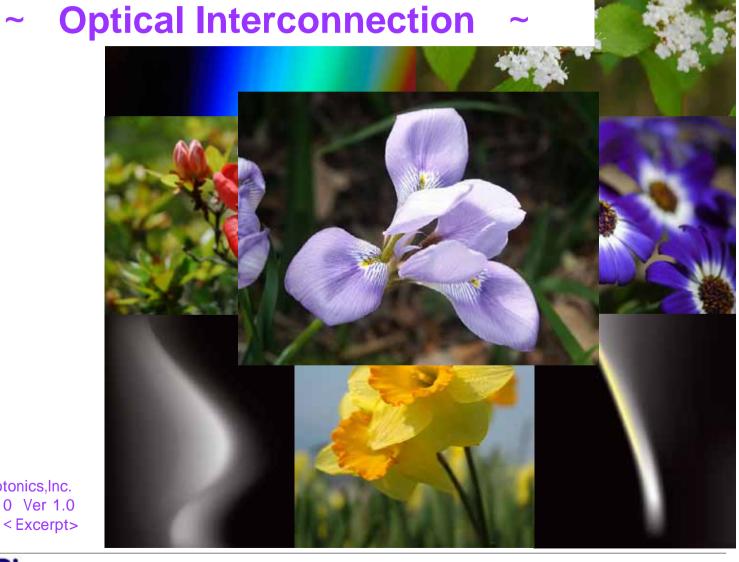
The New Market Accelerated by Open Innovation



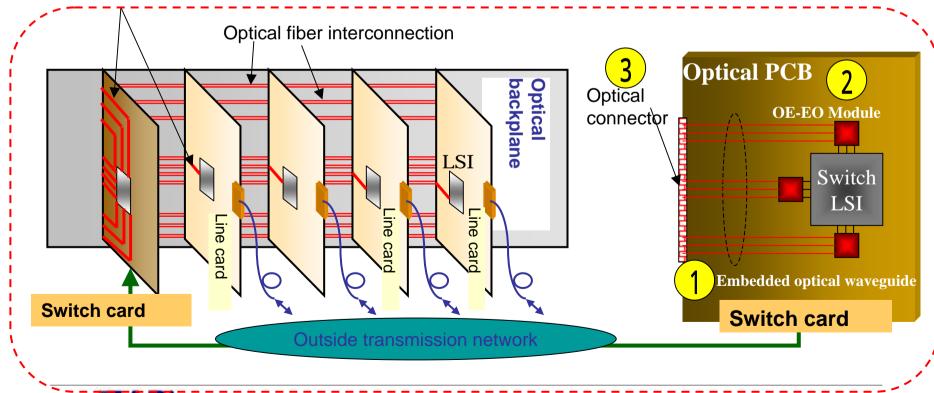
Advanced Photonics,Inc. 2009.09.10 Ver 1.0 < Excerpt>



04. Technology of Api

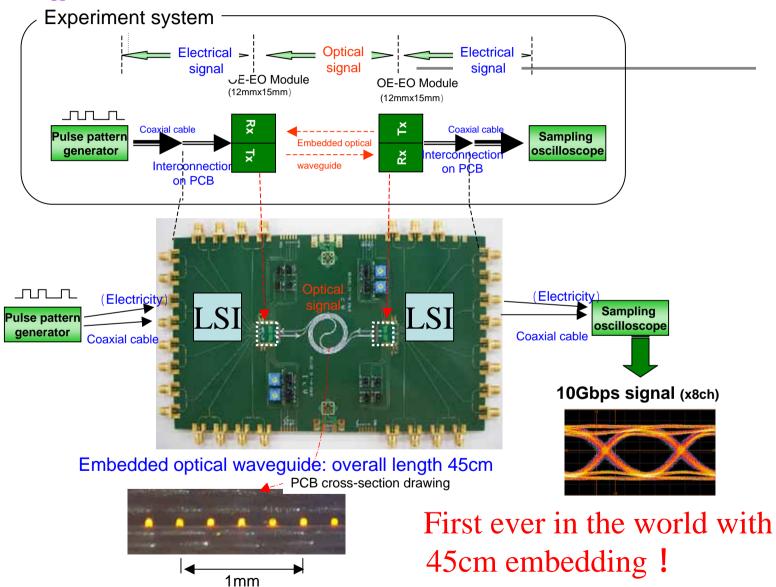
- 1. Elemental technology 1 ~ 3
- 2. 10Gbps/channel, 80Gbps optical transmission technology
- 3. Feature: Opto-electronic integration

Intra-board optical interconnection



04-2. 45cm Embedded Optical Waveguide Demonstration Board

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03 - 1. Closed Innovation vs. Open Innovation

Traditional

Closed Innovation

NIH syndrome
(Not Invented Here)
Self - sufficiency policy
Central research lab

Secrecy

Accumulation of basic research
Deep cultivation of own technology

Cost of organizing

Increased cost of R & D

Research for research s sake

Linear model

Long period of time

Sitting on a gold mine

Keiretsu

Pyramid in industry Vertical integration

Product - out

Open Innovation
Collective intelligence
Stepping out of self-sufficiency policy
End of central research lab

cience & technology getting closer&synchronou
Global problems coming to forefront

Transaction cost (searching & matching)
Competition in development efficiency

Research for commercialization

Making it non-linear

Speeding.up.

Flexibility

Network

As a free sand glass

Only-one

Market - In



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04. Points to be checked in introducing open innovation

Passion for promoting the technology!

- ✓ Clarify respective strength

 Confirm willingness to collaborate
- ✓ Select theme with commecialization as precondition R & D not for reporting s sake
- √ Clarify time axis

Have a clue about distance to

- realization, based on process schedule chart
- ✓ Negotiate agreement to proceed for the future
 Development in coming months

 ✓ Unavoidable uncertainty



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