

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 2019**

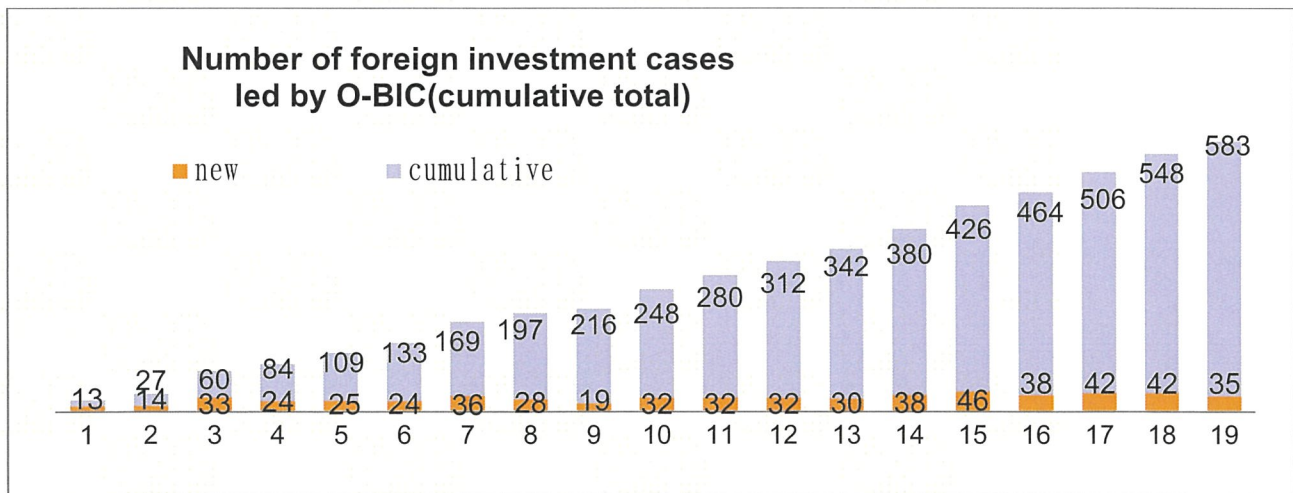
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**—35 New Foreign Companies Enter Osaka Area,
Down Roughly 20% Year-on-Year—**



■ Market entry trends —Results largely impacted by external factors, including social conditions and novel coronavirus (COVID-19) —

- In FY2019, 35 entities from foreign countries set up in the Osaka area, down by nearly 20% year-on-year. In FY2017 and FY2018, the number of foreign companies entering the Osaka areas trended above 40. This is the first time in three fiscal years that the number of entities establishing business operations in Osaka declined. This is primarily attributable to deterioration in the business environment due to a cool-down in Japan-South Korea ties from the summer of 2019 and chaos from the demonstrations in Hong Kong. Moreover, entering 2020, the spread of novel coronavirus (COVID-19) has had substantial impact, triggering a stall in economic activities, including investments.

- O-BIC was successful in inviting 35 entities to invest in Osaka. By country and region, China (including Hong Kong) was at the top, with 17 investments. Although down from 21 in the previous year, it still accounts for the majority. This was followed by South Korea with 5 investments (7 in the previous year; numbers in parentheses in this paragraph hereafter are for the previous year). The US ranked third with 3 (2). There were 28 investments (34) from seven countries and regions in Asia. In addition to this, there were investors from the US, Canada, Spain, Italy, New Zealand and other countries and regions, signifying that the countries of the respective entrepreneurs entering the area is becoming more diversified. We believe the G20 Osaka Summit, the selection of Osaka to host the 2025 Expo, IR attractions, and other events have contributed to an improvement in the recognition of Osaka among a wide range of countries.
- In the 19 years from the establishment of O-BIC up to 2019, a cumulative total of 583 foreign entities have invested in Osaka. Cumulatively, China (including Hong Kong) stands at the top with 241 investments, South Korea was second with 98, and the US was third with 47. This ranking remains unchanged with 2018.

■ Characteristics of investment

(1) Total investment is high due to large-scale investment and highest number of consultations since 2003

In addition to the investment of ¥200 million from a company under the auspices of the Evergrande Group, a global Fortune 500 company from China, around ¥50 million have been invested in hotels, trade and existing Japanese companies from various companies in the world. The total capital of newly-established Japanese corporations surpassed ¥500 million. The capital for each company is around ¥15 million, which is around 1.5 times the average for the past five years.

In addition, the number of consultations received by our secretariat was an all-time 193, the highest level since 2003. We received inquiries from more than 30 countries and regions. We believe this indicates that Osaka is gaining attention worldwide as an investment target.

(2) Entry by innovative companies, and businesses launched by people using start-up visas

Osaka, which has dubbed itself an open innovation city, offers ample support for conventional start-ups but also began offering a new system from March 2019 that provides a start-up visa, certified by the Japanese government, to foreign entrepreneurs. For foreign start-ups, the environment to launch a business in Japan—business matching opportunities and residential visas—is becoming more appealing. Going forward, this is anticipated to contribute to active entry by foreign entities into the market.

(3) Inbound investment remains strong but it also took a major hit from COVID-19

In 2019, there were 12 inbound-related investments, including travel agencies, hotels, sites to buy Japanese made products, and real estate brokerages for foreigners. These businesses target inbound visitors, which mainly consists of visitors from China, which has been an ongoing trend in recent years. Although inbound-related investment has remained strong, in and after January 2020, business development in Osaka and Japan overall is at risk given the substantial blow from COVID-19, which started in China and is spreading worldwide.

<Reference> Concerns going forward due to COVID-19

- Secretariat promotional activities have nearly come to a halt both in Japan and abroad
- It is difficult for foreign entrepreneurs to come to Japan. It is nearly impossible to acquire a residential visa.
- Even if a residential visa is obtained, it is currently difficult to come to Japan. In light of this, in all practicality a business cannot be deployed mainly as it is not possible to set up a corporate bank account or hire employees.
- In particular, for inbound-related businesses, there is a risk of not being able to meet visa renewal requirements (certification of business continuity) due to the deterioration in earnings.
- Review of plans to invest in Japan due to concerns of business development in Japan amid the spread of COVID-19 etc.

■The main successful investment cases in FY 2019



Evergrande Neoenergy R&D Institute Japan Co.Ltd.
(Izumisano-shi, Osaka)

(Parent company: Evergrande Neoenergy Technology Group)

URL: neoenergy.evergrande.com

Established: April, 2019

Capital: ¥200 million

Number of employees: 12

Business description:

R&D, prototype development, production and sales of lithium-ion batteries, fuel cells, and material/parts

Details of support:

Handles consultations on corporate establishment, support to alleviate fees, office referral



The Most Efficient Soldering System

JBC Soldering Japan Co. Ltd. (Kita-ku, Osaka)

(Parent company: JBC Soldering S.L.)

URL: www.jbctools.com

Established: October, 2019

Capital: ¥9.6 million

Number of employees: 4

Business description:

Import, export and sales of soldering equipment and other peripheral devices

Details of support:

Handles consultations on corporate establishment, support to alleviate fees, office referral, personnel referral and the provision of various other types of information

IMAGR



IMAGER Co. Ltd. (Fukushima-ku, Osaka)

(Parent company: IMAGR Ltd.(New Zealand))

URL: www.imagr.co

Established: March, 2020

Number of employees: 4

Business description:

Provision of automation solution for the retail industry (Provision of SMARTCART for automated retail stores)

Details of support:

Supporting together with JETRO Osaka, Information provision on incorporation, labor management system, Subsidies, etc.

Overview of O-BIC and its activities in FY2019

■ 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 2019

- In FY2019, O-BIC continued to work in alliance with the Osaka International Business Promotion Center and the Osaka headquarters of the Japan External Trade Organization (JETRO) to invite foreign companies to the Osaka area through a public-private sector collaboration. In addition, we poured energies into the efforts to improve the name recognition of Osaka and to make an appeal of the area's charm through PR by raising awareness mainly of promotional activities for Expo 2025 Osaka (World Exposition).
- As a specific activity, we responded to 193 inquiries received in 2019 from foreign companies. We supported entry into the Osaka market by providing information on procedures for establishing a company in Osaka and by dealing with individual consultations.
- In Japan, we promoted Osaka and sponsored business meetings between local Osaka companies and a wide range of foreign industries and government and economic organizations, from regions including Canada, the EU and Asia, including China. In addition, we held hearings of exhibiting companies and unearthed projects at trade fairs, including Interphex Japan, Manufacturing World Osaka, Medical Japan, and Smart Energy Week.
- Overseas, we conducted, participated, and cooperated in promotional seminars including the US (Philadelphia), China (Beijing, Shanghai, Shenzhen), Taiwan (Taipei) and Finland (Helsinki). We also conducted PR endorsing the charm and appeal of the investment environment in Osaka and Kansai through individual visitations to foreign companies.
- As fixed support, the Osaka Business Networking Club was held with the goal of promoting exchanges between existing foreign companies already in the Osaka area and Osaka companies. The event was attended by 72 participants.
- In and after January 2020, due to the impact of COVID-19, a total of nine projects were terminated, including Hack Osaka 2020 and investment seminars in Shanghai and Paris.

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
2019	193	35	16
Total	2,882	583	217

※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 list of Foreign investments in fiscal 2019
- ② A matrix of O-BIC investments in fiscal 2019
- ③ A matrix of O-BIC investments from fiscal 2001-2019

2019年度O-BIC誘致実績一覧表

NO	企業名	国(地域)	事業内容
1	テラスレーザー株式会社	中国	レーザー機械の製造・販売
2	ドッグネスジャパン株式会社	中国	ペット用品輸入販売
3	株式会社恒大新能源日本研究院	中国	車載バッテリー研究開発
4	唐廊株式会社	中国	不動産・飲食
5	森・ブライト株式会社	中国	輸入販売
6	Smart bytes株式会社	中国	ICTシステム開発
7	三紅株式会社	中国	輸入販売
8	寧波市新海東方物流有限公司日本支店	中国	物流
9	MAS Japan株式会社	中国	民泊
10	MA.Design株式会社	中国	不動産開発
11	壹草堂株式会社	中国	保健食品・化粧品の輸出、医薬品の研究に関するコンサルティング
12	株式会社GCS	中国	物流
13	有限会社利休蔵	中国	日本酒の製造・販売
14	株式会社KICHU	中国	アパレルネット販売、日本のおもちゃ、化粧品の輸出
15	五湖株式会社	中国	VIP中国人向け日本ツアーのランドオペレーション拠点
16	A社	中国	アパレルの輸入・販売
17	株式会社d.a.partners	香港	不動産投資・民泊管理・タピオカ飲料店・ヌードルショップ 等
18	三方機械工業股份有限公司日本支店	台湾	製品の販売(貿易)技術支援
19	株式会社静雅	台湾	日本古美術/工芸品の輸出販売
20	株式会社BHD	韓国	不動産投資・賃貸事業
21	株式会社World Life Trading	韓国	化粧品・生活雑貨の買付・輸出、輸入販売
22	HANSONG NEOTECH大阪事務所	韓国	自社商品(ディスプレイ製造用装置)のAS・営業拠点
23	株式会社SHINPARK	韓国	飲食店(韓国料理店)
24	株式会社熊川	韓国	韓国食材の輸入、小売り、卸売
25	Koala know 駐日事務所	アメリカ	児童向けのオンライン中国語教育
26	Asten Johnson Asia, Japan Branch	アメリカ	製紙機械部品の輸入・販売
27	Thinking Cup株式会社	アメリカ	英会話カフェの経営
28	RAWC57株式会社	シンガポール	カジノディーラー養成スクール/英会話スクールの運営、人材紹介業
29	TUAN LE BIMAC 株式会社	ベトナム	ベトナム建設会社の営業拠点、3D設計サービスの提供
30	株式会社JIインターナショナルトレーディング	インド	革製品輸入販売
31	BATEEQ JAPAN株式会社	インドネシア	アパレル販売(Web)
32	IMAGR株式会社	ニュージーランド	小売店向けレジ無人化システム販売
33	JBC Soldering Japan株式会社	スペイン	自社商品(はんだごて)輸入販売、アフターケア、台湾等への再輸出拠点
34	イタリア大使館 貿易促進部 大阪デスク	イタリア	外国公館
35	トロス合同会社	カナダ	食品関連商品の輸出入

(参考)

進出企業の投資金額(登記資本金ベース) 総額:約5億円

進出企業の雇用人数 総計:約80人(2020.3.31時点 O-BIC調べ)

インバウンド関連企業

Osaka Business and Investment Center (O-BIC)
Matrix of Investment cases in FY2019
(April, 2019–March, 2020)

Cases of New Entry : 35

※Figures in brackets () =FY18

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		1	(0)	1	(4)	5	(4)		(1)	2		1	(1)	4	(7)		(1)	16	(18)
	Hong Kong															1	(3)			1	(3)
	Taiwan					1		1									(1)			2	(1)
	Korea					1		2	(2)							2	(5)			5	(7)
	Singapore		(1)						(1)							1	(1)			1	(3)
	Thailand						(1)													0	(1)
	Vietnam															1	(1)			1	(1)
	India								1											1	(0)
	Indonesia								1											1	(0)
	Asia/Total	2	(1)	1	(0)	3	(5)	10	(7)	0	(1)	2	(0)	1	(1)	9	(18)	0	(1)	28	(34)
North America	USA		(1)					1								2	(1)			3	(2)
	Canada							1												1	(0)
	N.A./Total	0	(1)	0	(0)	0	(0)	2	(0)	0	(0)	0	(0)	0	(0)	2	(1)	0	(0)	4	(2)
South America	Chile																(1)			0	(1)
	S.A./Total	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)	0	(1)	0	(0)	0	(1)
Europe	UK																(2)			0	(2)
	Switzerland								(1)											0	(1)
	Germany								(1)											0	(1)
	Italy																	1		1	(0)
	Spain							1												1	(0)
	EU/Total	0	(0)	0	(0)	0	(0)	1	(2)	0	(0)	0	(0)	0	(0)	0	(2)	1	(0)	2	(4)
Oceania	Australia								(1)											0	(1)
	New Zealand												1							1	(0)
	Oceania/Total	0	(0)	0	(0)	0	(0)	0	(1)	0	(0)	0	(0)	1	(0)	0	(0)	0	(0)	1	(1)
TOTAL		2	(2)	1	(0)	3	(5)	13	(10)	0	(1)	2	(0)	2	(1)	11	(22)	1	(1)	35	(42)

ACHIEVEMENTS in the last 19years

(April 2001 - March 2020)

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		4	6	43	74	3	15	12	43	17		217
Hong Kong		2		6	8			3	5			24
Korea		1	1	10	45	2	1	9	26	3		98
Shingapore		1			6		2	2	6			17
India					5			6	4			15
Indonesia				1	1	1	1					4
Sri Lanka					1							1
Taiwan			1	3	20			1	8			33
Thailand				1	1				3			5
Myanmar					1			1	1			3
Vietnam					1			1	4	1		7
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		8	8	66	164	6	20	35	103	25	0	435
North America												
Canada					3	1		1	3	1		9
USA		2	2	2	19			4	17	1		47
North America Total		2	2	2	22	1	0	5	20	2	0	56
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		2		4
Switzerland					5				1			6
Spain					3							3
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
Netherlands					1				1			2
Poland										1		1
Portugal					2							2
Malta						1						1
Russia					1							1
Europe Total		4	3	0	36	7	0	7	18	4	1	80
Oceania												
New Zealand					1			1				2
Australia					2			3	3			8
Oceania Total		0	0	0	3	0	0	4	3	0	0	10
Africa												
Cote d'Ivoire				1								1
Africa Total		0	0	1	0	0	0	0	0	0	0	1
Total		14	13	69	225	14	20	51	145	31	1	583