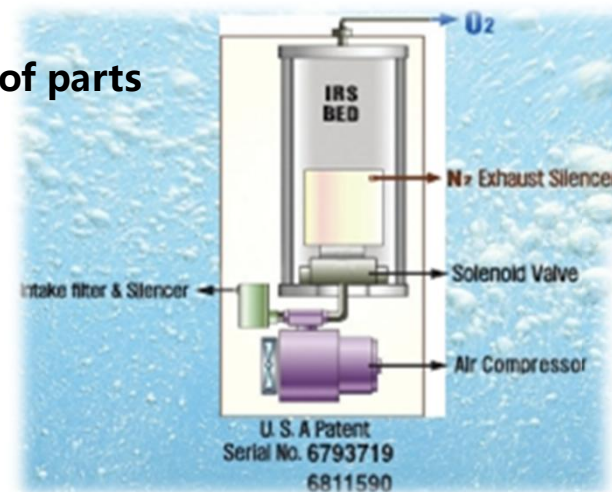
3.JV (Joint Venture) – Limited Partnership

I . JuvAir History

- ▶ **2017 Jan, Establishment of Chengdu JuvAir Corporation in China**
Target Top 5 in the oxygen generator market in China
- ▶ **2016 Establishment of Seoul JuvAir**
Global top oxygen generator manufacturer
- ▶ **2010 Establishment of USA subsidiary**
Entered the portable oxygen generator market in the Americas and Europe
- ▶ **2007 Launch of Korea's first medical oxygen generator**
Manufactured medical oxygen generator for the global market based on JuvAir' s own technology and brand
- ▶ **2005 Patent license right contract**
JuvAir' s oxygen generation process (PSA) technology was highly recognized in the global market
- ▶ **1999 Establishment of JuvAir(HQ)**
Performed government research projects (Ministry of Science and Technology)

II. JUVAIR Oxygen Generator Technology

- An oxygen generator with high-tech, latest IRS module (patented)
- Low noise
- Power-saving effect due to cutting the numbers of parts
- Supply of high-purity oxygen greater than 90%
- Year-round supply of high-purity oxygen
- Easy product extensions based on the modules



III. Background of the Overseas Localization Business Proposal

- JUVAIR is proud to be a leading company in the world for the production of an oxygen generator: Conducted R&D technologies of an oxygen generator for the past 20 years, key patents for 35 oxygen generators, and the certificates of FDA, CE, ISO13485, etc. However, the current status of the overseas market has made it difficult for overseas exports to enter into the market more so than the previous overseas market development. Therefore, we have made the decision to seek a competitive company to develop the overseas markets with us.

1. Changes of a Market (Market Diversification)

1.1 Intensifying Competition of the Large PSA oxygen generator

1.2 Market Diversification

- Small & medium hospitals or hospitals in remote areas
- Oxygen chamber market
- Aquaculture & industrial market

1.3 Expansion from public to private markets

2. Competitiveness of the Product's Price

- Requirement for low-price and high-quality products

* Consumers have an increased awareness of an oxygen generator in the past few years, and require products with a low price and high quality.

IV. Business Proposal through Product Localization

1. OEM

Supply of Finished Products

- It is a method that produces finished products by applying the original logo to the model that requires production and then delivers them to the orderers. Also, it is advantageous for the safety of the product quality because the orderers can directly deliver them to consumers without any additional activities. However, it is disadvantageous to sharply drop the price competitiveness in the market due to an increase in the cost of a product according to import duties, taxes, etc.

Attachment of trademark required by customer

OEM

*Original Equipment
Manufacturing*

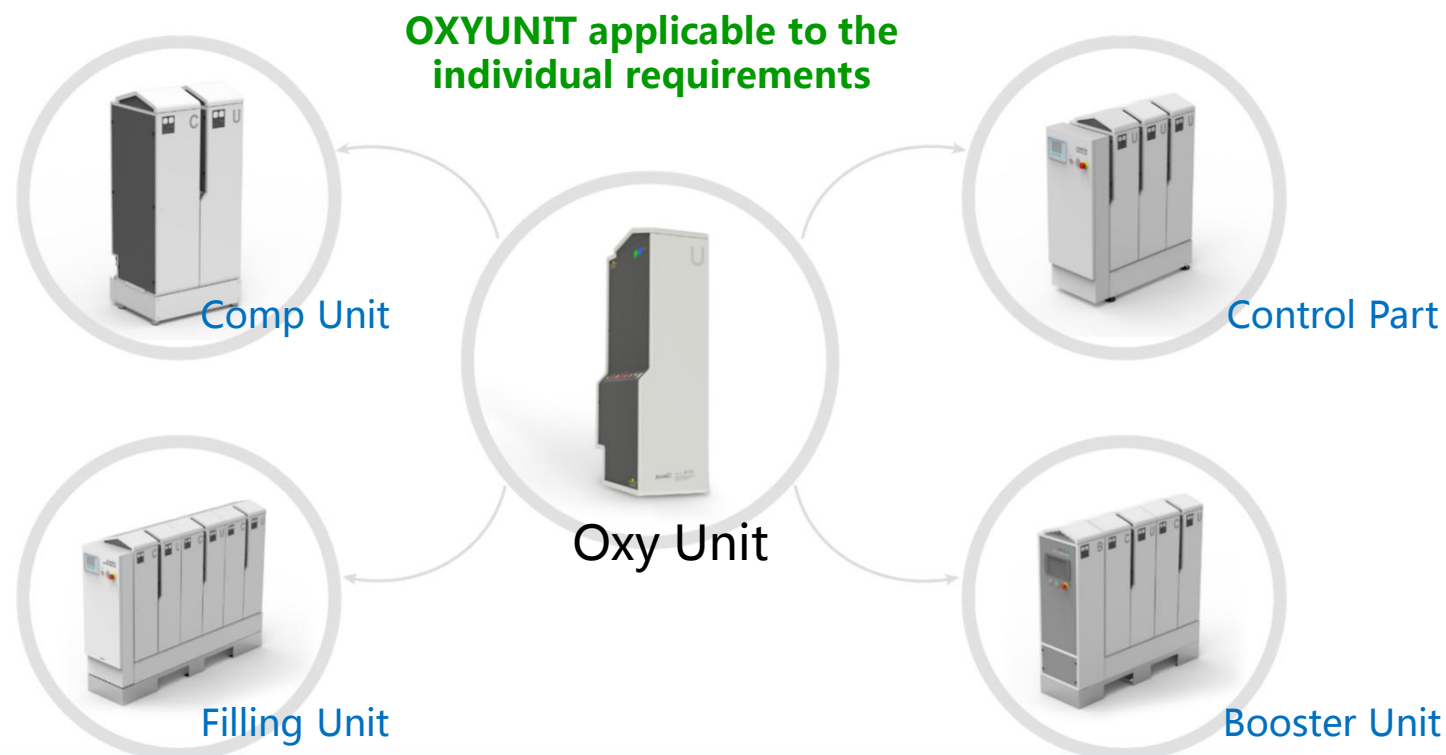


IV. Business Proposal through Product Localization

2. SKD(*Semi Knock Down*)

JUVAIR' s OXYUNIT (Module Unit) Supply

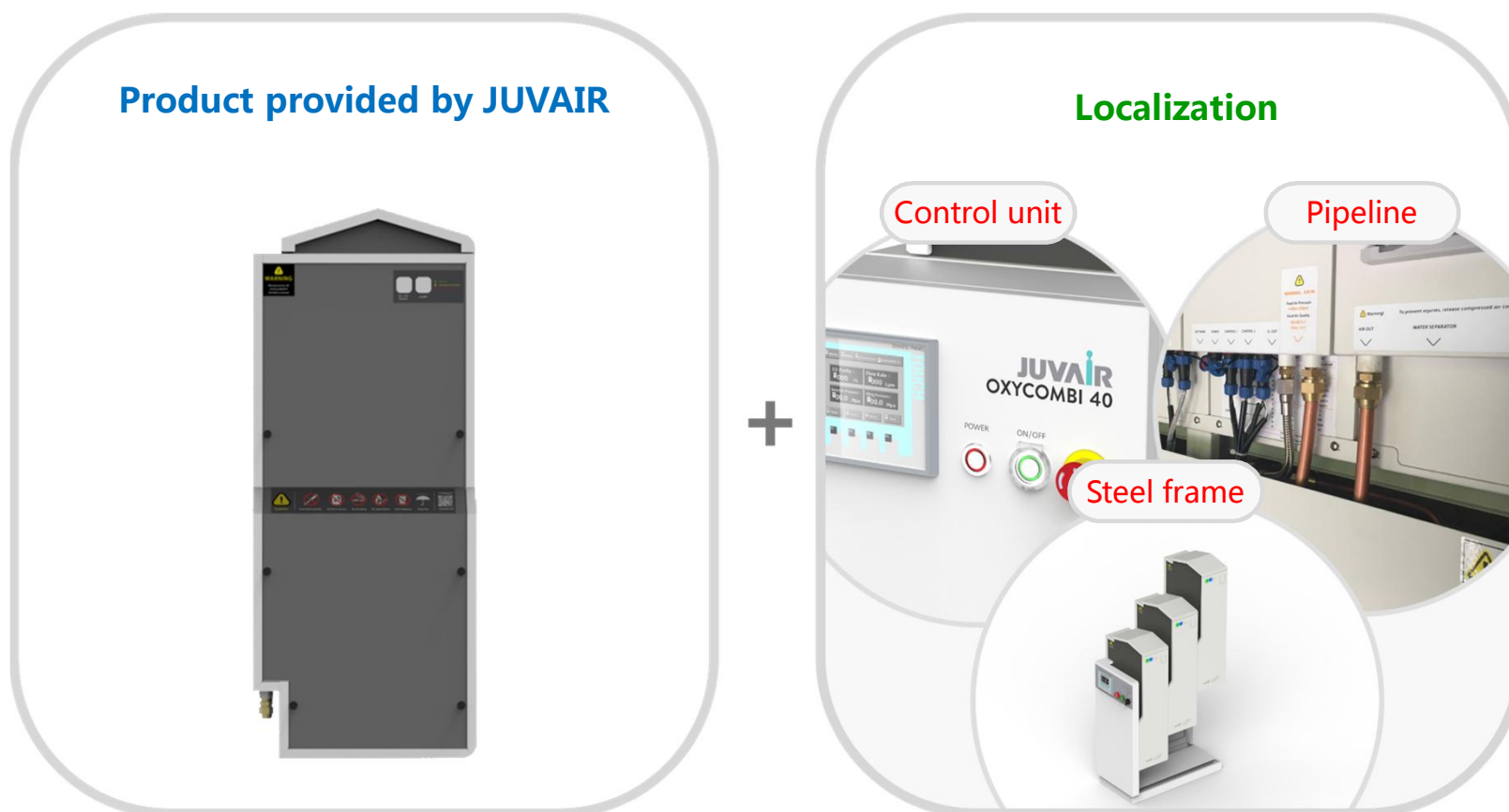
- Juvair supplies the OXYUNIT of an oxygen generator module, obtains and assembles the parts of the compressor, steel pate, etc., and produces the finished products. Thus, it can maintain the quality of the products and increase the competitiveness of the prices. In addition, the OXYUNIT can be manufactured or applied for the individual requirements of the business ranges (medical, oxygen chamber, industrial).



IV. Business Proposal through Product Localization

2. SKD(*Semi Knock Down*)

2.1.1 JUVAIR supports can localize the units of the PLC (Programmable Logic Controller), steel plate, frame, pipeline, etc. out of an oxygen generator module.



IV. Business Proposal through Product Localization

2. SKD(*Semi Knock Down*)

2.1.2 JUVAIR' s supports for localization provide you with the ability to minimize the cost as follows:

Controller program

Design (compressor, frame, pipeline)

Expenses to support technology services

(Labors, accommodation, airfares, etc. for the business trips of technical support engineers)

Controller program



Design



Expenses to support technology services

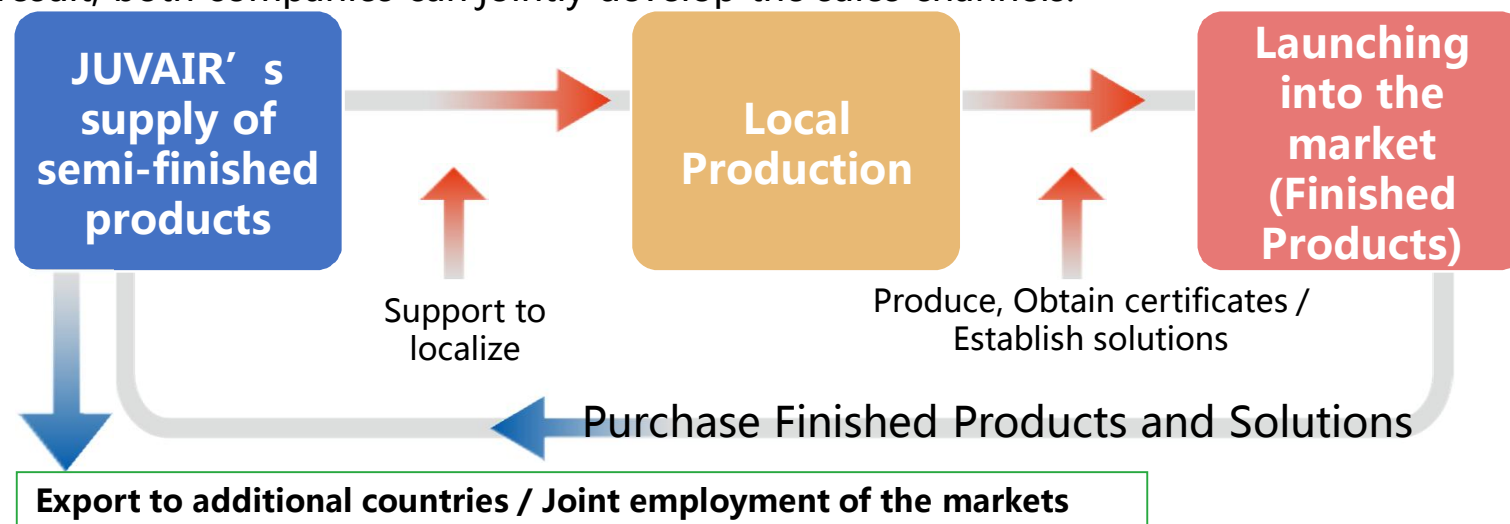


IV. Business Proposal through Product Localization

2. SKD(*Semi Knock Down*)

2.2 Expansion of the Partnership

If overseas customers obtain medical device certificates or are able to complete the product based on solutions in the local area for the finished product with units, then Juvair purchases the finished products from the overseas customers or exports them to additional countries. As a result, both companies can jointly develop the sales channels.



2.2.1 Export to additional countries : export them to additional countries after JUVAIR imports the products for which overseas customers can obtain overseas certifications or the solutions which the overseas customers establish themselves.

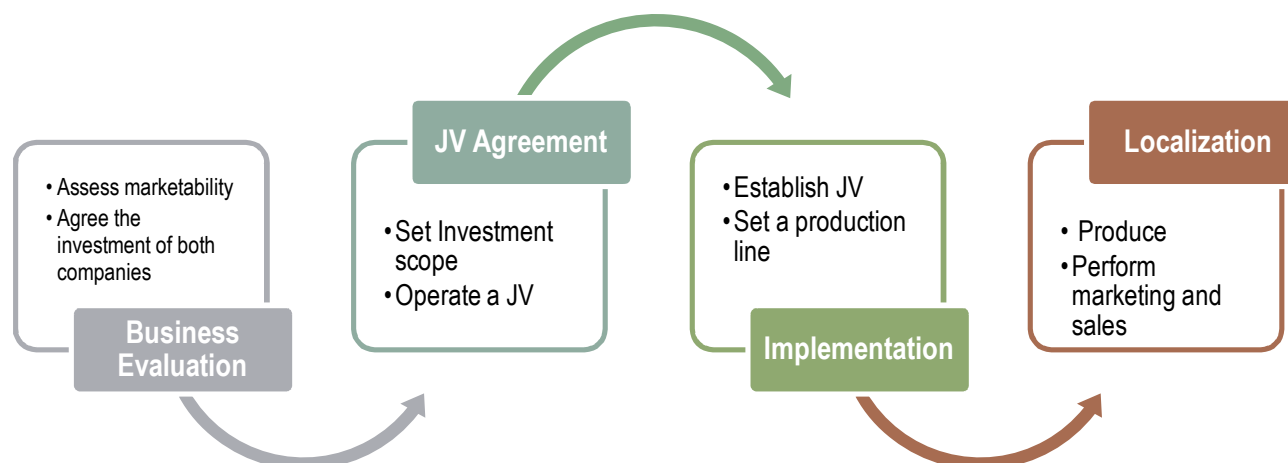
2.2.2 Joint development of the market : deliver the information for potential buyers that Juvair receives through exhibitions or online marketing, etc. to overseas customers according to the agreed conditions.

IV. Business Proposal through Product Localization

3. JV (Joint Venture) - Limited Partnership

Joint Venture Agreement

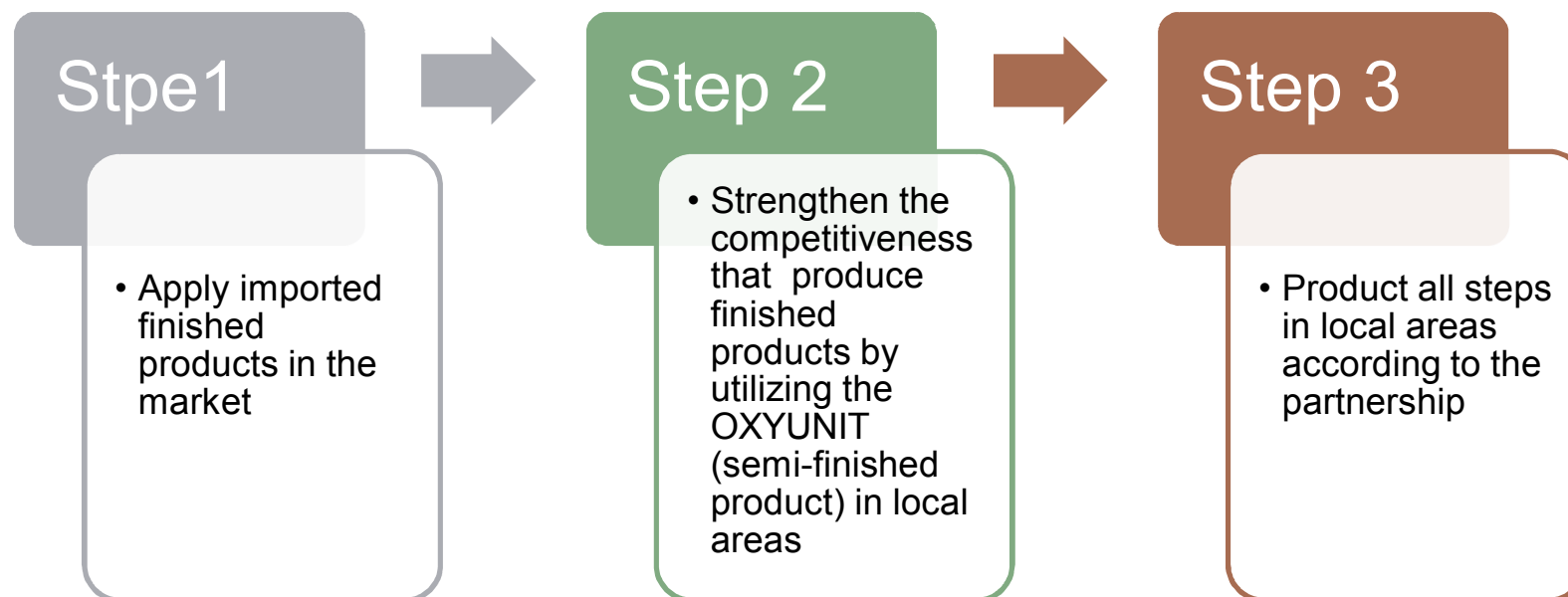
Based on an agreement between the two parties a partnership is formed, which is the final step to enter into the overseas markets. JUVAIR will invest the related technologies (patents and technical engineers), etc. while the customers invest their resources and funds to assist JUVAIR such as preparing land factories or offices.



	Juvair	Customers
Investments (funds, lands)		●
Patents	●	
Technical support Engineers	●	

Conclusion

An individual partnership for each item is also a positive outcome.
However, JUVAIR proposes that it should be localized step by step.





Tel. +82 2 704 5251

Email: chyeo@juvair.com

www.juvair.com