

To Members of the Osaka Economic Press Club

(cc: Osaka Prefectural Government Press Club, Osaka Municipal Government Press Club)

**Joint release by the Osaka Prefectural Government, Osaka Municipal Government
and Osaka Chamber of Commerce and Industry (OCCI)
Osaka Business and Investment Center (O-BIC)
Achievements in FY 2015**

[Contact]

Ms. Liang and Ms. Fujita

Osaka Business and Investment Center (O-BIC)

(International Division, OCCI)

TEL: 06-6944-6298

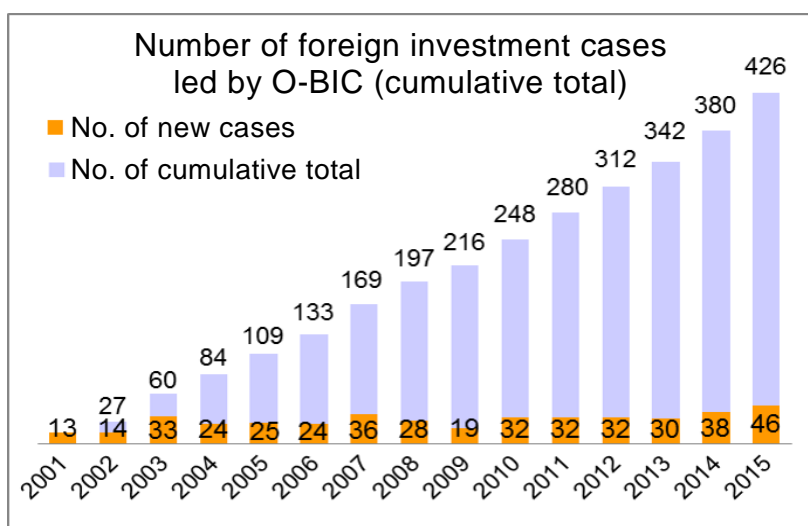
I. About the Osaka Business and Investment Center (O-BIC)

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. FY2015 foreign investment cases - 46 investment cases were seen in the Osaka region, hitting a record high for the second consecutive year.-

<Investment trend> Numerous companies from other Asian countries launched businesses in the Osaka region.

- ① The number of foreign investment cases in the Osaka region totaled 46 in fiscal 2015, registering an all-time high for the second year in a row.
- ② Investment cases by Asian companies, including those from China and South Korea, accounted for 40 or nearly 90% of the 46 cases seen in the Osaka region in fiscal 2015. Chinese companies investing in the region, including Hong Kong firms, made up the largest group at 31, followed by five companies from South Korea and two companies from the United States.
- ③ The number of investment cases in the Osaka region by foreign companies totaled 426 during the 15-year period between 2001, when O-BIC was established, and fiscal 2015. Chinese companies which invested in the region numbered 148, the largest group, followed by 71 companies from South Korea and 42 companies from the United States.



<Characteristics> Foreign investments in Osaka grew, aided by inbound effects.

- ① Full-service Chinese carriers (not low-cost carriers) based in regional cities, including Sichuan Airlines and Tianjin Airlines, launched flight services to Kansai International Airport against the background of a sharp increase in the number of Chinese tourists to Japan.
- ② Of the 46 investment cases in fiscal 2015, the number of import businesses targeting Japanese markets came to 14 while the number of export businesses involving high-quality Japanese products also totaled 14. These two trading businesses together represented 60% of the total foreign investment cases for the year. The number of investments for the recently booming cross-border electronic commerce (EC) market, including use of the Osaka region as a goods procurement location for online shopping and the launch of goods distribution businesses, came to an impressive 11 against the backdrop of booming Japan-bound tourism and the growing popularity of Japanese products in Asian countries, especially China, and the yen's depreciation against other currencies.
- ③ Among the 46 cases were Chinese company which launched manufacturing business in Japan—a new move for companies based in China, a place that has been touted as the “factory of the world.” The company decided to manufacture its products in Japan following the narrowing of production costs between Japan and China amid a surge in labor costs in China. By making products in Japan, it aims to upgrade product quality at existing factories in China and at the same time pitch products manufactured in Japan as “made-in-Japan” with a view to tapping the global market.

III. The main successful investment cases in fiscal 2015

① Advancement into the Osaka area as a manufacturing base



SHINKO BRUSH Co., Ltd. (Ikuno-ku, Osaka)

The parent company, Shanghai Shenxing Brush-Making Co., Ltd., was established in 1998 as a company specializing in brush production. The company produces 80 million brushes a year, including brushes for home appliances, cosmetic brushes and hair-dying brushes, for shipment to Japan, Germany, France and the United States. The company created a Japanese subsidiary, Shinko Brush, in Osaka to add value to its products that are sold as “made-in-Japan” brands.

② Advancement into the Osaka area as a research and development base



Galanz Japan Inc. (Kita-ku, Osaka City)

Galanz Japan is a subsidiary of Guangdong Galanz Enterprises Co., Ltd., a leading white goods maker established in Guangdong Province in 1978. Guangdong Galanz manufactures on an original equipment manufacturer (OEM) basis air conditioners, refrigerators, washing machines and dishwashers as well as microwave ovens, for which the company commands the top share in the world. The company set up its Japanese subsidiary as a research and development base, through which it aims to enhance its product brand technologies and the company’s presence.

③ Advancement into the Osaka region from emerging countries



TOCONTAP JAPAN K. K. (Higashiyodogawa-ku, Osaka City)

Tocontap Japan K.K. was established in Osaka as a wholly owned subsidiary of Tocontap Saigon JSC, a state-owned Vietnamese general trading house. The subsidiary is in charge of managing about 900 technical trainees who are dispatched from Vietnam to Japan to work in a range of fields, including sewing, welding, construction and agriculture.

YOMAFUJI CORPORATION K. K. **(Chuo-ku, Osaka City)**



Yomafuji Corporation K.K. is a joint company established by the representative of Myanmar’s Golden Land Express Ltd. and the representative of an Osaka-based company. Based in Osaka, the joint venture trades foodstuffs and used cars between Japan and Myanmar, and engages in international goods distribution.

④ Large-scale M&A of an entertainment business operator



SNK PLAYMORE CORPORATION (Suita City, Osaka Prefecture)

SNK Playmore Corporation was established as a multi-entertainment company in Osaka in 2001. In July 2015, a major Chinese online game company and an investment firm together acquired an 81% equity stake in SNK Playmore for about 8 billion yen. Currently, the company develops and sells game software in mainland China, Hong Kong, Taiwan and South Korea, while stepping up its licensing business using its own game content.

IV. Outline of FY2015 activities

<Promotional activities>

- ① In fiscal 2015, O-BIC continued to step up public-private efforts to attract foreign companies for investment in the Osaka region in collaboration with the Osaka International Business Promotion Center and JETRO Osaka.
- ② In fiscal 2015, O-BIC received 137 inquiries from foreign companies regarding possible investment in the Osaka region. In reply, O-BIC provided information on the Osaka market and procedures for establishing a business entity. O-BIC also gave advice to the inquiring companies individually.
- ③ Promotional activities undertaken by O-BIC during fiscal 2015 included a campaign for publicizing special incentives being given to companies operating in areas designated by the central government as the Kansai National Strategic Special Zone and the Kansai Innovation Comprehensive Global Strategic Special Zone. While pitching these special incentives, O-BIC staged publicity campaign both in Japan and abroad to attract foreign companies for investment in competitive fields in Osaka, including the development of new energy sources and life science-related activities.
- ④ Specifically, O-BIC interviewed officials of foreign companies which participated in business fairs held in Japan such as “Smart Energy Week” and “Medical Japan”, and asked them whether they have any intention to launch businesses in Japan. The interview was part of O-BIC’s efforts to exploit new foreign investment opportunities. O-BIC also invited companies from China, Britain and Belgium involved in a wide range of fields, and promoted Osaka to encourage their investment in Osaka, while holding business matching events between them and Osaka-based Japanese companies. O-BIC also promoted Osaka as an investment destination for foreign companies by sponsoring investment seminars and exhibiting in trade fairs in Asia (China, Taiwan, South Korea and Singapore), Europe (Italy), the United States and the Middle East (Israel). Specifically, O-BIC explained the investment environment in Osaka and its possible support of foreign companies interested in launching businesses in Osaka through the investment seminars and trade fairs.

<Support for firm establishment>

- ① O-BIC provides support to foreign companies operating in Osaka to help them build business networks with local companies. Specifically, O-BIC sponsors a meeting of the Osaka Business Networking Club twice a year and promotes business exchange events sponsored by such business groups as the Osaka Chamber of Commerce and Industry (OCCI), including the Kansai International Meishi Exchange. It also helps foreign companies operating in Osaka in regard to PR activities and suggests to them effective promotional tools to exploit new marketing channels.

- ② The fiscal 2015 meeting of the Osaka Business Networking Club, held in October 2015 under the title, “Business trends in foreign companies,” provided business promotional opportunities to foreign companies that have recently begun operating in Osaka. In March 2016, O-BIC held a business matching event for seven foreign trading houses which began export businesses in Osaka this fiscal year. Through the event, entitled, “Foreign buyers seek made-in-Japan products,” O-BIC helped the seven trading companies in their efforts to expand marketing channels for overseas-bound Japanese products.

<Reference materials>

- ① A matrix of O-BIC investment cases in the Osaka region in fiscal 2015

Osaka Business and Investment Center (O-BIC)
Matrix of Investment cases in FY2015
(April, 2015–March, 2016)

Cases of New Entry : 46

※Figures in brackets () =FY14

Industry Country/Region		Manufacturing		R&D		Wholesale and Retail (Export)		Wholesale and Retail (Import)		Transportation		Information and Communications		Service		Public agencies/organizations		TOTAL	
Asia	China	1		1		10	(4)	5	(6)	4	(2)	1		4	(2)	3		29	(14)
	Korea					2	(2)	1	(4)					2	(4)			5	(10)
	Taiwan							1	(1)									1	(1)
	Hong Kong					2			(1)				(2)					2	(3)
	Vietnam								(1)					1	(1)			1	(2)
	Shingapore							1							(1)			1	(1)
	Myanmar							1										1	(0)
	Asia/Total	1	(0)	1	(0)	14	(6)	9	(13)	4	(2)	1	(2)	7	(8)	3	(0)	40	(31)
North America	USA							2					(1)					2	(1)
	Canada								(1)									0	(1)
	N.A./Total	0	(0)	0	(0)	0	(0)	2	(1)	0	(0)	0	(1)	0	(0)	0	(0)	2	(2)
Europe	UK							1					(3)		(1)			1	(4)
	Sweden								(1)									0	(1)
	Portugal							1										1	(0)
	Switzerland							1										1	(0)
	EU/Total	0	(0)	0	(0)	0	(0)	3	(1)	0	(0)	0	(3)	0	(1)	0	(0)	3	(5)
Oceania	Australia													1				1	(0)
	Oceania/Total	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	1	(0)	0	(0)	1	(0)
TOTAL		1	(0)	1	(0)	14	(6)	14	(15)	4	(2)	1	(6)	8	(9)	3	(0)	46	(38)