Press Release April 16, 2014

To Members of the Osaka Economic Press Club (cc: Osaka Prefectural Government Press Club, Osaka Municipal Government Press Club)

<u>Joint release by the Osaka Prefectural Government, Osaka Municipal Government,</u> <u>Osaka Chamber of Commerce and Industry (OCCI) and JETRO Osaka</u> <u>Business promotion results in FY 2013 of the O-BIC</u> and No.1 Promotional Success in FY 2014

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I. About the Osaka Business and Investment Center (O-BIC)

The Osaka Business & Investment Center (O-BIC) was established in 2001 jointly by the Osaka Prefectural Government, Osaka Municipal Government, and the OCCI as a one-stop support center to promote foreign direct investment in Osaka (Secretariat: International Division, OCCI).

II. Overview of activities in FY 2013 - Successful in inviting 30 prospective investors-

- O In FY 2013, as a result of the efforts towards promotion of international investment as part of [All Osaka] in collaboration with the JETRO Osaka and the Osaka International Business Promotion Center, we were successful in inviting 30 companies and institutions to invest in Osaka, a number which is higher than the historical annual average of 26 companies. This is because the attractiveness of the Japanese market has been reaffirmed thanks to Abenomics, which has become the focus of worldwide attention.
- Acting as a one-stop service center, O-BIC provided various information about the market and offered consultation about incorporation procedures with respect to 97 inquiries in Osaka. In addition, taking advantage of the nation's first "local tax zero" incentives in the Kansai Innovation International Strategic Comprehensive Special Zone, we, together with public and private sectors, actively promoted Osaka and Kansai to foreign companies and economic organizations etc mainly in green and life science industries. We also visited the exhibitions of the related industries to approach exhibiting companies. On the other hand, we <a href="mainly invited US and European companies with cutting-edge technology to arrange individual business meetings with companies in Osaka</p>
- Abroad as well, activities were carried out to promote investment in Osaka by conducting seminars and participating in shows as well as making company visits in South Korea, the United States, China, and Taiwan.

III. Summary of results in FY 2013 - Asia has an 86% share! High level of interest in investing in Japan -

- A breakdown of the 30 prospective investors whom we have been successful in inviting to Osaka shows that 26 of them are from the Asian countries of China, Taiwan, South Korea, etc., which is a share of slightly over 80%. The top 3 countries/regions are China with 12 prospects, Taiwan with 7 prospects and South Korea with 4 prospects.
- The highlight of this year was that as many as 9 foreign investors, especially in new energies and IT industries, selected Osaka as the second base in Japan. In line with the domestic economic recovery, these companies want to use Osaka as the base to develop business in western Japan. In addition, it is remarkable that companies in the service industry, such as inbound related travel agencies and airline companies, and in the manufacturing industry who want to develop the Japanese market set up new offices in Osaka.
- In the 13 years since O-BIC was setup in 2001, a total of 342 investment prospects were brought into Osaka, and the top 3 countries on a cumulative basis are China (105), South Korea (56) and the USA (39).

FY	Total												
2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
13	14	33	24	25	24	36	28	19	32	32	32	30	342

IV. No. 1 Promotional Success in FY 2014

- O Juneyao Airlines, a private full-service carrier based in Shanghai, started services between Shanghai and Osaka on April 15, 2014, in addition to the existing Naha-Shanghai route.
- Juneyao Airlines started operations in September 2006. Now it operates on 60 routes, including domestic and international routes in China. With high-quality services and emphasis on operational safety by using new aircraft materials, Juneyao Airlines has been recognized with several awards, like "China Excellent Brand Award", "Customer Satisfaction Excellence Award"
- The company's office is now at JETRO IBSC Osaka Tenant office. For the new Osaka route, JETRO Osaka, Osaka Shanghai government office, the Osaka International Business Promotion Center and O-BIC worked together to help it by providing information, tenant office and PR support.
- Juneyao Airlines made a release announcement at Rihga Royal Hotel at 17:00 on April 16, 2014.

(Attachments and reference documents)

- (1) Major promotional success stories in FY 2013
- (2) List of the results of promotion activities and matrix in FY 2013

Major Promotional Success Stories for O-BIC in FY 2013



Choice of Osaka as the second base for key industries such as new energies and IT

>>> Driven by the economic recovery, foreign companies with the business location in Tokyo have tapped into markets in Osaka as the base of western Japan, to develop new markets and further business. O-BIC helped them by providing various information and assisting public relations.

◆ Equinix Japan / Osaka IBX Data Center

Headquarters: U.S.

Business: To provide global interconnection and data center services

◆ Yingli Green Energy Holding Co., Ltd. / Western Japan Sales Office

Headquarters: China

Business: To develop, manufacture and sell photovoltaic facility

◆ Trina Solar Japan Co., Ltd. / Osaka Office

Headquarters: China

Business: To develop, manufacture and sell photovoltaic facility

VISIT OSAKA/KANSAI New base in Osaka for inbound tourists companies

- >>> On the back of increasing wealthy individuals in Asia, weak-yen trend and relaxation of visa policies, the number of international visitors to Japan has remained a record high. After the strenuous efforts by local travel industry, Osaka and Kansai have been seen as attractive and potential. As a result, many foreign travel agencies and airline companies set up new offices in Osaka. O-BIC helped them by providing various information and assisting public relations.
- ◆ Spring Airlines Co., Ltd. / Osaka Branch & Japan Spring Travel Co., Ltd. / Osaka Branch Headquarters: China

Business: Aviation service and travel agency

◆ Global Holidays Japan Co., Ltd.

Headquarters: Taiwan Business: Travel agency



One of the four major Chinese ' commercial banks established a branch in Osaka, to provide financial

◆ China Construction Bank / Osaka branch

Headquarters: China Business: Banking

O-BIC Support: Providing information and

PR support

* As a result, three of the four major Chinese commercial banks set up branches in Osaka.



Investment in sales, manufacturing, and R&D. For collaboration with companies in Osaka

◆AirTAC Ltd.

Headquarters: Taiwan

Business: To develop, manufacturing and sell

pneumatic control equipment

O-BIC Support: Providing information. - AirTAC received 14.4 million yen as Osaka Pref.

Investment Promotion Subsidy (System to subsidize a part of investment, such as rent, for foreign companies who want to set their Headquarters or their

Asian bases in Osaka.)

Osaka Business and Investment Center (O-BIC) List of the results of promotion activities and matrix in FY 2013 (April 2013-March 2014)

<By-Country/By-Industry at glance>

Cases of new Entry, figures in brackets ()=FY2012

	IT/ Bio Tech/ R&D ※		Service		Trade		Import/Sales/ Manufacturing /Marketing		Organization s/Agencies		Others		Total		
	China	1		5	(2)	1	(4)	4	(4)	1				12	(10)
	Korea			1	(4)		(1)	3	(5)		(1)			4	(11)
	Singapore			1					(1)					1	(1)
	Indonesia				(1)									0	(1)
Asia	Taiwan			2		1		4	(1)		11.4			7	(1)
	Hong Kong						(1)							0	(1)
	Thailand			1		1. 1.		1 1			11111			1	(0)
	Vietnam									1				1	(0)
	Asia Total	1	(0)	10	(7)	2	(6)	11	(11)	2	(1)	0	(0)	26	(25)
North	USA		(1)	1	(1)			2					- 11	3	(2)
America	North America Total	0	(1)	1	(1)	0	(0)	2	(0)	0	(0)	0	(0)	3	(2)
	Italy	1												1	(0)
	France				(1)									0	(1)
Europe	Germany								(1)		181		9.45	0	(1)
Europe	Switzerland				(1)								-1-3	0	(1)
	Czech Republic					1-1			(1)					0	(1)
	Europe Total	1	(0)	0	(2)	0	(0)	0	(2)	0	(0)	0	(0)	1	(4)
Oceania	Australia				(1)									0	(1)
Oceania	Oceania Total	0	(0)	0	(1)	0	(0)	0	(0)	0	(0)	0	(0)	0	(1)
	Total	2	(1)	11	(11)	2	(6)	13	(13)	2	(1)	0	(0)	30	(32)

^{*}Include evaluation and test performance