

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 2018**

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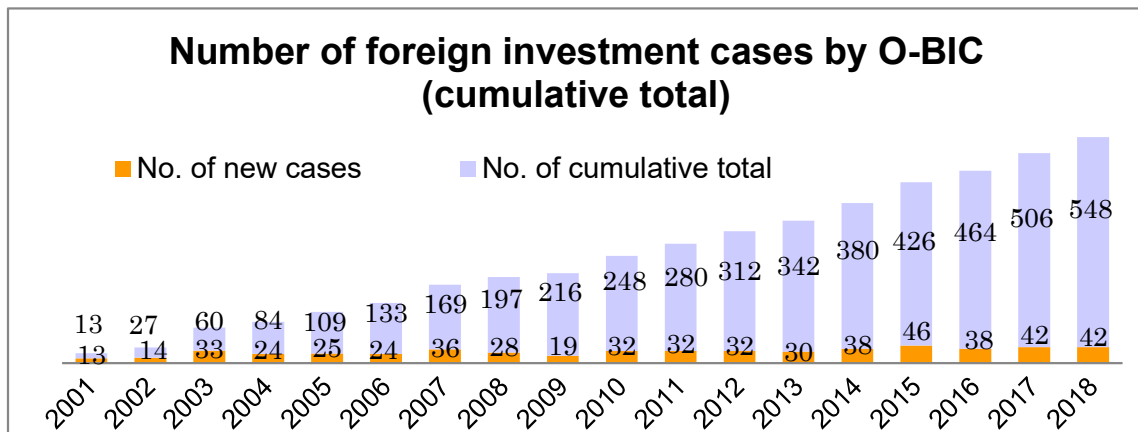
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**Succeeded in attracting 42 foreign investments in FY 2018,
the second highest record ever**



■ Investment trend: 80% coming from China and other Asian countries/regions; European and American companies investing in Japan are also increasing

- The number of foreign investment cases in FY 2018 was 42, recording the same number as in the previous year and marking the second highest record ever. We have attracted around 40 investment cases every year since FY 2014.
- Looking at the 42 cases by country and region, the largest investor is China, including Hong Kong, with 21 cases (25 cases in the previous year; descriptions in parentheses in this paragraph show the figures of the previous year) constituting half of the total, followed by Korea with 7 cases (6 cases)

and Singapore with 3 cases (1 case). Investment cases from Asia account for 80% (90%) of the total with 34 cases (39 cases). This indicates that close economic relations exist between Osaka and Asia. Meanwhile, we welcomed the first investment from Chile, and the number of investment cases from the United States, the United Kingdom, Switzerland, Germany and other American and European countries is increasing.

- The cumulative total number of cases over the 18 years since the establishment of O-BIC to FY 2018 is 548. The top three investors in cumulative total by country are China (including Hong Kong, 224 cases), Korea (93 cases) and the United States (44 cases).

■ Characteristics of investment

(1) Inbound tourism-related investment boom calming down; active advancement into markets for Japanese companies and consumers

Investment cases by travel businesses targeted at inbound tourists to Japan (mainly from China), businesses handling establishment of hubs for the purchase of Japanese products, and real estate agents targeted at foreigners had remained at a high level over the past several years, but the number of such inbound tourism-related investment cases was only 9 this year (19 in the previous year).

On the other hand, investment by overseas companies offering services to Japanese companies and consumers significantly increased—from 14 cases in the previous year to 22 cases this year. Such investors include those offering global technology and services to Japanese companies (EcoSea Tech, SEAPA Japan), those selling cosmetics (REJI) and nursing care items (Curaco Japan) to Japanese consumers that are believed to be the most demanding in the world, and those operating beauty salons and restaurants. The remarkable point is that young business operators from Singapore and Korea are actively entering the Japanese market.

(2) Initiatives by Osaka to inspire innovation are highly evaluated by foreign-affiliated companies

As part of its “Open Innovation City” initiatives, Osaka City has operated the Osaka Innovation Hub (OIH) since 2013. It has been organizing the global

innovation conference “Hack Osaka” and developed it into the largest event of its kind in Osaka. In April 2018, the OCCI and Osaka Institute of Technology jointly opened Xport, an urban open innovation hub, to facilitate new forms of industry-academia cooperation and exchange. We have been able to successfully promote these active innovation-inspiring initiatives and projects by Osaka widely to the world, and as a result, we received expressions of interest from companies from Hong Kong (Global Digital MOJO) and the United Kingdom that hope to be part of Osaka’s innovation ecosystem. Eventually, we decided to provide startup support and consultation on business launch and development in Osaka.

(3) Political and economic conditions in Japan and abroad matter (US-China trade dispute, new status of residence for foreign workers in Japan, etc.)

Affected by the US-China trade dispute, an American trading company handling automotive parts (Miseki), which used to have its production and procurement hub in China, newly established its business hub in Osaka with the aim of building an alternative factory in Japan, replacing that in China. Meanwhile, as a new status of residence for foreign workers in Japan (“Specified Skilled Worker”) has been introduced, Chinese companies (Staff Star, Hakushin Japan) established their business hubs in Osaka, which boasts excellent access both for staffing service providers and their clients, to conduct business as personnel agencies for nursing care business and other businesses that suffer staffing shortage. As seen in these, movements that sharply reflect political and economic conditions in Japan and abroad also affect the trends in investment to Japan.

■ The main successful investment cases in FY 2018

○ Global technology introduced to Japanese aquaculture industry

While marine products from Japan are becoming popular in the world market, improvement in productivity has been a major issue for the Japanese aquaculture industry. In light of this, foreign companies with advanced aquaculture technology supported by IoT and AI consider Japan a key market and are actively expanding their businesses in Japan, aiming to contribute to the development of the local aquaculture industry in cooperation with Japanese companies.



EcoSea Tech LLC (Naniwa-ku, Osaka)

Parent company: EcoSea Farming SpA (Chile)

Business: Sales, installation and provision of operation know-how of copper alloy aquaculture containment systems and supporting hardware. Has patented technology on submergible offshore aquaculture containment systems.

Support provided: Consultation on incorporation procedures, introduction of office sites, support for opening bank accounts, support for public relations, information provision



SEAPA Japan (Kita-ku, Osaka)

Parent company: SEAPA (Australia)

Business: Development, manufacturing and sales of oyster farming equipment and systems

Support provided: Introduction to specialists, information provision, support for initial operation

○ **Headquarters expansion of a life science company**

PRA, a major American CRO (Contract Research Organization) with approximately 70 business hubs worldwide, is expanding its Japanese headquarters in Osaka to reinforce its drug development capabilities in Japan and to increase staff members to improve the clinical trial environment. By this, the company aims to establish a service system utilizing its expertise and global infrastructure.



PRAHEALTHSCIENCES

PRA Health Sciences K.K. (Chuo-ku, Osaka)

Parent company: Pharm Research Associates (UK) Ltd. (UK)

Business: Commissioned business of clinical development, early post-marketing phase vigilance, post-marketing surveillance, clinical study, etc. of pharmaceuticals, medical equipment, cellular and tissue-based products, vaccines, etc.

Support to be provided: Osaka Prefecture Granting Subsidy for Business Start-Up of Foreign-Affiliated Companies (20 million yen will be provided), support for public relations (TBC)

Overview of O-BIC and its activities in FY 2018

■ 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).

■ Overview of activities in FY 2018

- We continuously worked on foreign investment promotion in FY 2018 as a private-public initiative, jointly with the Osaka International Business Promotion Center and the Japan External Trade Organization (JETRO) Osaka Headquarters. In particular, in addition to new energy and life science industries (Osaka's strong points), we also focused on cutting-edge fields that are expected to achieve remarkable growth in the future, such as IoT and AI. At the same time, we also put our efforts into boosting Osaka's profile and promoting its attractions as a candidate for (and the host of) Expo 2025.
- In Japan, we interviewed exhibitors from overseas at trade fairs, and hosted business meetings between foreign and Osaka-based companies. We also launched the O-BIC Award at Hack Osaka (Osaka's largest global innovation event), aiming to discover potential investors and provide support for their business expansion in Osaka.
- Out of Japan, we promoted Osaka's favorable investment climate and O-BIC's support at invest-in-Japan seminars and trade fairs in China, Taiwan, Thailand, India, Sweden, and the United States, among other places.
- To support continued investment by foreign-affiliated companies operating in Japan and to facilitate their exchange with Osaka-based companies, we hosted the "Osaka Business Networking Club" event twice, which attracted 133 participants in total.

O-BIC's Activities

FY	Number of Inquiries	Number of foreign investment cases	Number of Support Program's users
2001	300	13	-
2002	273	14	-
2003	164	33	-
2004	141	24	-
2005	158	25	-
2006	175	24	-
2007	139	36	-
2008	117	28	11
2009	137	19	12
2010	101	32	18
2011	123	32	15
2012	94	32	13
2013	97	30	14
2014	113	38	25
2015	137	46	23
2016	118	38	24
2017	135	42	23
2018	167	42	23
Total	2,689	548	201

※Support Program :
 O-BIC's unique incentive for promoting investment in Osaka by alleviating the burden through reduction of part of the costs (Ex. Registration, Visa etc.)
 (Maximum support amount: ¥150,000)

<Reference materials>

- ① A matrix of O-BIC investment cases in the Osaka region in fiscal 2018
- ② A matrix of O-BIC investment cases in the Osaka region in fiscal 2001-2018

Osaka Business and Investment Center (O-BIC)
Matrix of Investment cases in FY2018
(April, 2018–March, 2019)

Cases of New Entry : 42

*Figures in brackets () =FY17

Country/Region	Industry	Manufacturing		R&D		Wholesale and Retail (Export)		Wholesale and Retail (Import)		finance and insurance		Transportation		Information and Communications		Service		Public agencies/ organizations		TOTAL	
Asia	China			(2)		4	(5)	4	(8)	1	(1)			1		7	(3)	1	(1)	18	(20)
	Hong Kong	(2)							(2)							3	(1)			3	(5)
	Korea					(1)		2	(1)							5	(4)			7	(6)
	Taiwan					(1)			(1)							1	(1)			1	(3)
	Singapore	1						1								1	(1)			3	(1)
	Thailand					1											(1)			1	(1)
	Vietnam															1				1	(0)
	India																(2)			0	(2)
	Malaysia																	(1)		0	(1)
	Asia/Total	1	(2)	0	(2)	5	(7)	7	(12)	1	(1)	0	(0)	1	(0)	18	(14)	1	(1)	34	(39)
North America	USA	1													1				2	(0)	
	N.A./Total	1	(0)	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	1	(0)	0	(0)	2	(0)
South America	Chile														1				1	(0)	
	S.A./Total	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	1	(0)	0	(0)	1	(0)
Europe	UK														2				2	(0)	
	Switzerland							1											1	(0)	
	Germany							1											1	(0)	
	Malta									(1)									0	(1)	
	Russia								(1)										0	(1)	
	Denmark								(1)										0	(1)	
	EU/Total	0	(0)	0	(0)	0	(0)	2	(2)	0	(1)	0	(0)	0	(0)	2	(0)	0	(0)	4	(3)
Oceania	Australia							1											1	(0)	
	Oceania/Total	0	(0)	0	(0)	0	(0)	1	(0)	0	(2)	0	(0)	0	(0)	0	(0)	0	(0)	1	(0)
TOTAL		2	(2)	0	(2)	5	(7)	10	(14)	1	(4)	0	(0)	1	(0)	22	(14)	1	(1)	42	(42)

ACHIEVEMENTS in the last 18 years
(April 2001 - March 2019)

Country /Region	Industry	Manufacturing	R&D	Wholesale and Retail (Export)	Wholesale and Retail (Import)	Finance and Insurance	Transportation	Information and Communications	Service	Public agencies/ organizations	Others	Total
Asia												
China		2	5	42	69	3	13	11	39	17		201
Hong Kong		2		6	8			3	4			23
Korea		1	1	9	43	2	1	9	24	3		93
Shingapore		1			6		2	2	5			16
India					4			6	4			14
Indonesia				1		1	1					3
Sri Lanka					1							1
Taiwan			1	2	19			1	8			31
Thailand				1	1				3			5
Myanmar					1			1	1			3
Vietnam					1			1	3	1		6
Mongolia					1					2		3
Pakistan										1		1
Macau				1					1			2
Malaysia							1		1			2
Philippines				1								1
Hong Kong/Singapore									1			1
Israel										1		1
Asia/Total		6	7	63	154	6	18	34	94	25	0	407
North America												
Canada					2	1		1	3	1		8
USA		2	2	2	18			4	15	1		44
North America Total		2	2	2	20	1	0	5	18	2	0	52
South America												
Chile									1			1
South America Total		0	0	0	0	0	0	0	1	0	0	1
Europe												
UK			1		4	2		3	10		1	21
France		1	1		5	3			2			12
Germany		2	1		7				4			14
Ireland								1				1
Italy					1			1		1		3
Switzerland					5				1			6
Spain					2							2
Denmark					3							3
Finland					1							1
Belgium					1	1						2
The Czech Republic					1			1				2
Sweden		1			1							2
Norway								1				1
Slovakia										1		1
Netherland					1				1			2
Poland										1		1
Portugal					2							2
Malta						1						1
Russia					1							1
Europe Total		4	3	0	35	7	0	7	18	3	1	78
Oceania												
New Zealand					1							1
Australia					2			3	3			8
Oceania Total		0	0	0	3	0	0	3	3	0	0	9
Africa												
Cote d'Ivoire				1								1
Africa Total		0	0	1	0	0	0	0	0	0	0	1
Total		12	12	66	212	14	18	49	134	30	1	548