



Designing the Future
INVEST JAPAN
INVEST KANSAI

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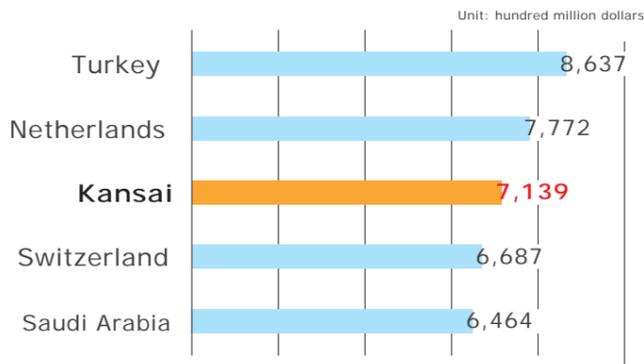
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Kansai's Excellent Business Environment

Economic size comparable to the Netherlands or Switzerland

Kansai's gross regional product (713.9 billion dollars) is **comparable to the Netherlands or Switzerland**, and is **second in Japan** to only the Tokyo metropolitan area.

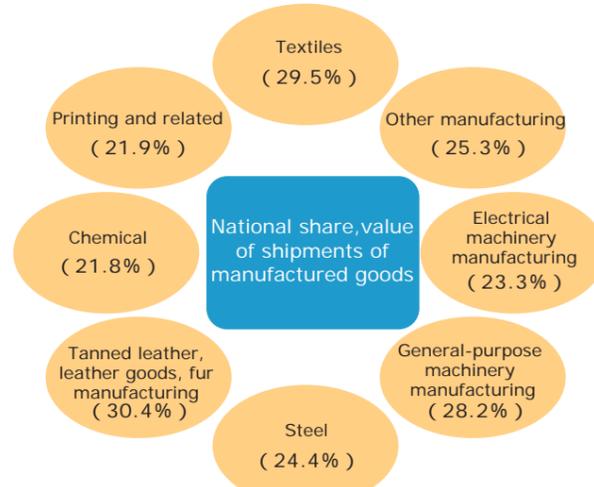
Nominal GDP Comparison (2016)



Source: "International Comparative Statistics", Institute for International Trade and Investment (updated May 8, 2018)
 Note: Kansai data based on "2015 Report on Prefectural Accounts", Cabinet Office (Exchange rate: 1 USD = 121.09 JPY, 2015 average rate [central rate], Bank of Japan)

"We can make anything": a manufacturing industry hub

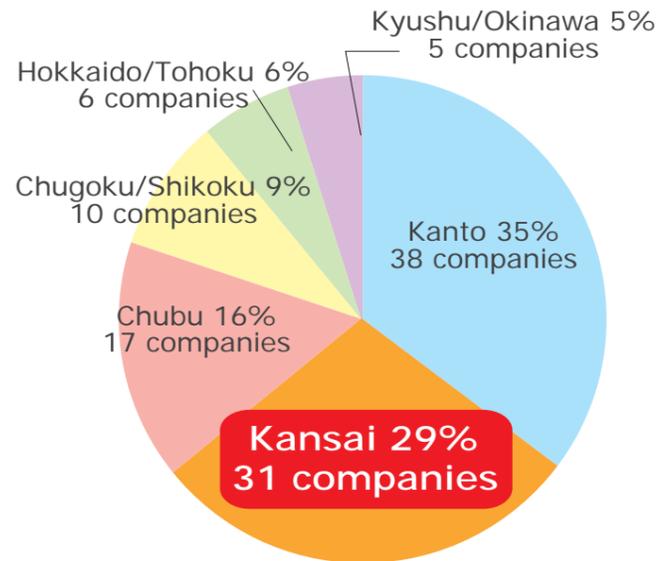
A variety of industrial fields are concentrated in Kansai, **from upstream to downstream**, including materials, parts processing, and cutting-edge product manufacturing.



Source: Regional Statistics Table, "2017 Census of Manufacture", Ministry of Economy, Trade and Industry
 Note: parentheses indicate Kansai share within Japan

A hub for global top niche corporations

Kansai hosts an accumulation of **small and medium enterprises** with internationally-recognized technological capability. **Approximately 30%** of global top niche corporations with an advantage in a specific product or technology and a **high global share** are located in Kansai.



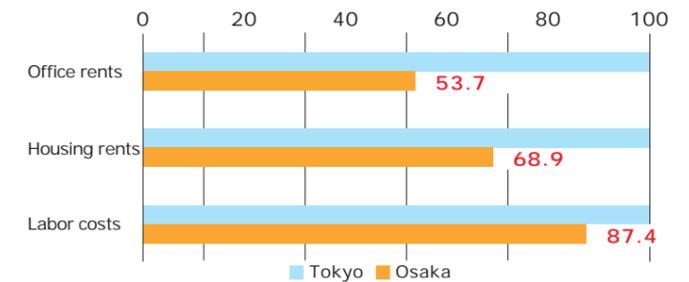
Source: "Global Niche Top Companies Selection 100", Ministry of Economy, Trade and Industry (March 2014)

A hub for innovative venture companies

Kansai is home to an **accumulation of 1,075 venture companies** that create innovation (as of November 2018, source: "Kansai Venture Company List", Kansai Bureau of Economy, Trade and Industry). Discovery and development of entrepreneurs and ventures are ongoing, for example in the "Hack Osaka Global Innovation Conference" (Osaka City) and "500 Kobe Accelerator" (Kobe City).

Superior cost competitiveness

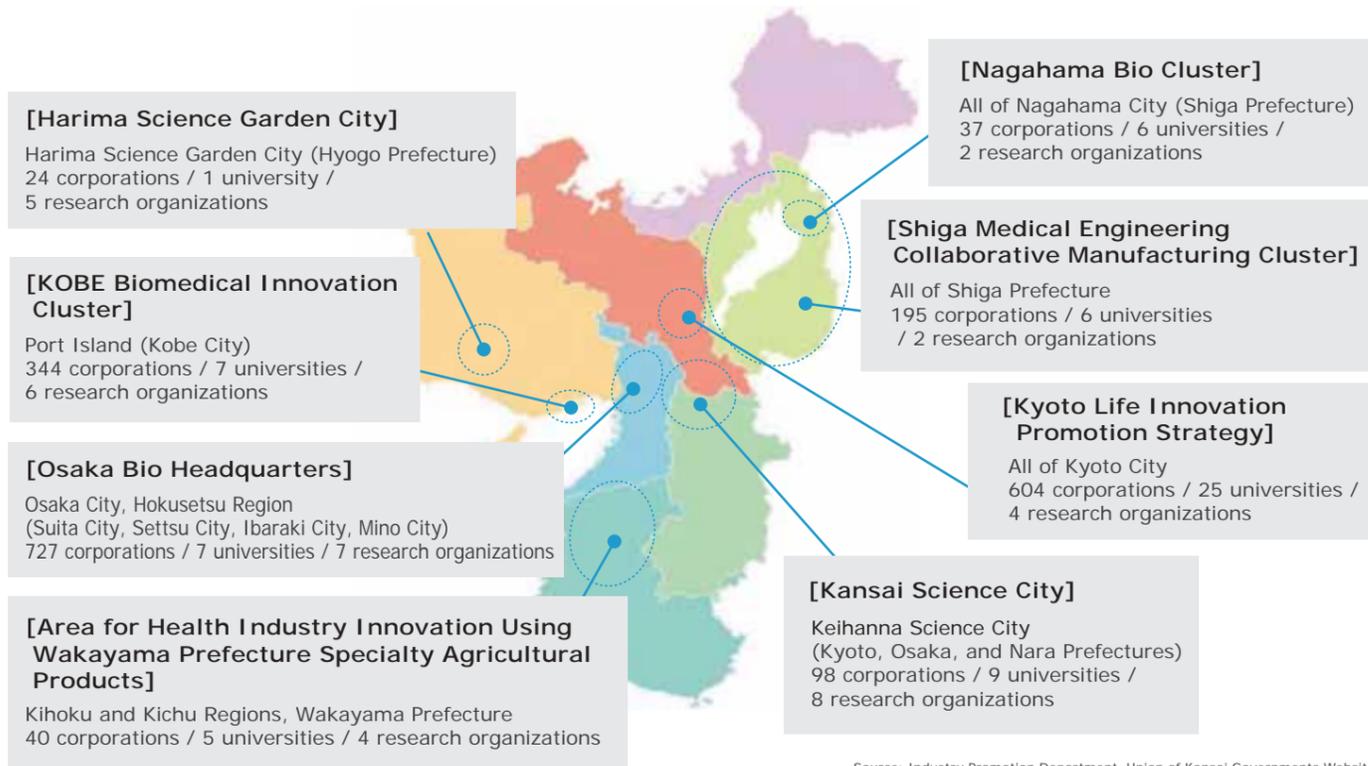
Compared to Tokyo, Osaka office rents are approx. 50% lower, housing rents approx. 30% lower, and labor costs approx. 10% lower, creating **superior cost competitiveness**.



Source: Office rents: "Comparison of Office Rents in Major Japanese Cities", Sanko Estate Co., Ltd. (reference date: October 31, 2018)
 Housing rents: Rents (private rentals), "Retail Price Survey, October 2018", Statistics Bureau, Ministry of Internal Affairs and Communications
 Labor costs: Wages by Prefecture, "2017 Basic Survey on Wage Structure", Ministry of Health, Labour and Welfare
 Note: Osaka figures shown as a percentage of Tokyo (100%)

A cutting-edge innovation hub for universities, research organizations, and corporations

Kansai is home to many universities, research organizations, and corporations performing cutting-edge research in **the biological and medical fields**. A large number of **industry clusters and communities** have been formed, including Kansai Science City.



Source: Industry Promotion Department, Union of Kansai Governments Website

Strong connections in Asia

Kansai International Airport has 1,309 scheduled passenger flights per week, connecting it with 69 cities worldwide (winter 2018). **90%** (1,186 flights/week) are **within Asia**. Asia's share within Kansai's export values is approximately 70%, and imports approximately 60%, demonstrating Kansai's **strong connections in Asia** as a trading partner.



Source: "2018 Winter Schedule", Kansai Airports
 Export/import values: calculated from "2017 Trade Statistics", Ministry of Finance; "2017 Trade Statistics", Osaka Customs

Kansai, Attracting the World

Global-scale events and major regional developments are planned in Kansai in the near future, and expectations are increasing for **Kansai as a global destination**.

International Events

- **June 2019: G20 Osaka Summit**
Held for the first time in Japan at Intex Osaka (Osaka City)
- **September-November 2019: Rugby World Cup Japan 2019**
Held for the first time in Asia at the Hanazono Rugby Stadium (Higashi Osaka City), Kobe Misaki Stadium and other locations
- **July-August 2020: Games of the XXXII Olympiad (2020/Tokyo)**
- **August-September 2020: Tokyo 2020 Paralympic Games**
- **May 2021: World Masters Games 2021 Kansai**
International lifelong sports competition held for the first time in Asia throughout Kansai
- **May-November 2025: Expo 2025 Osaka, Kansai, Japan**
Held in Osaka City (Yumeshima) under the theme of "Designing Future Society for Our Lives"



Osaka is #3 in the world

Osaka was ranked the **#3 most livable city worldwide** in 2018 (overall rating), after Vienna and Melbourne. Osaka's stability, healthcare, and education were highly rated.

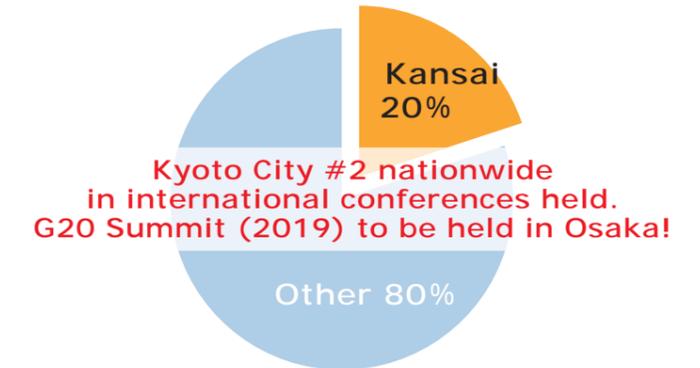
Ranking	City	Overall rating	Stability	Healthcare	Culture/Environment	Education	Infrastructure
1	Vienna	99.1	100.0	100.0	96.3	100.0	100.0
2	Melbourne	98.4	95.0	100.0	98.6	100.0	100.0
3	Osaka	97.7	100.0	100.0	93.5	100.0	96.4
4	Calgary	97.5	100.0	100.0	90.0	100.0	100.0
5	Sydney	97.4	95.0	100.0	94.4	100.0	100.0

Source: "The Global Liveability Index 2018", The Economist
Note: Maximum index of 100



Hosting many international conferences

Japan hosted the greatest number of international conferences in the Asia-Oceania region in 2017. Within Japan, **approximately 20% of the conferences** were held in Kansai.



Source: "2017 International Conference Statistics", Japan National Tourism Organization (JNTO) (JNTO based on "ICCA Statistics Report 2017 Country & City Rankings", ICCA: International Congress and Convention Association)

International urban functionality under construction

2021
Kansai Sports Science and Healthcare Center (tent.) opening (Mino, Osaka)
A hub for healthy life expectancy extension and preventative medicine using Osaka University's medical research in healthy life expectancy extension and initiatives for health promotion through sports and art

2019
Northern Osaka Health and Biomedical Innovation Town (nickname: KENTO)
National Cerebral and Cardiovascular Center to begin operation (Suita-Settsu, Osaka)
A world-class integrated healthcare industry hub (healthcare cluster) focused on the National Cerebral and Cardiovascular Center formed by attracting medical and health corporations and research organizations.

2024
Advance opening of Umekita Phase 2 Development Area (north of JR Osaka Station)
An integrated hub featuring greenery with unparalleled appeal for international visitors, and leading innovation for global competitiveness

2024
International tourism hub centered on the opening of an Integrated Resort (Yumeshima, Osaka)

2023
International Hub for Medical Innovation (tent.) opening (Nakanoshima, Osaka)
A hub that promotes the industrialization of the latest "future medical technologies" in response to future progress in medical technologies based on regenerative medicine, including the use of genomic medicine, artificial intelligence (AI) and IoT; and global contribution by providing these future medical technologies to patients domestically and abroad

2023
International tourism MICE facility by Setia International Japan opening (Rinku Town, Osaka)
A complex facility including serviced apartments, a hotel, convention hall, and shopping center

2024
Integrated Resort supported by diverse tourism resources to be constructed (Wakayama Marina City)

Railway infrastructure under construction
Spring 2019: Full opening of the JR Osaka Higashi Line (Shin-Osaka Station – Hanaten Station)
Spring 2023: JR Tokaido Line Branch Line to go underground, Kita-Umeda Station (tent.) opening
Spring 2023: Hokuriku Shinkansen extension (Kanazawa Station – Tsuruga Station)
2024: Osaka Metro Chuo Line extension (Cosmosquare Station – Yumeshima Station)
Spring 2031: Naniwasuji Line opening (Kita-Umeda Station (tent.) – JR Namba Station and Nankai Railway Shin-Imamiya Station)
2045*: Full opening of the Linear Chuo Shinkansen Line (Nagoya-Osaka)
*Aiming to complete 8 years before 2045

Source: facility documentation
Note: dates are tentative



Abundant and diverse tourism resources create perfect hospitality for visitors

Kansai is home to **abundant and diverse tourism resources**: its adjacent cities have contrasting histories and cultures, including Kyoto, with its thousand years of tradition as the capital of Japan, and Osaka, the commerce and industry hub. In the 2018 Global Destination Cities Index, **Kyoto and Osaka** boasted some of the highest growth rates, at #2 and #3 respectively.

City	Growth rate
Okinawa	39.2%
Kyoto	27.8%
Osaka	23.6%

World Cultural Heritage Sites and National Parks in Kansai

- Hakusan National Park**
- Sahinkaigan National Park**
- Himeji Castle**
Unique Japanese castle with wooden structure surrounded by stone castle walls and white earthen walls
- Historic Monuments of Ancient Kyoto (Kyoto City, Uji City, Otsu City)**
Grand temples, mountain villas, and gardens taking advantage of the undulating natural landscape
- Historic Monuments of Ancient Nara**
Nara Era palace remains, temples, and shrines
- Setonaikai National Park**
- Yoshino-Kumano National Park**
- Sacred Sites and Pilgrimage Routes in the Kii Mountain Range**
Areas cultivating the spirit of nature worship since ancient times
- Buddhist Monuments in the Horyu-ji Area**
The world's oldest wooden structure

Source: "World Heritage List (Cultural Heritage)", Agency for Cultural Affairs; "National Parks of Japan", Ministry of the Environment
Destination ranking: "2018 Global Destination Cities Index", Mastercard
Note: Growth rate is yearly average traveler growth rate 2009-2017

Market expansion using Made in Japan brand

Corporation: SHINKO BRUSH Co., Ltd.

<http://www.onethird.co.jp/company/>

Location : Osaka City, Osaka Prefecture / Industry : toothbrush manufacture
/ Type of presence : greenfield investment

Parent corporation : Shanghai Shenxing Brush Co., Ltd. (China)

Business overview

Shinko Brush's parent company is Shanghai Shenxing Brush, a specialized brush manufacturer based in Shanghai, China. Shinko Brush was established as its Japanese subsidiary in March 2016 in Osaka to create a Made in Japan in-house brand with high quality and functionality. Its principal product is toothbrushes, and its main market is in China. Within Japan, the company also sells in major drugstores and e-commerce websites, and aims to build sales performance in Japan and expand its business into the Chinese market.



Background and motivation for presence in Kansai

Company president Mr. Lin Wang once studied in Japan, where he experienced the high quality and reliability of Japanese products firsthand. He was motivated to expand into Kansai because toothbrush-related manufacturers are concentrated in the region, including Yao City and Higashiosaka City, Osaka Prefecture, and Wakayama Prefecture, and because he had the impression that Kansai is an easy place to do business. To establish its Osaka presence, the company received support in securing an office space from the Osaka Business and Investment Center (O-BIC), which is composed of Osaka Prefecture, Osaka City, and the Osaka Chamber of Commerce and Industry.



Effect of investment in Japan

Establishing a presence in Kansai and creating a Made in Japan brand for its in-house products made a positive impression on other companies, generating major benefits in business development. Made in Japan products have extremely high quality and brand power, so while manufacturing in Japan is more expensive, it creates a competitive advantage anywhere in the world. Collaboration with toothbrush related manufacturers concentrated in Kansai (in material procurement and specialization) has also been a significant benefit.

Future developments

The company has only recently established its Japan subsidiary, so operations are divided between Japan and China, but in the future, it aims to do all its material procurement and manufacturing within Japan. It is currently renting its factory, but if the business takes off, it is also considering expanding to a new factory in another location within Japan. In terms of future global market expansion, after entering the Chinese market, it is also considering export to southeast Asia and the United States.



Photographs provided by corporation

Achieving a cutting-edge work style in a rural area through teleworking

Corporation: salesforce.com Co., Ltd. Shirahama Office

<https://www.salesforce.com/jp/>

Location: Shirahama Town, Wakayama Prefecture / Industry: information and communications
/ Type of presence: greenfield investment (secondary investment)

Parent corporation: salesforce.com, Inc. (USA)

Business overview

Salesforce.com Co., Ltd. (Japan headquarters: Tokyo), the cloud application and platform development and sales company, opened its Shirahama Office in Shirahama, Wakayama Prefecture in October 2015. At the Shirahama office, employees, including some who have relocated to the area, use teleworking tools for their inside sales work.



Background and motivation for presence in Kansai

The Shirahama Office was opened under the "Furusato (Hometown) Teleworking Promotion Regional Demonstration Project" run by the Ministry of Internal Affairs and Communications. Among several candidate locations, Shirahama was selected due to its convenient access from Tokyo, stable internet environment, and enthusiastic support from Wakayama Prefecture and Shirahama Town in securing an office space and providing an ongoing support structure. Young employees are highly motivated to work, helped by the view of the beautiful Shirahama beach. This location's resort setting and unique local appeal make it very attractive.



Effect of Kansai presence

By pursuing more efficient work styles, the Shirahama office has achieved 20% higher productivity than the Tokyo headquarters. Furthermore, commuting times that were 2 hours in Tokyo are reduced to 10 minutes in Shirahama, improving work-life balance and creating 64 hours of free time per month. Because employees have more time to contribute to their communities, they also feel more motivated to work, and productivity has grown dramatically. When employees at the Shirahama Office return to Tokyo, they continue these efforts to improve productivity, achieving significant results in work style reforms.

Effect on region

The company's Shirahama presence and an enthusiastic corporate attraction effort by Wakayama Prefecture and Shirahama Town have contributed to bringing IT companies to the region. The Shirahama IT Business Office where the company's Shirahama Office is located is already at full occupancy, with 10 IT company tenants. The 2nd Shirahama IT Business Office, which opened in June 2018, is already full as well. The Akizuno Green Office was opened in Tanabe City in January 2019.



Photographs provided by corporation

Improved productivity and expanded business through an investment alliance

KYOWA Pharmaceutical Industry Co., Ltd.

<http://www.kyowayakuhin.co.jp/>

Location : Osaka City, Osaka Prefecture / Industry : pharmaceutical manufacture
/ Type of presence: investment alliance

Alliance partner: Lupin Limited (India)

Business overview

KYOWA Pharmaceutical Industry, which develops, manufactures, and sells generic drugs, and Lupin, a major Indian pharmaceutical manufacturer, first became acquainted in 2004. They signed a cooperation agreement in 2005 and began performing joint research and development. In October 2007, the companies further strengthened their relationship with a capital alliance, and Lupin acquired a majority stake in KYOWA Pharmaceutical Industry. In November 2008, KYOWA Pharmaceutical Industry became a wholly-owned subsidiary of Lupin.



Effects of investment alliance

The investment alliance allowed capital investment for R&D and an increase in medical representative (MR) staffing. Furthermore, some products sold in Japan are now manufactured at a Lupin plant in Goa, India, taking advantage of its global supply chain to achieve cost reduction. Thanks to business expansion made possible by the investment alliance with Lupin, and the Japanese government generic drug usage promotion policy, KYOWA Pharmaceutical Industry's sales have significantly increased: from 7.7 billion yen in 2007 (the year of the investment alliance) to 29.2 billion yen in 2017. A new plant was built in Tottori in March 2017 to bolster the company's stable supply structure.



Tips for investment alliance success

The most important aspect of embarking on an investment alliance with a foreign corporation is to build a mutual trust relationship. Before the investment alliance, KYOWA Pharmaceutical Industry spent several years conducting joint research and development with Lupin, building the foundation for their relationship of trust. It is essential for both companies to fully share and understand each other's top management values and mid- to long-term management policy. In addition to this trust relationship, it is also important for both companies to be able to discern each other's growth potential in order to promote the company's business succession and expansion through an investment alliance with a foreign corporation.

Future developments

KYOWA Pharmaceutical Industries will continue to take advantage of the alliance with Lupin to aim to develop its business globally. Expanding beyond its generic drug business, it also plans to strengthen initiatives including new drugs in its specialty areas of psychiatrics and neurology.



Photographs provided by corporation

Improving employee motivation and expanding business through an alliance with a global top corporation

SWISSPORT JAPAN LTD.

<http://www.swissport.co.jp/>

Location: Izumisano City, Osaka Prefecture / Industry: transport / service
/ Type of presence: investment alliance

Alliance partner: Swissport International Ltd. (Switzerland)

Business overview

SWISSPORT JAPAN was established in August 2006 when Swissport International, the industry giant based in Switzerland, acquired all shares of ShinMaywa Ground Services Ltd., which handled part of the non-core ground handling operations of ShinMaywa Industries, Ltd. (passenger check-in, aircraft guidance ramp operations, freight operations, maintenance operations, and other airport-based ground support services). The aerospace division of Marubeni Corporation, which has a network with worldwide airlines, introduced the two companies. Now it is operated as a joint venture of Marubeni and Swissport International.



Effects of investment alliance

Utilizing the name recognition and network of Swissport International, the company has gained foreign airline company clients and significantly grown its customer base and sales. Marubeni's expertise and network with the airline industry is also contributing to expanding business. Due to expanding operations, the 150 employees at the time of the alliance have grown to 950 employees as of April 2018. Sales are also trending upward, reaching 8.2 billion yen in FY2017. The experience of handling many airline company clients also contributes to improving employee motivation.



Tips for investment alliance success

Marubeni acted as a go-between during the investment alliance negotiations, giving financial advice as well as providing specialized insights on investment alliances. Mediation by a specialist with expertise in domestic and international conditions in the industry, for example a trading firm, consultancy, or investment company, is one key to success for an investment alliance between foreign and Japanese domestic corporations.

Future developments

More and more foreign tourists are visiting Japan every year. Due to this ever-increasing inbound tourism demand, the company is considering expanding to more regional airports. Passenger numbers at the five airports where it operates (Haneda, Narita, Kansai, Fukuoka, Chubu) are also growing dramatically. The company plans efforts to improve its services for foreign airline company clients and to focus on further expanding employee training and hiring.



Photographs provided by corporation

Attracting inbound tourism by creating experience-based travel services

PEAK DMC JAPAN <https://www.peakdmc.com/>

Location: Kyoto City, Kyoto Prefecture / Industry: tourism
/ Presence type: greenfield investment
Parent corporation: Intrepid Travel Pty. Ltd. (Australia)

Business overview

Established in March 2017 in Kyoto as a directly-managed branch of parent company Intrepid Group, a major Australian travel agency. This planning and operation company provides a variety of local experience-based adventure tours for visitors from abroad.

Background and motivation for Kansai presence

This directly-managed branch was established in Japan with an eye to future business potential, considering the increasing overseas tourist demand in Japan and a comprehensive inbound tourism promotion effort by the Japanese government. The company chose Kyoto for its base in Japan rather than Tokyo or Osaka because it felt that Kyoto was the center of the Japanese culture and spirit. Kyoto's convenient access from other cities and position as the start and end point of many tours also contributed to the selection. The company received in-depth support from the Japan External Trade Organization (JETRO) Kyoto, Kyoto Prefecture, and Kyoto City in establishing its branch.

Future developments

Kyoto is a treasure chest of content, which the company hopes to unearth to create new tour plans and further expand and diversify its travel service offerings.



Photographs provided by corporation

Expanding business by establishing a new global scale plant with cutting-edge facilities

Bostik-Nitta Co., Ltd. <https://www.bostik.com/ja/japan/>

Location: Yao City, Osaka Prefecture / Industry: development and sale of adhesives
/ Type of presence: investment alliance
Parent corporation/country: Bostik (France)

Business overview

A joint venture between Bostik, one of the top five global adhesive manufacturers, and Nitta Gelatin Inc., located in Yao, Osaka. A global leading company in hygienic and industrial adhesives using hot-melt adhesive technology.

Appeal of Kansai

Osaka Prefecture has the third largest population in Japan, making it relatively easy to hire talented personnel.

Future developments

Currently, manufacture of adhesives is being commissioned to Bostik and Nitta Gelatin, but the company aims to begin in-house manufacturing within Japan and expand its business. It has a plan to establish a plant in Nara Prefecture with cutting-edge facilities specialized in hygienic and industrial adhesives, and operations are planned to commence in 2020.



Photographs provided by corporation

Implementing a business style focused on online communication

Silver Egg Technology Co., Ltd. <https://www.silveregg.co.jp/>

Location: Suita City, Osaka Prefecture / Industry: information and communications

Business overview

Established in August 1998 in Osaka City. The company is headed by Thomas Foley, an American entrepreneur and technologist. It develops and provides digital marketing services based on AI technology.

Appeal of Kansai

Kansai has excellent human resources (while fewer than Tokyo), inexpensive business costs, a pleasant living environment, and other advantages. The company utilizes IT networking to communicate with other locations, eliminating the need for a Tokyo office to serve its Tokyo customers, and it is able to develop its business at multiple locations, including overseas.

Unique initiatives and future developments

While respecting Japan's unique business style focusing on customer relationships via face-to-face sales visits, it has established a new business style using online communication to supplement these relationships. At the end of December 2018, it established an office in Hong Kong as a base for service provision and business development in Asia.



Photographs provided by corporation

Developing business by taking advantage of Kansai's diverse appeal

SAMPO JAPAN INC. <http://www.sampo.com.tw/>
(*Taiwan parent company website)

Location: Osaka City, Osaka Prefecture
/ Industry: manufacture of home electric appliances / Type of presence: greenfield investment
Parent corporation: Sampo Group (Taiwan)

Business overview

The Japanese subsidiary of Sampo Group, the Taiwan general home electric appliance manufacturer. The company is developing its luxury product lineup in the Japanese market: for example, in recent years it produced an air purifier in collaboration with the Kyoto Nishijin-ori textile firm Hosoo Co., Ltd. It is also focusing on developing an e-commerce business selling unique products from regions across Japan.

Background and motivation for Kansai presence

Kansai has "soft" appeal, including history, culture, and local character. In particular, Kyoto provides excellent inspiration for the company's product development. The company received support from organizations including the Osaka Business and Investment Center (O-BIC) in establishing its Kansai presence.

Future developments

Beyond home electric appliances, the company is focusing on expanding its e-commerce business, and is considering creating a website to present and sell Japanese local specialty products.



Photographs provided by corporation