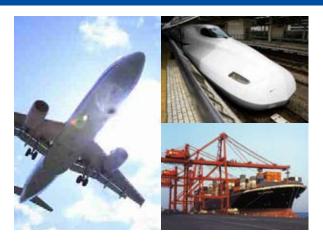
## Business Tews

March 2012 Vol.

Comprehensive centers providing one-stop services to Japanese and foreign companies wishing to start businesses in Hyogo-Kobe Hyogo-Kobe Investment Support Center Hyogo Economic Development Center Kobe Chamber of Commerce and Industry Building 4F 6-1 Minatojima-Nakamachi, Chuo-ku, Kobe 650-0046 TEL: +81-78-302-2072 FAX: +81-78-302-2265 hkiso@staff.hyogo-iic.ne.jp Hyogo-Kobe Business Support Center in Tokyo Todofuken Kaikan Building 13F 2-6-3 Hirakawa-chou, Chiyoda-ku, Tokyo 102-0093 TEL: +81-3-3230-2721 FAX: +81-3-3230-2722 hkbsc⊜hyogo-kobe.jp

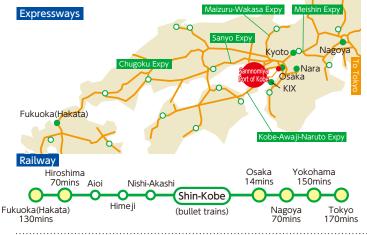
### Hyogo-Kobe developing into an integrated logistics hub for land, sea and air transport

A well-developed distribution network is indispensable to streamline and optimize the flow of goods in the process ranging from supply of raw materials to production and sales of products. The Hyogo-Kobe area serves as an important transit point not only for land shipments by railway and expressway but also for sea and air shipments. The main features of the area as a gateway to transport by land, sea and air are described below.



### Railway and expressway network spreading across Japan

Kobe, which has easy access to other cities by railway, can be reached in about 170 minutes (by the Shinkansen bullet train) from Tokyo and about 20 minutes (by local train) from Osaka. An extensive network of railways owned by the Japan Railways Group (which also operates the Shinkansen) and other private railway companies covers the Kansai area, including Osaka and Kyoto prefectures, connecting the city to Tokyo and Nagoya, as well as to the Chugoku and Kyushu regions. A nationwide network of expressways also provides advantages to the Hyogo-Kobe area. Expressways—Hanshin, Meishin, Chugoku, Sanyo, Bantan, etc.—running across Hyogo prefecture make up the six arteries of the area, providing excellent access to Nagoya and other regions including Hokuriku, Shikoku, Chugoku, and Kyushu. The Hyogo-Kobe area has established a network that covers the entire country in response to the diverse needs of customers to offer a wide range of distribution services.



### Port of Kobe becomes the nation's first to offer 24-hour operation

The Port of Kobe, located on the world's main sea routes, has a network of regular international shipping routes with North America, Europe, Australia, Asia and China. Recognized as one of the largest container ports in Japan, the Port of Kobe is connected with a network of 500 ports in over 130 countries and regions. In August 2010, the Port of Kobe was designated by the Japanese government along with the Port of Osaka as a "Strategic International Container Port" under the name of Hanshin Port. The port will be given priority in strengthening infrastructure as a hub for international trade along with Keihin Port (the ports of Tokyo, Kawasaki and Yokohama) in eastern Japan. In 2011, the Ministry of Land, Infrastructure, Transport and Tourism launched a pilot project, the first of its kind in the nation, to handle cargo containers at the Port of Kobe around the clock. Hanshin Port aims to expand its functions as a gateway to western Japan, rebuild its functions as a domestic hub and strengthen its functions as an international hub in East Asia, while improving its services and facilities.



### Flights to various domestic and international destinations

Kobe Airport, which opened in 2006 offshore of Port Island, connects Kobe with eight domestic destinations including Tokyo, Sapporo and Okinawa. The airport is conveniently located, just 18 minutes ride from the city center by the automated guideway transit system Port Liner. In 2011, Skymark Airlines Inc. that operates flights to and from Kobe Airport decided to move some of its headquarters operations to a facility at the airport. Several companies, including Eurocopter Japan T&E Co., Ltd., known as a member of a major helicopter manufacturer group, have moved into near the airport to operate their businesses. The airport is connected to Kansai International Airport (KIX) by a high-speed ferry with a travel time of about 30 minutes, providing access to international flights (to and from destinations in about 70 cities in about 30 countries). KIX is also easily accessible from the Sannomiya area, taking about 75 minutes by car. Osaka International Airport, straddling the prefectures of Hyogo and Osaka, is about 40 minutes by car from the Sannomiya area and is connected with 28 cities as a hub for domestic flights. The three airports in the Kansai area, each with different location and flight route, offer flights to a wide variety of destinations to meet the needs of companies.



# BUSINESS EWS

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### Opening up a new market in the aviation industry

Providing total support on Kobe Airport Island



©Eurocopter / Shibuya Atsushi

Eurocopter serves as the helicopter division of the European Aeronautic Defence and Space Company, formally known as the European Aeronautic Defence and Space Company (EADS), a worldwide leading aerospace industry group, including Airbus. Eurocopter Japan Group, founded in 2009, comprises two companies-Eurocopter Japan Co., Ltd., which is engaged in import and sales of aircraft and Eurocopter Japan T&E Co., Ltd., which provides maintenance services. (The merger is scheduled to take place on April 1, 2012.) Eurocopter Japan Group will open a new center for maintenance, training and development to be in full operation this spring on Kobe Airport Island. Here is an introduction to the Kobe center in excerpts taken from a lecture (held in November 2011) by Mr. Kyoji Takami, General Manager of the company's Maintenance Department.

### The role of the helicopter

I think you all know about helicopters, but they are not commonly used as a means of transportation. The major role of the helicopter is to rescue people and transport goods, as seen in the news coverage of the Great East Japan Earthquake and other natural disasters. An airplane is not ideal for search and rescue operations because it cannot land in disaster-affected areas. Meanwhile, a highly mobile helicopter is capable of carrying out a wide range of operations: emergency medical services, security and rescue operations, including mountain rescues, by police officers, firefighters and coast guard officers, VIP transportation, etc. Not everybody has the opportunity to ride in a helicopter, but it is an indispensable tool for emergency operations. Eurocopter is a helicopter manufacturer and Eurocopter Japan Group is responsible for sales of the aircraft in Japan and provides after-sales service to local customers.

### Reason to start business in Kobe

Eurocopter now has more than half of the market share for helicopters for both the public and private sectors in Japan. We need to further strengthen our after-sales service, training programs and research and development activities. Due to limited space, we are unable to realize the expansion of these services at Osaka International Airport, also known as Itami Airport, where our hangar is currently located. Above all, it is important to obtain the understanding of the central and local governments and local communities to operate aircraft. When we decided to open our business in Kobe, a sister city to Marseille where the head office of Eurocopter is located, we were able to obtain the consent and cooperation of local governments, the Japan External Trade Organization and the Ministry of Economy, Trade and Industry. We are currently

promoting business with enterprises in neighboring communities. The accumulated resources in the aviation and shipping industries in the area were a great advantage to us.

### Construction of new facilities and equipment on Kobe Airport Island

A hangar that can accommodate 25 mid-sized helicopters has been under construction on a lot near Kobe Airport as of November 2011. While expanding our services in the field of maintenance, repair and overhaul, we will also improve our services to our customers through a workforce of over 200 employees based in Kobe. It seems the city government of Kobe, which was struck by the Great Hanshin-Awaji Earthquake, is considering using Kobe Airport as a disaster management base. Therefore, our company has implemented measures against soil liquefaction and installed power generators for emergencies at the Kobe center, with an eye on use of the center as a base for disaster relief activities in case of emergency. A helicopter full flight simulator, the first of its kind in Japan, will be set up in the hangar to improve the flying skills of pilots as well as aviation safety in general, Furthermore, we will expand our research and development activities to increase the utility of helicopters and develop various types of devices, including a broadcast television camera, and medical equipment to be used on board a helicopter as part of an emergency medical service.

### Growing in the region with local entities

Eurocopter is the only foreign-affiliated aircraft manufacturer that provides total support from sales to after-sales service. The Kobe center, to be in full operation in April 2012, will serve as a core facility providing total support. We will be dedicated to creating employment opportunities

with a growing demand for labor and promotion of local industries through collaboration with other companies, in partnership with industry, government and academia in the Kansai area. We will also work hard to contribute to the globalization of the region.



### Eurocopter Japan T&E Co., Ltd. (Will be merged on April 1 with Eurocopter Japan Co., Ltd. and will move to the following address:)

Location: 8-8, 9, Kobe Airport, Chuo-ku, Kobe Land Area: 14,380 m<sup>2</sup> Building Area: 5,580 m<sup>2</sup> Total Floor Area: 8.041 m<sup>2</sup> Major Business: Small aircraft maintenance Employees: 200 (when in full operation)

### Eurocopter Japan Co., Ltd.

Head Office: 19F Roppongi Hills Mori Tower, 6-10-1 Roppongi, Minato-ku, Tokyo President & CEO: Stephane Ginoux Founded: 2009 Employees: 70