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Medivalley is an advanced medical industry cluster created to strategically promote new drugs and the advanced medical device industry at a national level.

**Project Outline**

- **Location**: Sinseo Innovation City, Dong-gu, Daegu
- **Size**: 1,054,000㎡ (Innovation City 4,216,000㎡)
- **Project Time Span**: 2009~2038 (Construction: 2009~2013)
- **Total Project Costs**: USD $4billion

**Main Facilities**

<table>
<thead>
<tr>
<th>Category</th>
<th>Facility Name</th>
<th>Site Area(㎡)</th>
<th>Main Function (Facilities)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core Infrastructure Area</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Drug Development Center</td>
<td></td>
<td>28,500</td>
<td>Evaluation of new drug candidate materials and joint research and development, etc.</td>
</tr>
<tr>
<td>Medical Device Development Center</td>
<td></td>
<td>18,200</td>
<td>Product design and support for prototype production and development, etc.</td>
</tr>
<tr>
<td>Clinical Trial Center</td>
<td></td>
<td>52,445</td>
<td>Verification of potential clinical application, etc.</td>
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<tr>
<td><strong>Research Support Facilities Area</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laboratory Animal Center</td>
<td></td>
<td>13,700</td>
<td>Provide animal testing system, support and manage laboratory animals, etc.</td>
</tr>
<tr>
<td>Drug Manufacturing Center</td>
<td></td>
<td>9,700</td>
<td>Specimen production for clinical trials, support for technology transfer, etc.</td>
</tr>
<tr>
<td><strong>Private Residential Area</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication Center</td>
<td></td>
<td>10,112</td>
<td>Office, meeting rooms, accommodation and other convenience facilities</td>
</tr>
<tr>
<td>Joint Research Center</td>
<td></td>
<td>14,266</td>
<td>Company residential area, support facilities, etc.</td>
</tr>
<tr>
<td>Science Village (apartment for researchers)</td>
<td></td>
<td>2,300</td>
<td>Accommodation and subsidiary facilities</td>
</tr>
<tr>
<td><strong>Convenience Area</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Residential Area</td>
<td></td>
<td>320,647</td>
<td>Research institution, venture center, etc.</td>
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</tbody>
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**Daegu-Gyeongbuk Medical Innovation Complex**

- **Location**: Sinseo Innovation City, Dong-gu, Daegu
- **Size**: 1,054,000㎡ (Innovation City 4,216,000㎡)
- **Project Time Span**: 2009~2038 (Construction: 2009~2013)
- **Total Project Costs**: USD $4billion
Medical Infrastructure

Medicity Daegu, the medical capital of Korea (designated in Oct 2008)

- Five medical colleges*, two colleges of oriental medicine, four colleges of pharmacy in Daegu and Gyeongsangbuk-do
- 3,491 medical institutions including 12 general hospitals

<table>
<thead>
<tr>
<th>General hospitals</th>
<th>Hospitals</th>
<th>Clinics</th>
<th>Dental hospitals/Clincs</th>
<th>Oriental hospitals/Clincs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>114</td>
<td>1,611</td>
<td>842</td>
<td>843</td>
<td>8</td>
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A cluster of the best medical infrastructure and R&D institutions in the country

- Five medical colleges*, two colleges of oriental medicine, four colleges of pharmacy in Daegu and Gyeongsangbuk-do
- 3,491 medical institutions including 12 general hospitals

First successful arm transplant operation in Korea

- Left arm transplant surgery successfully completed by medical staff of W Hospital and Yeungnam University Hospital, in February 2016

A stable and deep pool of highly skilled manpower

- 21,000 people working in medical institutions in Daegu (third highest in Korea, as of 2016)
- Highly skilled industrial manpower (27,000): DGIST (IT, BT, NT, MT), POSTECH (new materials), Kyungpook National University (electronics), Yeungnam University (mechanics), Keimyung University (automobiles)

Innovation City, a new urban environment optimized for residents

- A new city with residential, commercial, educational, cultural and leisure facilities and parks (6,023 apartment units built)
- Top-level educational infrastructure: Daegu International School, Daegu Il Science High School
- 15 daycare centers, four kindergartens, two elementary schools, one middle school

Living Environment

Daegu, a Logistics Hub with Excellent Transportation Links

- 14 regular and irregular lines fanning out to the world: Sanya, Shanghai, Tokyo, Osaka, Fukuoka, Sapporo, Okinawa, Hong Kong, Taipei, Da Nang, Bangkok, Vladivostok, Guam
- 100 minutes from Dongdaegu Station to Seoul Station
- Five seaports within one hour’s driving range
- Eight highways connected to other nationwide cities
Daegu-Gyeongbuk Medical Innovation Foundation

Purpose of establishment
To contribute to the development of domestic medical industry in accordance with Article 11 of the Special Act on the Designation and Support of High-tech Medical Complexes, to designate and support the advanced medical complex, and to promote Medivalley as a global medical industry R&D hub

Primary function
- Secure national medical industry competitiveness by establishing infrastructure of advanced product development
- Support the improvement of research results of medical industry and expand outcomes
- Lead the medical industry community by establishing network among industry, institutions, industry, and government
- Attract organizations and companies to vitalize the local medical industry

History
- 2005.10 Determine promotion policy of advanced medical complex (Health Industry Promotion Committee)
- 2008.03 Enactment of the Special Act on the Designation and Support of High-tech Medical Complexes
- 2009.08 Selected as an advanced medical complex (Daegu-Synthetic drug, based on IT, Osong-new BIO drugs, based on BT)
- 2009.12 Announce designation as advanced medical complex (1.03 million square meters within the Innovative City of Dong-gu, Daegu)
- 2010.01 Confirm basic plan for advanced medical industrial complex (Finalize characterization plan for each complex)
- 2010.02-06 Basic and working design of core research support facilities
- 2011.03 Confirm comprehensive plan of advanced medical complex (Total business cost Daegu KRW 4.6 trillion)
- 2011.10 Ground breaking ceremony of government facilities and communication center
- 2012.02 Basic and working design of core research support facilities
- 2012.10 Establish Daegu-Gyeongbuk Medical Innovation Foundation (DGIMF)
- 2013.03 Complete GMP certification as pharmaceuticals manufacturing center for solid form manufacturing facility
An advanced medical complex industry cluster where humanity and nature coexist

Beyond Korea, into the world! Medivalley will be at the center.
### Strategy & Planning Bureau

**Primary Function**

- Establish medium to long-term strategy and new business plan
- Establish stable operation base of complex (Managing source of income) and seek out profitable business models
- Invite outstanding companies and give customized business support to resident companies
- Widen the cooperative network with domestic and international medical industry organizations

- Foster star companies
  - Lead-off promotion of advanced medical industry
  - Support by growth stages of each company (foster pre-star → medi-frontier → world class)

- Research on brain disease/ fusion genome
- Image, support based on 3D
- Laboratory animal resource bank
- Clinical trials, licensing, consignment production
- Foster medical professionals

- Foster start-up
  - Lead-off promotion of advanced medical industry
  - Foster excellent start-ups and support start-ups for majors related to medical professions

- Medivalley distinct brand program
  - MAP-Medical start-up Assist Program
  - Foster excellent start-ups and support start-ups for majors related to medical professions

- Connect hospital (consumer) – Medivalley (infrastructure) – company to support medical device localization and overseas expansion

- Transfer the foundation's excellent patent to pharmaceutical and medical device development companies to support commercialization

- R&D funding and consulting support for technology start-ups of new researchers in medical field in Daegu area

- (Daegu Medion) Provide various support for information and management of company performance in medical industry field through the homepage

### R&D support

- Support joint R&D with the foundation and promote commercialization
- Support for optimization of compound new drug candidate substances
- Support establishing technology base
- Consumer customized support
- Support program linked with outstanding performance
- R&D support with secured based technology
- Consumer customized R&D support
- Consumer customized technology service support
- Consumer customized research on pharmaceuticals manufacturing-quality system

### Commercialization support

- Connect hospital (consumer) – Medivalley (infrastructure) – company to support medical device localization and overseas expansion
- Transfer the foundation’s excellent patent to pharmaceutical and medical device development companies to support commercialization
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### Resident support

- Customized residential service support such as written deliberation (Move in approval, install, change manufacturing facilities, change of residences, etc.) every quarter (periodic), and as needed
- Establish and utilize network for stable settlement of resident companies and enhance R&D and commercialization competence, vitalize information sharing among companies, invite companies, etc.

---

**Support Facilities**

- **8F** Guesthouse
- **6F~7F** Venture company, laboratory, etc.
- **4F~5F** Support facilities
- **2F** International conference rooms, convention center, etc.
- **1F** Accommodation (lounge, etc.)
New Drug Development Center

Ensuring global competitiveness in new chemical drug development

Technical Supports for optimizing new drug candidate optimizing

- Molecular modeling
- SBDD
- in vitro Assays
  - Enzyme assays
  - Cell-based assays
- in vivo efficacy
  - Disease models
- in vitro ADMIE
  - CYP inhibition / induction
  - metabolic stability
  - plasma stability
  - Met ID...
  - in vivo PK (mouse, rat)

Optimize synthetic drugs

CADD

Biophysical Structural Analysis

Toxicology

DMPK

medicinal Chemistry

Pharmacology

X-ray, NMR

SBDD

Operetta

600 MHz FT-NMR Spectrometer

V-10 Evaporator

Equipment

1,932 (260 types)

Operetta

Real-time PCR

600 MHz FT-NMR Spectrometer

V-10 Evaporator

Consumer customized R&D support

Building and activating infrastructure

Creating facilitating environment

Technology transfer

Level up research stage

Strengthening foundation for new drug development

- Candidate substance for thyroid cancer treatment (’16)
- Acute myelocytic leukemia treatment (’16)
- Liver cancer target treatment (’18)
- Active substances for cancer and cancer stem cells treatment (’18)
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- Localization of overseas service and improve the unit cost
- reduce time and cost in finding leading and active substances
- Increased potential for finding first-in-class compounds

Major Accomplishments

**Functional Scope**

**Support Area**

**Drug development phase**

- Disease-related indications
- Lead compounds
- Candidate compounds
- Non-clinical research
- Clinical research
- Commercialization

- Identification of indication
- Hit identification
- Lead identification
- Lead optimization
- Candidate derivation
- Non-clinical testing for permit eligibility (1-3)
- Permit registration
- Production and distribution

- Approval by the Ministry of Food and Drug Safety

**Indication exploration**

- Identification and validation of disease indications
- Generation of new compounds with in vivo efficacy and pharmaceutics for human diseases using animal test models

**Candidate discovery**

- Hit identification
- Lead identification
- Lead optimization
- Candidate derivation

**Lead compounds**

- Identification and validation of new chemical compounds related to indications
- Generation of new compounds with in vivo efficacy and pharmaceutics for human diseases using animal test models

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**Support Area**

- Target
- Biological Active Compound
- Drug-Like Compound
- Drug

**Core Research Centers**

- New Drug Development Center

**Building and activating infrastructure**

- Standardization of infrastructure technologies; 4 cases
- Platform technology construction project; 3 cases
- Support research space to small and medium-sized businesses /start-ups (support 3 companies besides Curacle)

**Creating facilitating environment**

- Demand survey and public hearing
- Technology seminar 126 times

**Technology transfer**

- Candidate substance for thyroid cancer treatment (’16)
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**Level up research stage**

- 70 SCI papers / 36 patent application
- Support for finding leading and active substances
- support for efficacy and toxicity improvement / optimization

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**14**

**15**

**Technical Supports for optimizing new drug candidate optimizing**

- Air handling room, Fan room, etc.
- Medicinal chemistry, Process chemistry
- Pharmacological evaluation, Toxicity evaluation
- Molecular design, Pharmaceutical analysis
- Pharmacokinetics, Initial medicine
- Evaluating the efficacy of medicine
- Rental Lab, management support
- Strategic planning
- Convenience store, Cafeteria, Data processing room

**Equipment**

- Operetta
- Real-time PCR
- 600 MHz FT-NMR Spectrometer
- V-10 Evaporator

**Consumer customized R&D support**

- Support for new pipeline discovery; 12 cases
- Contract research with 93 organization; 124 cases (accumulated approx. 10.2 billion)
- Optimized technical support project; 7 cases

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One-stop solutions and services with a focus on commercialization

- Technology analysis and performance diagnosis
- Development of mechanisms to solve bottlenecks
- Application and testing of developed technologies
  * Focused on advanced fusion, medical imaging, and robotic devices
- PCB and device design
- PCB manufacturing and SMT packaging
- 3D printing and CNC precision processing
- Circuit inspection, reverse engineering and debugging

- Electrical and mechanical safety and performance
- Electro-Magnetic Compatibility (EMC)
- Reliability of the medical devices
- Biocompatibility (biological, physical chemistry)
- Performance of ultrasonic medical devices

- Support for development of high-tech medical technology
- Voucher projects for testing and inspection
- One-on-one mentoring
- Customized educational programs

Increased credibility of product testing to provide businesses with the platform to go global

- Certified as a medical device testing and inspection agency to support companies’ breakthrough into local and overseas markets
- Fully accredited by the Korea Laboratory Accreditation Scheme (KOLAS)
  - Electromagnetic compatibility, medical device, and environment and reliability
- Designated as a medical device testing and inspection agency, by the Ministry of Food and Drug Safety
  - Surgical devices, diagnostic devices, medical stimulation devices, in-vitro diagnostic device, syringe and needle, medical device for healthcare, bioplastic measuring devices, scalpels for medical use, instruments for medical treatment, and body implants
- External laboratory designated
  - Ultrasound performance test field: Nano Korea/CBTL

Support for the successful product commercialization of SMEs, through joint R&D and technology services

- Contributing to new product releases and rising revenues
  - US$2.5M in 2015, US$5.3M in 2016

Accomplishments of R&D and business support

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of papers</td>
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<td>15</td>
<td>16</td>
<td>47</td>
</tr>
<tr>
<td>Number of patents</td>
<td>8</td>
<td>15</td>
<td>19</td>
<td>42</td>
</tr>
<tr>
<td>Research projects (US$100K)</td>
<td>36.7</td>
<td>91.2</td>
<td>57</td>
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</tr>
<tr>
<td>Number of prototype manufacturing</td>
<td>107</td>
<td>163</td>
<td>231</td>
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</tr>
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</table>

Accomplishments of Business

- Conception of idea
- Prototype
- Manufacturing
- Joint R&D
- Product test
- Preclinical test
- Clinical application

Floor Guide

5F: Business Content
- Technology analysis and performance diagnosis
- Development of mechanisms to solve bottlenecks
- Application and testing of developed technologies
  * Focused on advanced fusion, medical imaging, and robotic devices
- PCB and device design
- PCB manufacturing and SMT packaging
- 3D printing and CNC precision processing
- Circuit inspection, reverse engineering and debugging

Academic & research network

- Support via the network of industries, academia, research centers and hospitals

Support for the successful product commercialization of SMEs, through joint R&D and technology services

- Contributing to new product releases and rising revenues
  - US$2.5M in 2015, US$5.3M in 2016

Medical Device Development Center

Provide comprehensive services for medical device development

Equipment

306 types

Magnetic Resonance Imaging (MRI) System

- 10/3M Chamber

CNC Machining Center

- Fully accredited by the Korea Laboratory Accreditation Scheme (KOLAS)
  - Electromagnetic compatibility, medical device, and environment and reliability
- Designated as a medical device testing and inspection agency, by the Ministry of Food and Drug Safety
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Floor Guide

5F: Functional Scope

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  - Development of mechanisms to solve bottlenecks
  - Application and testing of developed technologies
    * Focused on advanced fusion, medical imaging, and robotic devices
  - PCB and device design
  - PCB manufacturing and SMT packaging
  - 3D printing and CNC precision processing
  - Circuit inspection, reverse engineering and debugging

- Electrical and mechanical safety and performance
- Electro-Magnetic Compatibility (EMC)
- Reliability of the medical devices
- Biocompatibility (biological, physical chemistry)
- Performance of ultrasonic medical devices

- Support for development of high-tech medical technology
- Voucher projects for testing and inspection
- One-on-one mentoring
- Customized educational programs

Increased credibility of product testing to provide businesses with the platform to go global

- Certified as a medical device testing and inspection agency to support companies’ breakthrough into local and overseas markets
- Fully accredited by the Korea Laboratory Accreditation Scheme (KOLAS)
  - Electromagnetic compatibility, medical device, and environment and reliability
- Designated as a medical device testing and inspection agency, by the Ministry of Food and Drug Safety
  - Surgical devices, diagnostic devices, medical stimulation devices, in-vitro diagnostic device, syringe and needle, medical device for healthcare, bioplastic measuring devices, scalpels for medical use, instruments for medical treatment, and body implants
- External laboratory designated
  - Ultrasound performance test field: Nano Korea/CBTL

Support for the successful product commercialization of SMEs, through joint R&D and technology services

- Contributing to new product releases and rising revenues
  - US$2.5M in 2015, US$5.3M in 2016

Accomplishments of R&D and business support

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
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<tbody>
<tr>
<td>Number of papers</td>
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<td>15</td>
<td>16</td>
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<tr>
<td>Number of patents</td>
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<td>Number of prototype manufacturing</td>
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<td>Number of testings</td>
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<td>316</td>
<td>643</td>
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<tr>
<td>Number of one-on-one mentorings</td>
<td>28</td>
<td>51</td>
<td>81</td>
<td>81</td>
</tr>
</tbody>
</table>
**Business Content**

### New Drug Development Support

- **Efficacy Assessment**: Efficacy assessment of drugs for anti-tumor, metabolic disease, neurological and vessel disease using animal models.
- **PK/TK assessment, Toxicity test**: PK/TK assessment & Drug toxicity test using both rodent and non-rodents models.

### Medical Device Development Support

- **Medical devices efficacy assessment**: Efficacy assessment of Medical devices, Orthopedic devices, Dental devices, Therapeutic devices such as medical bio-membranes.
- **Bio-imaging analysis**: Utilization of imaging devices such as MRI, IVIS Lumina K, IVIS spectrum-CT, FMT, µCT and Bench-Top PET.
- **Pathological analysis and diagnosis**: Clinicopathological/ biochemical/hematological analysis and histopathological analysis.
- **Animal cleaning**: Cleaning of infected animals and freezing of fertilized eggs.
- **Mass production of transgenic animal**: Mass-production of transgenic animals via in-vitro fertilization.
- **Production and development of Animal modeling**: Production of over expression genes and accurate animal models, production of model animals by chemical and surgical procedures.
- **Animal resource management**: Maintenance of animal resources at international standard levels.
- **Veterinary technical support**: Technical support for microsurgery and surgery area, training.

### Procedure

- **Consultation for experiment**
- **Experiment Contract**
- **Preparation of experiment**
- **Progress of experiment**
- **Preparation of final report**
- **Completion of experiment**

### Equipment

#### 1,264 (285types)

**Micro-MRI**

**IVIS – Spectrum-CT**

**Micro - CT**

**IVIS Lumina K**

**Bench-Top PET**

#### Proven facilities

- Excellent Laboratory Animal Facility, as designated by the Ministry of Food and Drug Safety (Dec 2016)
- First in Korea (Jan 2017) to join ICLAS PEP (Performance Evaluation Program by the International Council for Laboratory Animal Science)

#### Technical service

- Support for animal experiment - 248 total instances (Nov 2017), 440 in total from 2014 to 2017

#### Commercialization (localization) support

- Localization of styptic gauze - USD$3million in revenues, 50% of the domestic market, 13 jobs created
- Permit application for manufacturing periodontal tissue regeneration inducer to the Ministry of Food and Drug Safety
- Manufacture permission for optical coherence tomography
- Approval of chemosent for drug injection (Sep 2017) - a representative R&D support project selected by the Ministry of Health and Welfare
- Approval of endoscopic ultrasound-guided fine needle aspiration device (July 2017)
Drug Manufacturing Center

One-stop services from production of API and finished drug to quality control

Support pharmaceuticals production and joint use of facilities for research institutes and pharmaceutical companies requiring pharmaceutical production facilities

Support area
- Oral solid dosage
  - Tablets (single-layer/multi-layer)
- Capsules
- Injections (cytotoxic anticancer injections)
  - Liquid
  - Freezedried Vial (6ml, 15ml, 20ml)
- API
  - Reactors 10L, 100L, 150L

Analysis support
- QC analysis, analytical procedure development and method validation for drug substances and products
- Support area Various analysis such as safety test, Lot release test, etc.
- Support preparation of licensing documents and work progress for organizations and companies seeking to apply for domestic and international pharmaceutical licensing
- Support area Applying for clinical trial approval, new drug application, etc.

Pharmaceutical expert training
- Training for students majoring in pharmacy and workers in pharmaceutical fields
- Support area Drug production practice, quality assurance・evaluation practice, GMP facility management・operation practice, etc.

GMP Consulting
- Support organization planning to arrange new GMP facilities or requiring expertise in drug production and analysis
- Support area Pharmaceutical production process, analytical technology, EH&S, establish GMP facility and operation, management, etc.

Equipment
- API (100L Glass reactor)
- Oral solid dosage (ConsiGma-25™)
- Injection production (Isolator & Vial filing line)
- QC (UPLC)

Major Accomplishments
- GMP facility constructed (GMP-certified public institution)
- OASIS Project to support drug production and analysis for businesses
  - Support for preparation of documents related to drug production and approval, for easy entry to the clinical testing phase
  - An education center designated by the Daegu-Gyeongbuk Association of Colleges of Pharmacy and the Pusan National University College of Pharmacy
- KGMP certified for drug products (Apr 2016) and drug substances (Mar 2017)
- Increase in the number of requests for production and analysis (Three in 2015, 37 in 2016, 68 in 2017)
- Six IND applications approved

Representative equipments
- 2017 2016

Functional Scope

Investigational New Drug Application (IND)
- Non-clinical Test
- Clinical Test (Phase I ~ III)
- Approval / Sales

New Drug Application (NDA)
- Manufacturing
  - Manufacturing and supply of pharmaceutical products (complete products and API)
  - Process development
  - Formulation study
- Analysis
  - Development and support of analytical procedures
  - Stability test (expiry date setting, re-evaluation time setting, post-sales stability test, etc.)
  - Quality Control (QC, Quality Control)
  - CMC (Chemistry, Manufacturing, Control) documentation
A cluster of national research institutions improving the competitiveness of the Korean medical industry

National Research Institutes

1. Korea Brain Research Institute
   - Research on brain science, brain disorders, brain engineering, and brain cognition
   - Venue for the 10th IBRO World Congress of Neuroscience in 2019

2. Korea Institute of Oriental Medicine
   - Specializing in natural drug development collaborating with New Drug Development Center, Korean medicines research institutions, and clinical testing institutions

3. 3D Convergence Technology Center
   - Medical and 3D convergence technology development and commercialization

4. Laboratory Animal Resource Bank
   - Providing necessary infrastructure for recycling the bio resources of high value lab animals

5. High-tech Medical Genome Research Center
   - A research hub for national-level genome study

6. K-Medical Center
   - In-training overseas medical experts, thereby attracting foreign clientele and supporting local medical centers to enter the global marketplace

7. Ministry of Food and Drug Safety, Daegu Office
   - One-stop support shop for relocating companies, to support their R&D, clinical tests, licensing and commercialization efforts

8. GMP Production Facility for Korean Medicine
   - Modernizing Korean medical formulae and standardizing its acupuncture materials

9. Digital Healthcare Software Testing & Evaluation Center
   - Technology support for local and overseas certification of Korean products to assist businesses in enhancing their global competitiveness and ease their passage into local and overseas markets

10. Medical Technology Testing & Training Center
    - Providing infrastructure for national practical testing and clinical training of health professionals

11. High-tech Clinical Trial Center
    - Verifying the clinical applications of drug candidates and prototype products developed in Daegu Medical Cluster, to promote drug/medical device development

12. Communication Center
    - Major facilities: DGMIF office, accommodation/looding for researchers, a fitness center, conference rooms, meeting rooms, rental labs, etc.

13. Korea Medical Venture Center
    - Space available for rental by start-up companies

Other Support Facilities

14. Korea Brain Research Institute
15. K-Medical Center
16. Medical Technology Testing & Training Center
17. Korea Medical Venture Center
18. Science Village
19. Industry-academia Convergency Center
20. K-Medical Center
# Industrial Incentives

## With customized support, we will be a reliable supporter of the companies.

### Tax Benefits

- **Various tax benefits to relieve companies’ financial burden**
  - National Tax
    - Corporate income tax - 100% exemption for the first three years and 50% reduction for the subsequent two years
    - Local Tax
      - Acquisition tax - 85% exemption
      - Property tax - 100% exemption for five years and 50% reduction for the subsequent two years
  - Foreign-invested Company
    - Corporate tax and income tax - 100% exemption for five years and 50% reduction for the subsequent two years
    - Acquisition tax - exemption
    - Property tax - 100% exemption for 15 years
  - 15% minimum levels of taxes are imposed according to the minimum tax and minimum payment schemes

### Financial Incentives

- **Broad financial support to help companies concentrate on research and manufacturing**
  - Site and investment subsidy: Max USD $0.9 million
  - Land purchase support: Interest-free installment for three years and discounting for lump-sum payment (2.0% off for pre-payment)
  - Special support for large-scale investment companies: Up to 50% of the total investment (support for the purchase of a construction site, building costs, employment and training subsidy)
  - Employment and Training Subsidy
  - Foreign-invested company: Special support for companies with at least 30% of foreign investment
    - Subject to change according to the type, investment size and other aspects of companies (support to be provided based on relevant laws and city of Daegu ordinances)

#### Special Incentives available, from R&D budgeting to corporate marketing

- **R&D grant support for drug and advanced medical device research and development**
- **Medicorp fund (USD $4.34 million) to be raised for medical industry promotion purposes**
- Support for successful settlement of resident companies through preferential purchase benefits by Medicy Council Corp., incorporating five doctors’ associations and five general hospitals (July 2012)
- **Daegu Joint Institutional Review Board (IRB)**: Joint clinical support system of five hospitals in the Daegu region
- **One-stop service for administrative support, encompassing site selection, construction approval, resolution of company complaints**

### Special Support

- **Helping your business with regulatory exceptions**
  - **Medical Service Act** (Foreign medical staff (doctors, dentists) can conduct research in the Daegu Medical Cluster)
  - **National Health Insurance Act** (under clinical trials conducted for R&D of a medical institution in the Daegu Medical Cluster) are deemed medical care
  - **National Bioethics Committee** (allows people to receive medical care and medical service at the same time)
  - **Pharmaceutical Affairs Act and Medical Devices Act**
  - **Bioethics and Safety Act** (Some foreign medical staff with specific licenses can provide purely research activities while receiving payment)
  - **Immigration Control Act** (extension of stay for foreign researchers from two years to five years)
  - **Patent Act** (Priority inspection of patent applications filed by any resident R&D institute within the Daegu Medical Cluster)

### Deregulation (Special Acts)

- **Priority inspection of patent applications filed by any resident R&D institute within the Daegu Medical Cluster**
- **Relocation Guide**
- **Industrial Incentives**
Global R&D hub of advanced medical industry

Medivalley