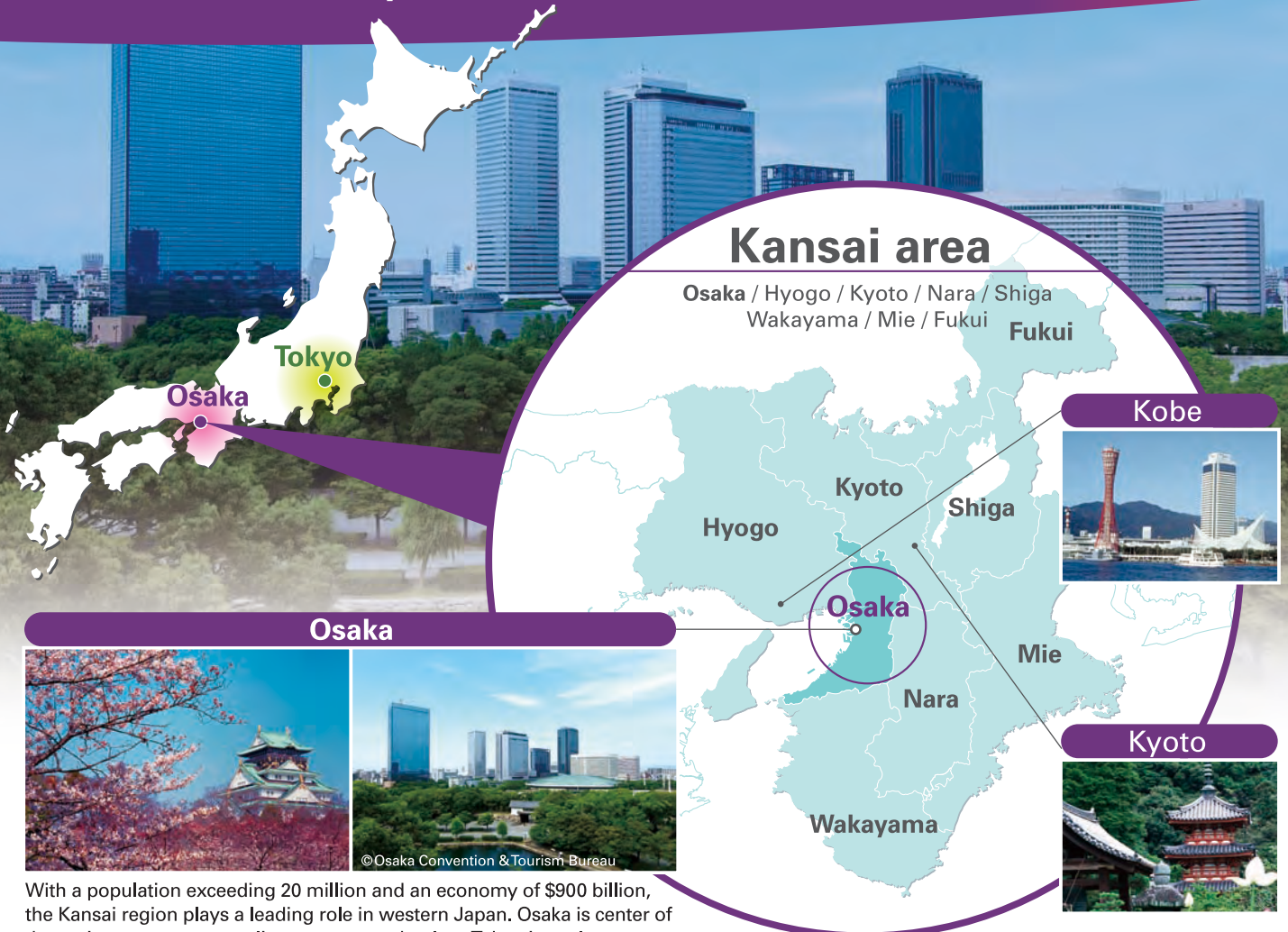


Profile of Osaka / Kansai



With a population exceeding 20 million and an economy of \$900 billion, the Kansai region plays a leading role in western Japan. Osaka is center of the region, a vast metropolitan area second only to Tokyo in scale.

Three metropolises, located close to one another **30 minutes** by train from **Osaka** to **Kyoto**, and to **Kobe**.

Osaka prefecture (Center of Kansai) OSAKA: A WORLD LEADER IN INDUSTRY

One of Japan's leading manufacturing industry clusters

	Osaka (Share/Japan)	Tokyo (Share/Japan)
Area (km ²)	1,899 (0.5%)	2,104 (0.6%)
Population (million)	8.86 (6.9%)	13.20 (10.3%)
Gross Regional Product (US\$ billion)	383 (7.4%)	911 (17.6%)
Number of manufactures *	41,059 (9.3%) No.1 in Japan	40,137 (9.1%)
Number of employees*	561,145 (6.4%) No.2 in Japan	404,917 (4.6%)

(*)Number of manufacturers and employees
Ranking among 47 prefectures in Japan

Source: Cabinet Office/Ministry of International Affairs and Communications/ Geospatial Information Authority of Japan/ Ministry of Economy, Trade and Industry/ IMF World Economic Outlook Database

Kansai area

	Kansai (Share/Japan)	Tokyo area (Share/Japan)
Area (km ²)	37,044 (9.8%)	36,437 (9.6%)
Population (million)	23.53 (18.4%)	43.49 (34.0%)
Gross Regional Product (US\$ billion)	917 (17.7%)	1,953 (37.8%)

Osaka / Kansai GRP=Nearly equivalent to Netherlands GDP (Ranking 16th in the world)

Tokyo area: Tokyo and 7 prefectures

Source: Cabinet Office/Ministry of International Affairs and Communications/ Geospatial Information Authority of Japan/ IMF World Economic Outlook Database

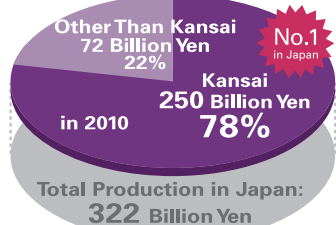
Concentration of Solar Cell and Li-ion Battery Manufacturing Sites in Kansai

Success in Green Technologies

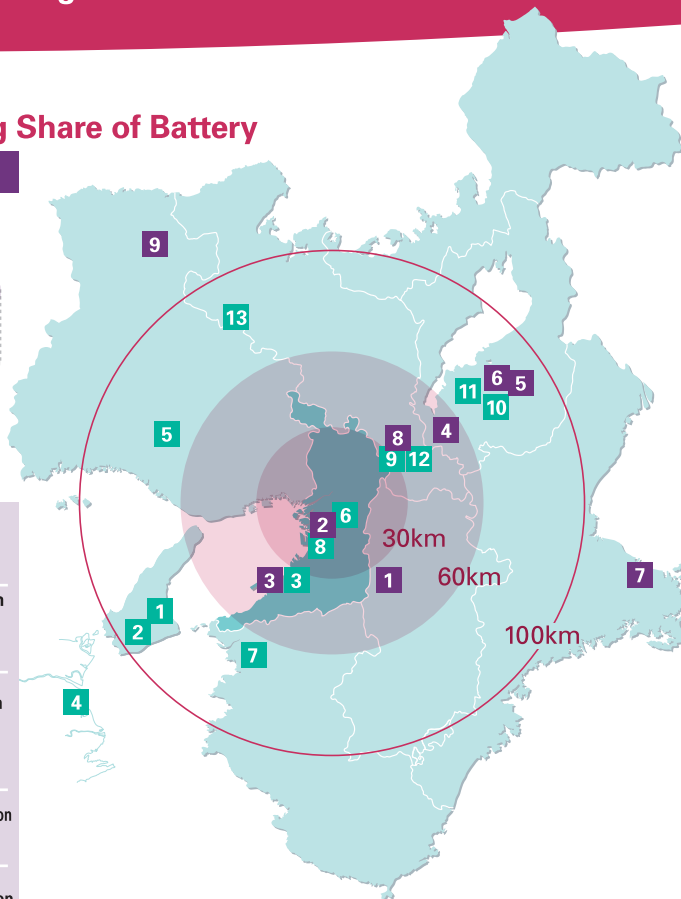
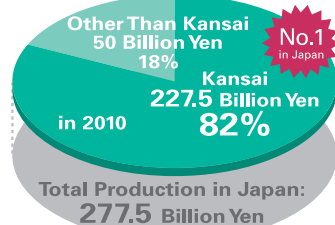


Kansai's Overwhelming Share of Battery

Solar Cell



Lithium-ion Battery



Source: Kansai Bureau of Economy, Trade and Industry, Ministry of Economy, Trade and Industry

- SHARP** Sharp Corporation
 - 1 Katsuragi Plant
 - 2 Sakai Plant
- Panasonic** Panasonic Corporation Energy Company
 - 3 Nishikinohama Plant
 - 4 Shiga Plant
- KYOCERA** KYOCERA Corporation
 - 5 Shiga Youkaichi Plant
 - 6 Shiga Yasu Plant
 - 7 Mie Ise Plant
- MITSUBISHI** Mitsubishi Electric Corporation
 - 8 Kyoto Plant
- Kaneka** Kaneka Solartech Corporation
 - 9 Toyooka Plant

- Panasonic** Panasonic Corporation Energy Company
 - 1 Sumoto Plant
 - 2 Minami Awaji Plant
 - 3 Kaizuka Plant
 - 4 Tokushima Plant
 - 5 Kasai Plant
 - 6 Moriguchi Plant
 - 7 Wakayama Plant
 - 8 Suminoe Plant
- maxell** Hitachi Maxell Energy, Ltd.
 - 9 Kyoto Plant
- GSI YUASA** Lithium Energy Japan
 - 10 Ritto Plant
 - 11 Kusatsu Plant
 - 12 Kyoto Plant
- Blue Energy Co., Ltd**
 - 13 Fukuchiyama Plant

Source: Sangyo Times, Inc., Japan Economic Center (JEC) Data published by each company

Effort / Activity to Enhance Industrial Competitiveness <Leading Projects>

Creation of world's leading Battery Cluster

Osaka Bay area, Yumeshima and Sakishima

- Battery Strategy Research Center
- Smart Community projects for standardization and overseas business
- Invite environmental and energy industries
- Projects in development (Mega solar power plants, Waste power generation, and Superconducting power transmission, etc.)

Photo: The Kansai Electric Power Co., Inc.

New Generation Energy System / Laboratory Zone

Kansai Science (Keihanna) City

Experimental Projects

- A community entirely covered by PV power generation
- Biogas/Waste power generation
- Modal shift, etc.

Future projects

- Next generation energy system of Community Energy Management System

Open Innovation Center

- Promotion of industry-academia and international exchanges

Photo: Urban Renaissance Agency

More than **110** research, university, and cultural facilities

New Business District

Osaka Station area (Grand Front Osaka)

Photo: Knowledge Capital Management Corporation

- Urban open innovation center for New business networking
- Facility: Salon, Lab and Theater

Objective

- Human resources development
- R&D
- Business networking

Special Zones in Kansai Region

- A** Harima Science Garden City (Spring8)
- B** Kobe Biomedical Innovation Cluster
- C** Northern Osaka area
- D** Osaka Station area
- E** Osaka Bay area, Yumeshima and Sakishima
- F** Kyoto area
- G** Kansai Science City

Legend: Life science (yellow), Green-Tech (green)

World's leading research institutions and enterprises are located within 1 hour travel distance.

- 17 Universities and 36 Research Institutions
- 79 Enterprises
- 6 Economic organizations and 19 Local Governments (At of June 15th 2012)

Future Outlook of Solar Cell and Li-ion Battery Industry Output by 2025

Solar Cell
(Total Production in Japan)

2010: 250 Billion yen
 2025: 1,130 Billion yen
 4.5 times

Lithium-ion battery
(Total Production in Japan)

2010: 230 Billion yen
 2025: 3,850 Billion yen
 16.9 times

Source: Application for the Kansai Innovation Comprehensive Global Strategic Special Zone

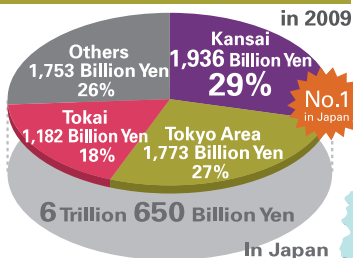
Excellence of Life Science Industry

The Kansai-based life science industry supporting high level of longevity

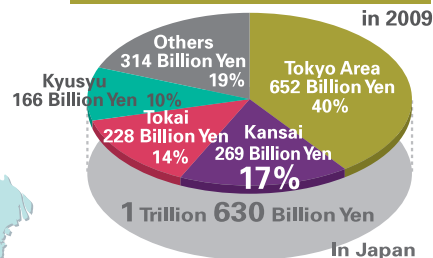


Kansai's Share of Medicinal Drug and Medical Device

Medical-drug-related-production



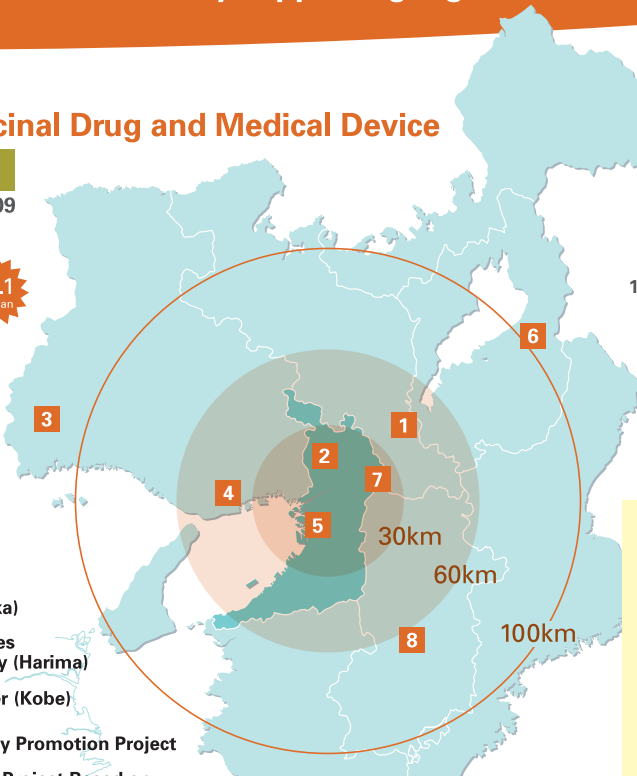
Medical-device-related-production



Source: Ministry of Economy, Trade and Industry

Biotechnology-related projects

- 1 Kyoto BioCity Conception (Kyoto)
- 2 Osaka Bio Strategy (Northern Osaka)
- 3 Creation of Biotechnology Industries Based on Photo Science Technology (Harima)
- 4 Kobe Biomedical Innovation Cluster (Kobe)
- 5 Health and Preventive Care Industry Promotion Project
- 6 A Biotechnology Industry Creation Project Based on the Biotechnology of the Nagahama Science Park (Shiga)
- 7 Photo-Medical Valley Project (Keihanna)
- 8 Project for Development of New Businesses in the Healthcare Industry (Nara)



Over 200 universities/research institutes
About 100 bio ventures

Source: Kansai Bureau of Economy, Trade and Industry

Leading pharmaceutical companies in Kansai



Effort / Activity to Enhance Industrial Competitiveness <Leading Projects>

Speed-up of R&D-to-product process

Establishment of the screening system

- Use of clinical study data as clinical trial data
- Integrated screening management regardless of clinical study or clinical trial



Establishment of specialized organizations

PMDA*-WEST
(Investigation/Consulting desk)
Clinical Trial Center
(Virtual network)

*PMDA: Pharmaceuticals and Medical Devices Agency

Combination of Companies and Institutions technologies

Project target

- R&D for medicine and medical devices
- Accelerated establishment of advanced medical technologies and preemptive medical care

Projects

- Promotion of R&D activities for innovative medicines
Medical Innovation Center (Kyoto area)



- Development of Robots and Devices for surgical, diagnostic, nursing
National Cerebral and Cardiovascular Center
(Northern Osaka area)
Osaka Universities (Northern Osaka area)



Universities in Kansai
KYOTO, OSAKA, KOBE...

Fundamentals for boosting innovation

Osaka Station area

- Alliance with overseas organizations
- Bio Business Alliance of Minnesota (BBAM), since 2010



Photo: Knowledge Capital Management Corporation

Kansai International Airport

- World's leading cold chains
- Inauguration of Mega cargo carrier hub
- KIX Medica: Constant temperature storage

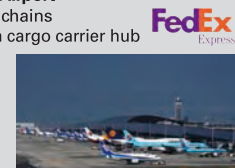


Photo: New Kansai International Airport Company ,Ltd

Special Zones in Kansai Region



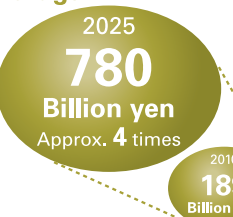
- A** Harima Science Garden City (SPRING8)
- B** Kobe Biomedical Innovation Cluster
- C** Northern Osaka area
- D** Osaka Station area
- E** Osaka Bay area, Yumeshima and Sakishima
- F** Kyoto area
- G** Kansai Science City

World's leading research institutions and enterprises are located within 1 hour travel distance.

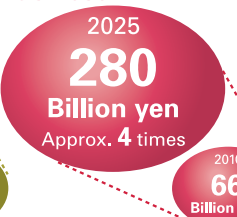
- 17 Universities and 36 Research Institutions
- 79 Enterprises
- 6 Economic organizations and 19 Local Governments (At of June 15th 2012)

Future Outlook of Medical Industries Output by 2025

Export of medical drugs



Export of medical devices



Source: Application for the Kansai Innovation Comprehensive Global Strategic Special Zone

Special Zones in Kansai Region

— Matrix of Projects —



Life science Green-Tech

- A** Harima Science Garden City (SPring8)
- B** Kobe Biomedical Innovation Cluster
- C** Northern Osaka area
- D** Osaka Station area
- E** Osaka Bay area, Yumeshima and Sakishima
- F** Kyoto area
- G** Kansai Science City

Guide to the symbols: = Main district for project = Collaborating district for project

Projects in Kansai			Project sites									
			A	B	C	D	E	F	G	Hanshin port	Kansai Int'l Airport	
I	Speed-up of R&D-to-product process	1										
		2										
		3										
		4										
		5										
		6										
		7										
II	Combination of Companies and Institutions technologies	1										
		2										
		3										
		4										
		5										
		6										
		7										
		8										
		9										
		10										
		11										
		12										
		13										
		14										
		15										
III	Fundamentals for boosting innovation	1										
		2										
		3										
		4										
		5										
		6										
		7										
		8										
		9										
		10										

Source: Application for the Kansai Innovation Comprehensive Global Strategic Special Zone (Kyoto Prefecture, Osaka Prefecture, Hyogo Prefecture, City of Kyoto, City of Osaka, City of Kobe) Website of Kansai Economic Federation

For further information, please visit the website of the Kansai Innovation Comprehensive Global Strategic Special Zone Council at: <http://kansai-tokku.jp/>

Kansai's Advantages for Foreign Companies

Kansai becomes one of the most attractive places as to its economic fundamentals, therefore a number of foreign companies has already set up operations in Kansai region.



Medical Industry

-  AstraZeneca K.K.
-  Eli Lilly Japan K.K.
-  Hospira Japan K.K.
-  BBK worldwide-Osaka, G.K.
-  Nippon Boehringer Ingelheim Co., Ltd.
-  Bayer Ltd.



Service Industry

-  Emirates Airline, Japan Branch
-  Hilton Osaka
-  USJ. Co., Ltd.
-  Tata Consultancy Services Japan Limited

Retail Industry

-  IKEA Japn K.K.
-  Chelsea Japan Co., Ltd.
-  Haier Japan Sales Co., Ltd.



Distribution/ Transportation Industry

-  ProLogis
-  Eurocopter Japan Co., Ltd.






Major Determining Factors

- The size of the Kansai market
- Well-developed rail and flight networks
- Good transportation access to major cities
- Concentration of related businesses and R&D institutes
- Presence of business partners
- Availability of well-qualified human resources
- Cheaper office rent compared to the Tokyo area
- Favorable living environment (educational institutions, natural environment)

Chemical Industry

-  Air Liquide Japan Ltd. Japan Air Gases
-  Procter & Gamble Japan K.K.
-  Beauty & Health Innovation Co., Ltd.

Manufacturing Industry

-  ALSTOM K.K.
-  RECARO Japan Co., Ltd.
-  HBC-radiomatic Japan K. K.
-  Corning Japan Inc.
-  Samsung Japan Corp.

Foods Industry

-  Nestlé Japan Ltd.
-  NIZO Food Research

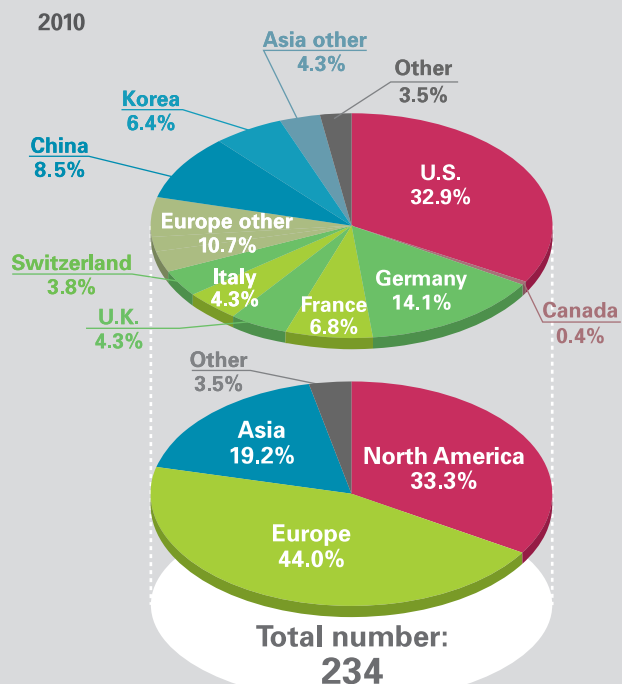
Finance and Insurance Industry

-  AXA Non-Life Insurance Co., Ltd.

Source: "Welcome to Kansai" issued by Kansai Bureau of Economy, Trade and Industry
 Note: Listed are companies that have head offices, sales offices or research institutes in Kansai.
 Major determining factors are based on interview surveys of some companies listed above.

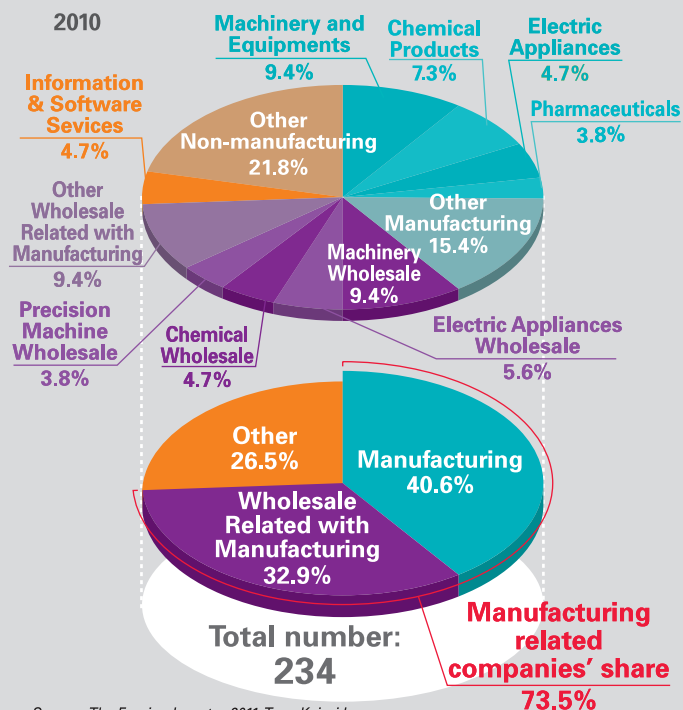
DATA

Countries' share of foreign companies in Kansai



Source: The Foreign Investor 2011, Toyo Keizai Inc.
 Firms* Foreign-affiliated firms: With foreign capital of 20% or over (including branch offices)

Industries' share of foreign companies in Kansai



Source: The Foreign Investor 2011, Toyo Keizai Inc.
 Firms* Foreign-affiliated firms: With foreign capital of 20% or over (including branch offices)

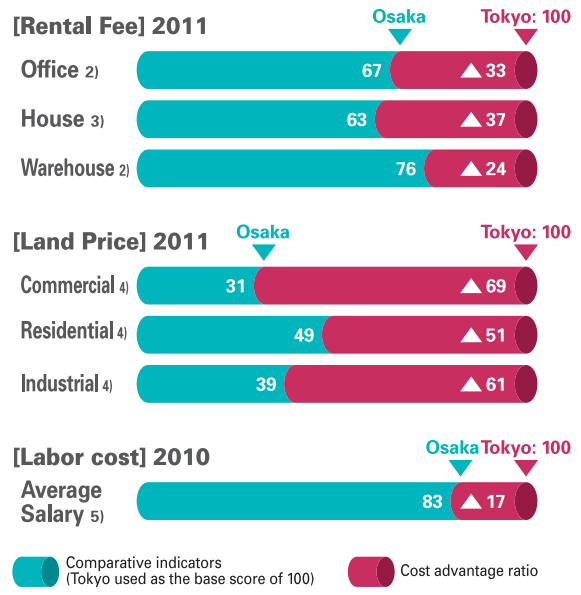
Kansai's Advantages of Cost and Living Environment

Lower business costs than Tokyo



Subsidies from local governments
Up to 15billion yen ¹⁾

Osaka/Kansai's Cost Advantages



Sources: 1) Local governments in Kansai 2) CB Richard Ellis K.K. 3) Annual Report on the Rental Price Survey 2011 (Ministry of Internal Affairs and Communications) 4) Statistical Handbook of Japan 2011 (Ministry of Internal Affairs and Communications) 5) Monthly Labor Survey 2010 (Ministry of Health, Labour and Welfare)

Safe and comfortable housing area with expatriates from 170 countries ⁶⁾

Osaka : Asia's No1 livable city ⁷⁾
 Kobe : Asia's No1 Eco-City ⁸⁾
 Kyoto : Asia's most famous tourist destination ⁹⁾

Hospital/Clinics correspondence to foreign languages ¹²⁾

Japan: the most peaceful country in Asia, and the third in the world ¹⁰⁾

International business communities, Clubs and Associates for expatriates ¹³⁾

5 World Heritage sites in Kansai ¹⁶⁾

18 Consulates ¹⁴⁾

Birthplace of various traditional cultures ¹⁷⁾

- Noh plays
- Tea ceremony
- Kabuki theater
- Flower Arrangement

Excellent educational facilities for expatriates (Osaka, Kobe, Kyoto) ¹¹⁾

Restaurants serving cuisines of over 30 countries ¹⁵⁾

Sources: 6) Immigration Bureau, Ministry of Justice 7) Economist Intelligence Unit, 2009 8) Mercer Quality of Living Survey, 2010 9) Wanderlust, TripAdvisor, 2009 10) Economist Intelligence Unit, 2010 Global Peace Index 11) Local governments in Kansai ,Osaka International House Foundation 12) Local governments in Kansai 13) The Foundation for Kansai Region Promotion 14) Ministry of Foreign Affairs 15) Survey by Kobe Shinbun Jigyosha 16) National Federation of UNESCO Association in Japan (Buddhist Monuments in the Horyu-ji Area, Himeji-jo [castle] , Historic Monuments of Ancient Kyoto, Historic Monuments of Ancient Nara, and Sacred Sites and Pilgrimage Routes in the Kii Mountains Range) 17) The Foundation for Kansai Region Promotion

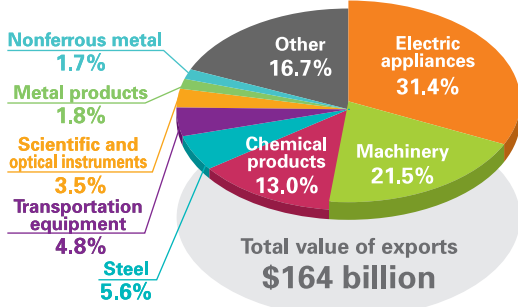
Current Trade Scale in Kansai

Export

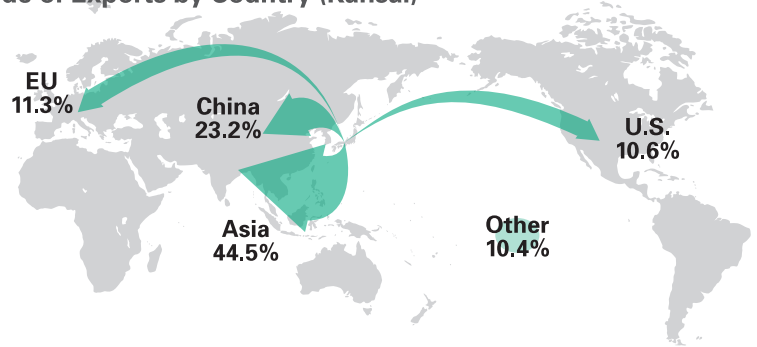
20%
of Japan's total scale

Electric appliances and machinery account for more than a half of the total export value, and Asia is the major export counterpart.

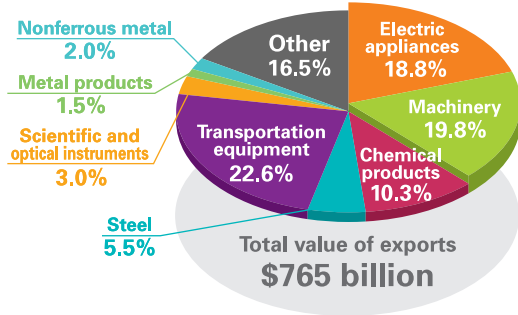
Value of Exports by Commodity (Kansai)



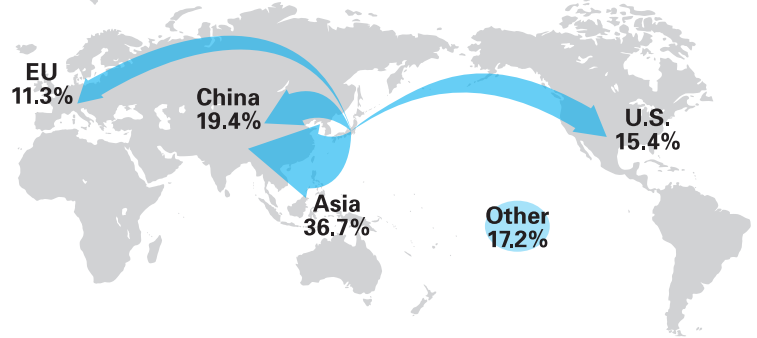
Value of Exports by Country (Kansai)



Value of Exports by Commodity (Japan)



Value of Exports by Country (Japan)

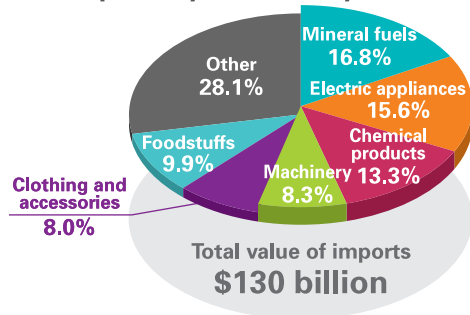


Import

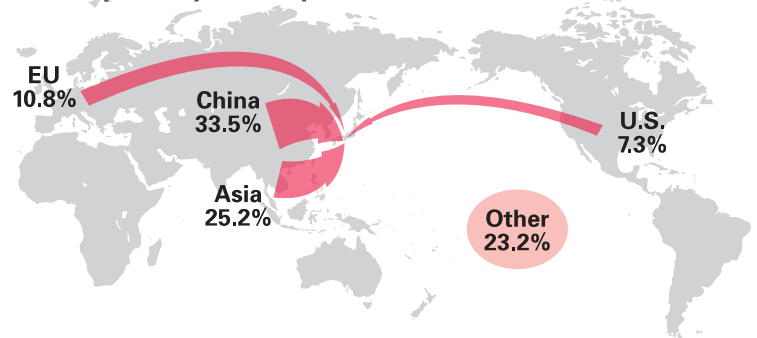
20%
of Japan's total scale

Reflecting the concentration of the manufacturing industry, mineral fuels and electric appliances constitute a significant share. Import from Asia including China accounts for more than a half.

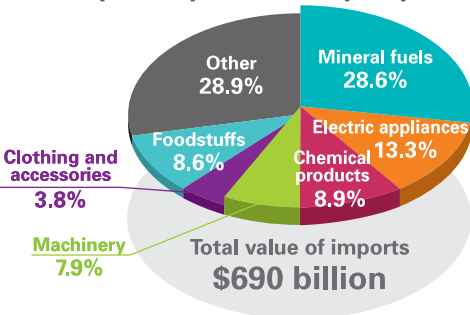
Value of Imports by Commodity (Kansai)



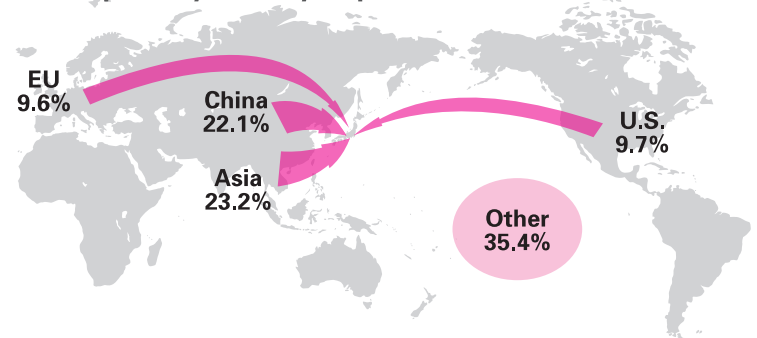
Value of Imports by Country (Kansai)



Value of Imports by Commodity (Japan)



Value of Imports by Country (Japan)



Source: Japan Customs, Osaka Customs

Sophisticated Traffic and Logistic Infrastructure

Access to the world

Sophisticated air route network from Kansai to the world

Osaka International Airport

Kobe Airport

Kansai International Airport

- Kansai International Airport is the only 24-hour Operating International Logistics Hub in Japan.
- It has Japan's largest cargo flight network for China.

Flight Schedule

Airline companies	59
Flight to overseas cities	68
The weekly number of flights	862

Source: Kansai Bureau of Economy, Trade and Industry
Kansai International Airport Co., Ltd.



Sophisticated International seaway infrastructure

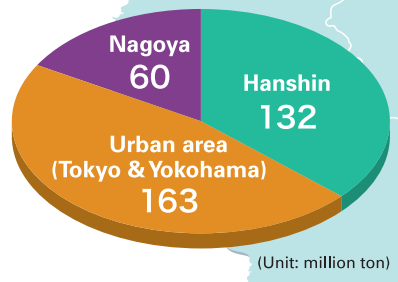
Maizuru Port

- Multipurpose international terminal with a large quay wall depth of 14m and container yard.
- The port can berth 50,000-ton container ships.

Hanshin Port (Port of Osaka, Port of Kobe etc)

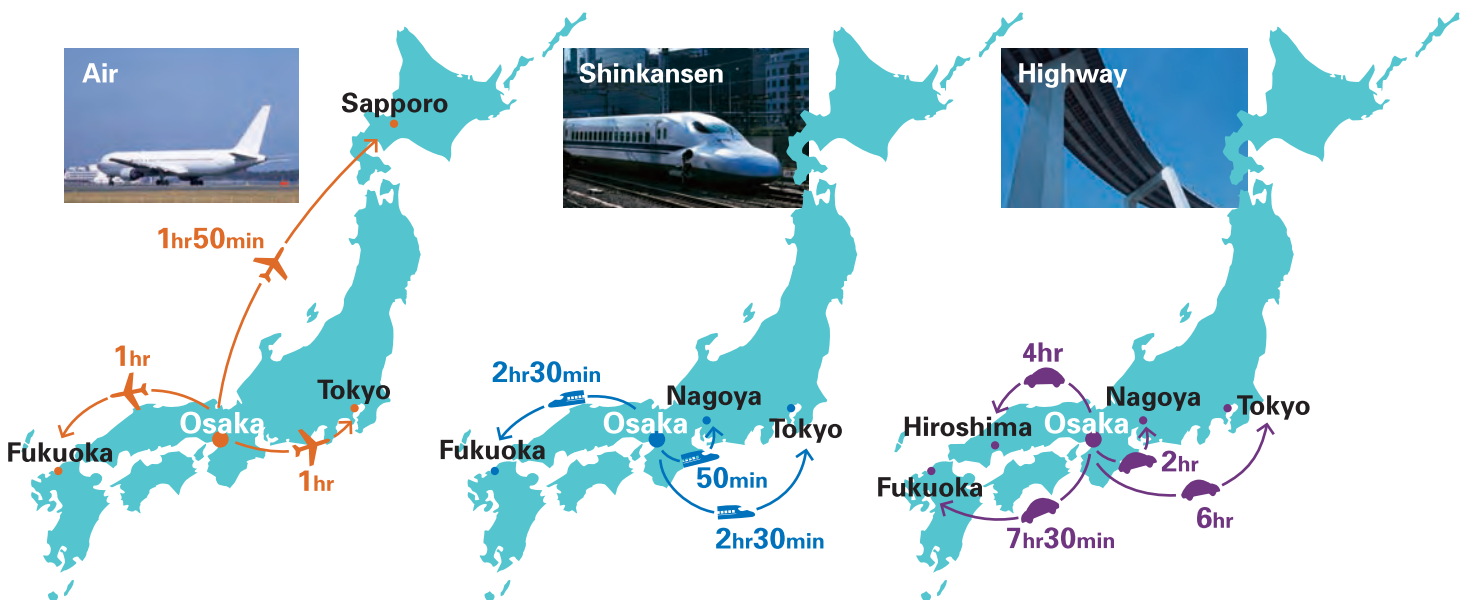
- The ports boast the world class freight volume.
- The development of Japan's deepest earthquake-resistant container berth (with a water depth of 16m) allows the harbor to accept 100,000-ton class container ships.
- Hanshin Port was designated as international strategic ports in Japan (Aug. 2010).
- ◆ Improving the cargo collection functions by reinforcing the distribution network incorporating the coastal shipping feeder, railroads and trucks
- ◆ Reducing port costs by privatizing the port management company
- ◆ Service improvement for shippers by promoting 24-hour operation of terminal gates
- ◆ Securing a large-scale terminal with depth of 18 m, etc.

The comparative volume of domestic cargo



Domestic Access

Kansai has a well-developed transportation network in terms of flight, train and motorway systems.



Successful Stories Supported by JETRO Osaka

Here's a brief look at varieties of companies that have worked with JETRO Osaka for a prosperous business in the Kansai region.

Successful Story

Tata Consultancy Services Japan Limited, Osaka Office

A core organization of India's largest conglomerate, the Tata Group
One of the largest IT consulting companies in Asia

Profile

Established in: June, 2010
Business in Japan: IT consulting, systems-development and maintenance

Why Kansai?

1. Presence of numerous manufacturing and pharmaceutical companies
2. Accumulation of globally operating enterprises

JETRO Osaka's Support

- Free temporary office space
- Information on office spaces and lifestyles in Kansai
- Assistance in holding press conference



KP Japan Co., Ltd.

Advanced manufacturer of anode material
for Ni-MH batteries

Profile

Established in: September, 2009
Business in Japan: Import and distribution of metal hydride alloys

Why Kansai?

1. Had business relations with electronics and battery manufacturers in Kansai
2. Found strong potential in battery market in Kansai
3. Was familiar with and fond of Osaka

JETRO Osaka's Support

- Free temporary office space
- Information on office spaces
- Provision of market information



David Austin Roses K.K.

Sells approximately 200 varieties of English roses
in over 45 countries

Profile

Established in: November, 2007
Business in Japan: Import and distribution of English roses

Why Kansai?

1. Had distribution channel in Kansai via former agent
2. Strong support by the local government

JETRO Osaka's Support

- Consultation on registration, tax, and visa preparation
- Cooperation on English-style garden establishment plan along with Osaka Prefectural Government



BBK Worldwide - Osaka, G.K.

Global leader in patient recruitment for clinical trials

Profile

Established in: February, 2009
Business in Japan: Marketing consultancy in patient recruitment for clinical trials

Why Kansai?

1. Active industry-university joint research in pharmaceutical development
2. Most suitable base for business in Asia-Pacific region
3. Accumulation of head offices of medical device manufacturers

JETRO Osaka's Support

- Free temporary office space
- Assistance with company registration and visa preparation
- Arrangement of business meetings
- Help with press releases



HBC-radiomatic Japan K.K.

A developer and manufacturer of radio control systems for industrial cranes with products available in more than 60 countries worldwide.

Profile

Established in: February, 2009
Business in Japan: Sales of radio control systems for industrial cranes

Why Kansai?

1. Attracted to the Kansai market as it provides large-scale potential customers
2. Lower costs compared with those in Tokyo

JETRO Osaka's Support

- Free temporary office space
- Company registration supported by an introduced specialist
- Support for establishing an office, such as introduction to a human resources consulting firm and help with finding office space



Fluonics K.K.

Teflon lined valve and pipe manufacturer

Profile

Established in: August, 2009
Business in Japan: Import and distribution of valves and pipes

Why Kansai?

1. Accumulation of chemical plants around Osaka Bay area
2. Presence of major clients and partners in Kansai

JETRO Osaka's Support

- Free temporary office space
- Consultation on registration, visa preparation, and opening a bank account
- Help in applying for subsidies offered by O-BIC(Osaka Business and Investment Center)



INVEST Promotion Activities in Kansai

Invest Kansai Desk is one-stop service center for foreign companies considering investment in the region. It provides a full range of support services to start up business.

Service Menu

- Free of charge (Up to 50 business days)
- Convenient location



Temporary Office Space

Foreign companies



Consulting



- Provision of concierge support by experts

JETRO Osaka
INVEST KANSAI Desk
(ONE STOP CENTER)

Office Properties

- Assistance in finding appropriate office property

Human Resources

- Recruiting assistance service

Networking



Consulting

Free individual consultation for your company

A vast network of experienced experts in both public/private sectors can provide a wide range of support including advice on entering markets, analyses of startup costs, assistance on procedures for new businesses, finding office space and staffing.

JETRO can also put you in contact with public authorities (Invest Japan office) and local governments for matters concerning laws on market entry, regulations or permit procedures.

Facilities

Temporary office space offered free of charge

Office space (Free for 50 business days)

Desk, chair, telephone, fax and internet connection available. Ideally located for business in the center of metropolitan Osaka.

Meeting room (Free)

The conference rooms can be used for business meetings, negotiations, etc.

Business library (Free)

The adjoining business library can be used to view information on investing in Japan or to collect information on business in the online database.

Wide-range of Network

Local Governments

- Incentive information
- Industrial area information

Kansai Bureau of METI

- Regulation related matters

Kansai Economic Federation

- Local companies' network through memberships
- Local network with academia and related organizations

Osaka Chamber of Commerce and Industry

- Local companies' network through memberships (between SME and large companies)
- Local network with academia etc

For Inquiries

JETRO Osaka

Invest Japan Business Support Center (IBSC)
<INVEST KANSAI Desk>
5F Nakanoshima, Kita-ku, Osaka 530-0005 Japan
<http://www.invest-kansai.jp/en/>

TEL: **+81-6-6447-2309**

FAX: +81-6-6447-2336 E-Mail: IBSCOSAKA@jetro.go.jp

