

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 2016**

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

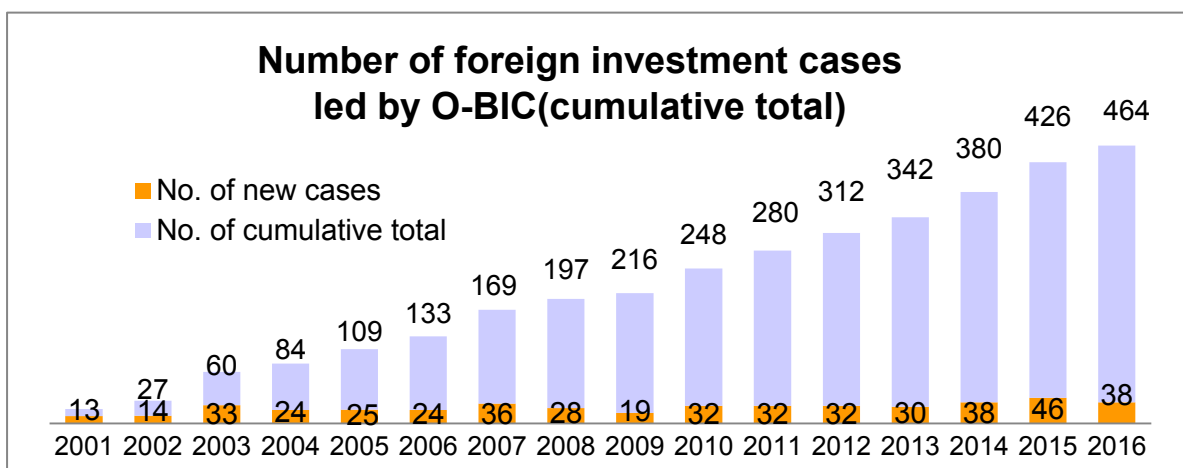
- The Osaka Business & Investment Center (O-BIC) was established in 2001 jointly by the Osaka Prefectural Government, Osaka Municipal Government and the OCCI as a one-stop support center to promote foreign direct investment in Osaka (Secretariat: International Division, OCCI).

II. Overview of activities in FY 2016

~A high level of inward FDI for the third year in a row in Osaka, 38 FDI projects recorded~

(1) Inward FDI trend: More FDI from Asian countries

- In FY 2016, O-BIC attracted 38 FDI projects to Osaka, the second highest number ever recorded.
- Looking at the 38 FDI projects by country/region of origin, China (including Hong Kong and Macau) ranked first with 17 projects, South Korea ranked second with nine projects, and Taiwan ranked third with six projects. Except for one project each from the U.K. and Portugal, the remaining 36 projects were from Asia, highlighting Osaka's burgeoning role as a business hub in Asia where many Asian companies are located.
- Over the 16 years since the O-BIC was established until FY 2016, O-BIC attracted a total of 464 FDI projects to Osaka. By country, China ranked first with 163 projects, South Korea ranked second with 80 projects, and the U.S. ranked third with 42 projects.



(2) Characteristics of inward FDI for Osaka

① Inbound tourism-related investments have continued to be strong and become more diverse.

The number of inbound tourists from China and other Asian countries has continued to increase, boosting demand for high-quality Japanese products. Under these circumstances, the number of investments in the inbound tourism sector, such as the tour business, merchandise purchase centers and logistics services, increased from 11 in FY 2015 to 13 in FY 2016, accounting for 35 percent of all FDI made in Osaka. In FY 2015, all inbound tourism-related investments were from China. In 2016, however, some such investments were from Taiwan and South Korea, with inbound tourism-related investments becoming more diverse—they included investments in purchase centers not only for everyday items, but also for nursing care products.

② O-BIC's long-term sustained efforts attracted pharmaceutical companies to Osaka.

O-BIC's long-term sustained efforts bore fruit—a Portuguese pharmaceutical company and a South Korean pharmaceutical company, which O-BIC began to approach six years and four years ago, respectively, established their businesses in Osaka.

③ More Taiwanese companies were attracted to invest in Osaka.

The number of Taiwanese companies that invested in Osaka increased sharply to six in FY 2016 from one in FY 2015, probably because more Taiwanese companies recognized the need to strengthen their marketing capabilities in Japan. Previously, most of Taiwanese companies interested in Japan-related businesses were largely willing to trade with Japanese business partners, but were not very willing to establish business facilities in Japan due to Taiwan's proximity to Japan.

Meanwhile, O-BIC promoted Osaka to Taiwanese companies as an investment destination at Investment in Japan Seminars held by the Japan External Trade Organization (JETRO) in three cities in Taiwan.

④ Some foreign companies aim to establish their own brands using Japanese technological capabilities.

Some Chinese and South Korean companies established their own R&D or manufacturing facilities in Osaka to produce quality “made in Japan” products, using Japanese technological capabilities. They aim to market their brands as “made in Japan” products around the world through M&A and OEM.

III. The main successful investment cases in FY 2016

- O-BIC's long-term sustained efforts to attract the following life science companies to Osaka bore fruit.



Hovione Limited. (Portugal)

Business description: Import and sale of active pharmaceutical ingredients

Types of support provided: PR, office selection, recruitment, and provision of information about enterprise establishment and business licenses



Daewoong Pharmaceutical Japan Co., Ltd. (Korea)

Business description: Import and export of active pharmaceutical ingredients

Types of support provided: Provision of free office space, financial aid for fees required for enterprise establishment, and provision of information about business licenses and visa acquisition

- O-BIC helped the following company enter the Japanese IoT market.



Ubiik Inc. (Taiwan)

Business description: Import and sale of UHF and UFC tags

Types of support provided: Introduction to experts and banks, office selection, financial aid for fees required for enterprise establishment and provision of recruitment information

- O-BIC helped the following companies aiming to establish their own “made in Japan” brand build their manufacturing facilities in Osaka.



Green shiny Co., Ltd. (China)

Business description: Production, sale and export of own brand health food products

Types of support provided: Provision of business information and introduction to business partners



Suita Electric Corporation (Korea)

Business description:

Manufacture and sale of measuring instruments

Types of support provided: Financial aid for fees required for enterprise establishment, PR and provision of various information

IV. Outline of FY 2016 activities

<Promotional activities>

- ① In FY 2016, O-BIC continued to attract FDI to Osaka in collaboration with the Osaka International Business Promotion Center and the Japan External Trade Organization (JETRO) Osaka.
- ② During FY 2016, O-BIC received 118 inquiries from foreign investors, provided information about the Japanese market and enterprise establishment procedures, and offered individual consultation.
- ③ With a focus on attracting foreign businesses in the new energy and life science sectors, in which Osaka excels, O-BIC informed foreign companies about various incentives and support available in a National Strategic Special Zone and the Kansai Innovation Global Strategic Comprehensive Special Zone, using opportunities both inside and outside Japan.
- ④ Specifically, in Japan, O-BIC brought in Chinese, American and Canadian businesses from various sectors to promote Osaka as an investment destination and hold business matching sessions for them and local companies in Osaka. O-BIC also interviewed representatives from foreign companies participating in trade fairs such as “Life Science World” and “Manufacturing World Japan” to find prospective investors. Outside Japan, O-BIC held seminars and participated in trade fairs in various countries and regions, such as China, Taiwan, South Korea, Vietnam, Myanmar, Australia and the U.K. to introduce Osaka’s investment environment and the types of support provided by O-BIC. The “Invest in Osaka Seminar,” which was held in Beijing by O-BIC for the first time, received a terrific response.

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
Total	2,387	464	155

※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)

<Support for firm establishment>

- ① O-BIC holds an Osaka Business Networking Club event twice a year to help foreign companies operating in Osaka build networks with local companies. O-BIC also informs them about various networking events hosted by OCCI and other local organizations, such as the Kansai International Meishi Exchange. In addition, O-BIC helps them with their promotional activities and introduces them to market development tools and other useful resources to help them become firmly established in Osaka.
- ② In FY 2016, as an Osaka Business Networking Club event in September, representatives from foreign business organizations visited the Entrepreneurial Museum of Challenge and Innovation and a local SME with a long history to learn about the entrepreneurial spirit of Osaka’s businessmen and the secrets to evolving flexibly through the ages. As an Osaka Business Networking Club event in February, representatives from foreign business organizations and local companies attended a lecture titled “Kansai economy analyzed based on data and street-walking experience” given by General manager of the Bank of Japan, Osaka Branch, and a networking session for event participants.

<Reference materials>

① A matrix of O-BIC investment cases in the Osaka region in fiscal 2016

Osaka Business and Investment Center (O-BIC)
Matrix of Investment cases in FY2016
(April, 2016–March, 2017)

Cases of New Entry : 38

※Figures in brackets () =FY15

Country/Region		Industry										TOTAL							
		Manufacturing		R&D		Wholesale and Retail (Export)		Wholesale and Retail (Import)		Transportation			Information and Communications		Service		Public agencies/ organizations		
Asia	China	1	(1)	1	(1)	3	(10)	2	(5)	1	(4)		(1)	7	(4)		(3)	15	(29)
	Korea	1				1	(2)	6	(1)					1	(2)			9	(5)
	Taiwan							2	(1)			1		3				6	(1)
	Hong Kong						(2)	1										1	(2)
	Macau					1												1	(0)
	Mongolia							1										1	(0)
	Vietnam														(1)			0	(1)
	Shingapore							1	(1)									1	(1)
	Myanmar								(1)					1				1	(1)
	Israel															1		1	(0)
	Asia/Total	2	(1)	1	(1)	5	(14)	13	(9)	1	(4)	1	(1)	12	(7)	1	(3)	36	(40)
North America	USA								(2)									0	(2)
	Canada																	0	(0)
	NA./Total	0	(0)	0	(0)	0	(0)	0	(2)	0	(0)	0	(0)	0	(0)	0	(0)	0	(2)
Europe	UK			1					(1)									1	(1)
	Sweden																	0	(0)
	Portugal							1	(1)									1	(1)
	Switzerland								(1)									0	(1)
	EU/Total	0	(0)	1	(0)	0	(0)	1	(3)	0	(0)	0	(0)	0	(0)	0	(0)	2	(3)
Oceania	Australia														(1)			0	(1)
	Oceania/Total	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	0	(1)	0	(0)	0	(1)
TOTAL		2	(1)	2	(1)	5	(14)	14	(14)	1	(4)	1	(1)	12	(8)	1	(3)	38	(46)