With a population exceeding 20 million and an economy of $800 billion, the Kansai region plays a leading role in western Japan. Osaka is center of the region, a vast metropolitan area second only to Tokyo in scale.

### Osaka prefecture (Center of Kansai)

OSAKA: A WORLD LEADER IN INDUSTRY

One of Japan’s leading manufacturing industry clusters

<table>
<thead>
<tr>
<th></th>
<th>Osaka (Share/Japan)</th>
<th>Tokyo (Share/Japan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (km²)</td>
<td>1,898 (0.5%)</td>
<td>2,103 (0.6%)</td>
</tr>
<tr>
<td>Population (million)</td>
<td>8.81 (6.9%)</td>
<td>12.76 (10.0%)</td>
</tr>
<tr>
<td>GDP (US$ billion)</td>
<td>331 (7.5%)</td>
<td>784 (17.9%)</td>
</tr>
<tr>
<td>Number of manufactures*</td>
<td>23,533 (9.1%)</td>
<td>18,681 (7.2%)</td>
</tr>
<tr>
<td>Number of employees*</td>
<td>532,460 (6.3%)</td>
<td>371,206 (4.4%)</td>
</tr>
</tbody>
</table>

*Number of manufacturers and employees (establishments with 4 employees or more)

Ranking among 47 prefectures in Japan

Source: Cabinet Office / Ministry of Internal Affairs and Communications / Ministry of Economy, Trade and Industry

### Kansai area

Osaka / Kansai GDP—Nearly equivalent to Netherlands (Ranking 17th in the world)

Tokyo area: Tokyo and 7 prefectures

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<th>Tokyo area (Share/Japan)</th>
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<tr>
<td>Area (km²)</td>
<td>37,042 (9.8%)</td>
<td>36,436 (9.6%)</td>
</tr>
<tr>
<td>Population (million)</td>
<td>23.54 (18.4%)</td>
<td>42.70 (33.4%)</td>
</tr>
<tr>
<td>GDP (US$ billion)</td>
<td>788 (18.0%)</td>
<td>1,661 (37.9%)</td>
</tr>
</tbody>
</table>

Source: Cabinet Office / Ministry of Internal Affairs and Communications
The Solar Cell Industry

**Kaneka**
Kaneka Solartech Corporation
Total Shipment 2009(40MW) → 2013(460MW: Planning)
9 Toyooka Plant (Toyooka City) *1
Main production item: Solar cell (thin-film silicon)
(*1) Production to increase from 2010

**Sharp**
Sharp Corporation
Total Shipment 2009(792MW) → 2013(1670MW: Planning)
1 Katsuragi Plant (Katsuragi City)
Main production item: Solar cell (crystalline silicon)
2 Green Front Sakai Plant (Sakai City) *2
Main production item: Solar cell (thin-film silicon)
(*2) To start operation 2010

**Panasonic**
(former SANYO Electric Co., Ltd.)
Total Shipment 2009(260MW) → 2013(1100MW: Planning)
3 Nishikinohama Plant (Kaito City) New plant building *3
Main production item: Solar cell (crystalline silicon)
(*3) To start operation 2010
4 Shiga Plant (Otsu City)
Main production item: Solar cell module

**Mitsubishi**
Mitsubishi Electric Corporation
Total Shipment 2009(120MW) → 2013(538MW: Planning)
8 Kyoto Plant (Nagaokakyo City) *4
Main production item: Solar cell module (crystalline silicon)
(*4) Production to increase from 2011

**Kyocera**
Kyocera Corporation
Total Shipment 2009(400MW) → 2013(1200MW: Planning)
5 Yokaichi Plant (Higashi-Ohmi City)
Main production item: Solar cell (crystalline silicon)
6 Yasu Plant (Yasu City) *5
Main production item: Solar cell (crystalline silicon)
(*5) To start operation 2010
7 Ise Plant (Ise City)
Main production item: Solar cell module

Source: Sangyo Times, Inc., Japan Economic Center (JEC)

**DATA**

### Global solar cell productions’ share

- **Kansai’s share:** 70% (of Japan)
- **Worldwide:** 10,660MW
- **2009:**
  - Japan: 14.1% (1,508MW)
  - U.S.: 13.0%
  - Taiwan: 13.2%
  - Germany: 13.4%
  - China: 35.5%
  - Other: 10.8%

### Solar power volume in Japan

- **2005:** 1400MW
- **2010:** 4800MW
- **2020:** 28000MW

Solar power is being promoted to increase **20 times** by 2020, compared with the volume in 2005.

**Source:** Ministry of Economy, Trade and Industry, PV News, and Sangyo Times, Inc.
Global lithium ion battery productions’ share

- Japan: 56.3%
- Korea: 23.7%
- Other: 20%
- Worldwide: 2.6 billion

Kansai’s share: 80%
(of Japan)

Lithium ion battery production in Japan

Production volume of lithium ion batteries is expected to increase approximately 5 times as much by 2020 in comparison with 2005.

- Worldwide 2008: 2.7 billion
- 2009: 3.12 billion
- 2010: 4.7 billion (Market size: $13.8 billion)
- 2020: 11.42 billion

Source: Japan Economic Center (JEC)
Note: The each country share was calculated in total of principal enterprises. Panasonic made Sanyo Electric its subsidiary in Dec. 2009.
A variety of manufacturing facilities is based in Kansai such as solar cells, lithium batteries and others. In addition local governments are seeking active roles to implement various initiatives to realize low carbon society.

**Kansai**

**Osaka**

**SOLAR**

1. **Sakai Solar Power Generation Plant**
   - Operator: The Kansai Electric Power Co., Inc.
   - Output: 10MW
   - Operation: 2010/10 ~

2. **Sakai Manufacturing Complex Solar Power Generation Facilities (tentative name)**
   - Operator: Sharp Corporation and the Kansai Electric Power Group
   - Output: 18MW
   - Operation: 2012 ~

**BATTERY**

3. **Hydrogen & Fuel-cell Demonstration Project**
   - Osaka FCV (Fuel-cell Vehicle) Promotion Conference
     - Installation of hydrogen stations and fuel-cell vehicle demonstration tests
     - (Test sites) Osaka prefectural government office, Kansai International Airport

4. **Osaka EV (electric vehicles) Action Council**
   - Osaka New Energy Forum
     - Osaka Prefectural Government takes an initiative to promote new energy industry, especially EV market and its infrastructure in conjunction with other local organizations.
     - Period: Jan, 2013

5. **Development of Osaka Station North District**
   - Redevelopment project for the central district of Osaka (24ha)
   - Development concept "World-leading eco-friendly urban hub in 'Kansai, an environmentally advanced region'"
   - An advanced implementation area of 7ha to be completed in 2012

6. **Kansai Science City (Keihanna)**
   - Home to more than 110 national and private research organizations and cultural facilities
   - Advanced in R&D and diffusion of new energies such as solar power generation and fuel cells for housing

7. **Large-scale reclamation projects implemented in Osaka Bay**
   - Osaka Prefectural Government and City of Osaka have established the special task force to develop 3 places (Maishima, Yumeshima and Sakishima) in Osaka Bay as production and logistic bases.
Kansai becomes one of the most attractive places as to its economic fundamentals, therefore a number of foreign companies has already set up operations in Kansai region.

**Major Determining Factors**
- The size of the Kansai market
- Well-developed rail and flight networks
- Good transportation access to major cities
- Concentration of related businesses and R&D institutes
- Presence of business partners
- Availability of well-qualified human resources
- Cheaper office rent compared to the Tokyo area
- Favorable living environment (educational institutions, natural environment)

**DATA**

### Countries’ share of foreign companies in Kansai

<table>
<thead>
<tr>
<th>Region</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>33.3%</td>
</tr>
<tr>
<td>Europe other</td>
<td>10.8%</td>
</tr>
<tr>
<td>China</td>
<td>8.9%</td>
</tr>
<tr>
<td>Korea</td>
<td>6.4%</td>
</tr>
<tr>
<td>Japan</td>
<td>5.6%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3.8%</td>
</tr>
<tr>
<td>Other</td>
<td>3.4%</td>
</tr>
<tr>
<td>Total number</td>
<td>234</td>
</tr>
</tbody>
</table>

Source: The Foreign Investor 2010, Toyo Keizai Inc.

### Industries’ share of foreign companies in Kansai

<table>
<thead>
<tr>
<th>Industry</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery and Equipments</td>
<td>40.2%</td>
</tr>
<tr>
<td>Chemical Products</td>
<td>33.8%</td>
</tr>
<tr>
<td>Electric Appliance Wholesale</td>
<td>21.3%</td>
</tr>
<tr>
<td>Non-manufacturing</td>
<td>9.8%</td>
</tr>
<tr>
<td>Machinery Wholesale</td>
<td>4.3%</td>
</tr>
<tr>
<td>Chemical Wholesale</td>
<td>4.3%</td>
</tr>
<tr>
<td>Precision Machine Wholesale</td>
<td>4.3%</td>
</tr>
<tr>
<td>Electric Appliances Wholesale</td>
<td>5.1%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>3.0%</td>
</tr>
<tr>
<td>Other</td>
<td>26.0%</td>
</tr>
<tr>
<td>Total number</td>
<td>234</td>
</tr>
</tbody>
</table>

Source: The Foreign Investor 2010, Toyo Keizai Inc.

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Note: Listed are companies that have head offices, sales offices or research institutes in Kansai. Major determining factors are based on interview surveys of some companies listed above.
Industrial cluster projects have been developed in private and public partnership with academia.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Target</th>
<th>Organizer</th>
<th>Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/IT/Energy</td>
<td>The aim is to produce the products which contribute to the future life style</td>
<td>Neo cluster Union (initiated by Kansai Bureau of Economy, Trade and Industry)</td>
<td>Companies: 1,170, Universities: 32, Successful businesses: 6,000</td>
</tr>
<tr>
<td>Bio</td>
<td>The aim is to revitalize bio industry in the region and foster the creation of world class entrepreneur</td>
<td>NPO Kinki-Bio-Industry Development Organization (initiated by Kansai Bureau of Economy, Trade and Industry)</td>
<td>Companies: 350, Universities: 56, Successful businesses: 42</td>
</tr>
<tr>
<td>Environment</td>
<td>The aim is to revitalize environmental industry in the region and foster the creation of world class entrepreneur</td>
<td>NPO Recycling System Center (initiated by Kansai Bureau of Economy, Trade and Industry)</td>
<td>Companies: 120, Universities: 21, Successful businesses: 420</td>
</tr>
</tbody>
</table>

Source: Ministry of Economy, Trade and Industry
Electric appliances and machinery account for more than a half of the total export value, and Asia is the major export counterpart.

Reflecting the concentration of the manufacturing industry, mineral fuels and electric appliances constitute a significant share. Import from Asia including China accounts for more than a half.
Eco-Energy City Osaka/Kansai
Sophisticated Traffic and Logistic Infrastructure

Access to the world

Sophisticated air route network from Kansai to the world

- Osaka International Airport
- Kobe Airport
- Kansai International Airport

- Kansai International Airport is the only 24-hour Operating International Logistics Hub in Japan.
- It has Japan’s largest cargo flight network for China.

Flight Schedule
Airline companies 57
Flight to overseas cities 68
The weekly number of flights 729

Sophisticated International seaway infrastructure

- Maizuru Port
  - Multipurpose international terminal with a large quay wall depth of 14m and container yard.
  - The port can berth 50,000-ton container ships.

- Hanshin Port
  (Port of Osaka, Port of Kobe etc)
  - The development of Japan’s deepest earthquake-resistant container berth (with a water depth of 16m) allows the harbor to accept 100,000-ton class container ships.
  - The strategic alliance of ports in the region reduces port traffics and simplifies tax procedures.
  - The ports boast the world class freight volume.
  - Hanshin port is nominated as the strategic port to revitalize by the Japanese Government.

The comparative volume of domestic cargo

- Nagoya 81
- Hanshin 159
- Urban area (Tokyo & Yokohama) 162
(Unit: million ton)

Source: Kansai Bureau of Economy, Trade and Industry, Development Bank of Japan, Kansai International Airport Co., Ltd.

Domestic Access

Kansai has a well-developed transportation network in terms of flight, train and motorway systems.

Air
- Sapporo
  1hr50min
- Tokyo
  1hr
- Fukuoka
  1hr

Shinkansen
- Nagoya
  2hr30min
- Tokyo
  2hr30min
- Hiroshima
  4hr
- Osaka
  50min
- Fukuoka
  2hr30min

Highway
- Tokyo
  6hr
- Fukuoka
  7hr30min
- Osaka
  2hr
INVEST KANSAI

INVEST Promotion Activities in Kansai

Invest Kansai Desk is one-stop service center for foreign companies considering investment in the region. It provides a full range of support services to start up business.

Service Menu

- Free of charge (Up to 50 business days)
- Convenient location
- Recruiting assistance service
- Provision of concierge support by experts
- Assistance in finding appropriate office property

Facilities

Temporary office space offered free of charge
Office space (Free for 50 business days)
Desk, chair, telephone, fax and internet connection available. Ideally located for business in the center of metropolitan Osaka.

Meeting room (Free)
The conference rooms can be used for business meetings, negotiations, etc.

Business library (Free)
The adjoining business library can be used to view information on investing in Japan or to collect information on business in the online database.

Consulting

Free individual consultation for your company
A vast network of experienced experts in both public/private sectors can provide a wide range of support including advice on entering markets, analyses of startup costs, assistance on procedures for new businesses, finding office space and staffing.

JETRO can also put you in contact with public authorities (Invest Japan office) and local governments for matters concerning laws on market entry, regulations or permit procedures.

Consulting

Wide-range of Network

Local Governments
- Incentive information
- Industrial area information

Kansai Bureau of METI
- Regulation related matters

Kansai Economic Federation
- Local companies’ network through memberships
- Local network with academia and related organizations

Osaka Chamber of Commerce and Industry
- Local companies’ network through memberships (between SME and large companies)
- Local network with academia etc

Consulting

For Inquiries

JETRO Osaka
Invest Japan Business Support Center (IBSC)
<INVEST KANSAI Desk>
5F Nakanoshima, Kita-ku, Osaka 530-0005 Japan
TEL: +81-6-6447-2309
FAX: +81-6-6447-2336  E-Mail: IBSCOSAKA@jetro.go.jp
## Successful Stories Supported by JETRO Osaka

Here’s a brief look at varieties of companies that have worked with JETRO Osaka for a prosperous business in the Kansai region.

### Successful Story

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Established Date</th>
<th>Business in Japan</th>
<th>Why Kansai?</th>
<th>JETRO Osaka’s Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata Consultancy Services Japan Limited, Osaka Office</td>
<td>June, 2010</td>
<td>IT consulting, systems-development and maintenance</td>
<td>Presence of numerous manufacturing and pharmaceutical companies, Accumulation of globally operating enterprises</td>
<td>Free temporary office space, Information on office spaces and lifestyles in Kansai, Assistance in holding press conference</td>
</tr>
<tr>
<td>KP Japan Co., Ltd.</td>
<td>September, 2009</td>
<td>Import and distribution of metal hydride alloys</td>
<td>Had business relations with electronics and battery manufacturers in Kansai, Found strong potential in battery market in Kansai, Familiar with and fond of Osaka</td>
<td>Free temporary office space, Information on office spaces, Provision of market information</td>
</tr>
<tr>
<td>BBK Worldwide - Osaka, G.K.</td>
<td>February, 2009</td>
<td>Import and distribution of English roses</td>
<td>Had distribution channel in Kansai via former agent, Strong support by the local government</td>
<td>Consultation on registration, tax, and visa preparation, Cooperation on English-style garden establishment plan along with Osaka Prefectural Government</td>
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<td>David Austin Roses K.K.</td>
<td>November, 2007</td>
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<td>item Japan K.K.</td>
<td>February, 2008</td>
<td>Aluminum structural kit systems manufacturing</td>
<td>Great access to Tokyo as well as Kyushu area, Accumulation of major potential customers like photovoltaic producers, Lower rents and business costs compared to Tokyo</td>
<td>Assistance with personnel recruitment and finding a plant location, Help in applying for subsidies offered by the Osaka Prefectural Government</td>
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