

The comprehensive service site that supports location of enterprises from both inside and outside Japan, into "Hyogo-Kobe" through one-stop services.

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The "Hyogo/Kobe Investment Support Center" has well developed into a one stop shop for advisory services.

~ Supported 21 foreign and foreign-affiliated businesses' entry into "Hyogo/Kobe" ~

Consulted on 501 cases in 2 years

The "Hyogo/Kobe Investment Support Center" has handled 501 cases (132 companies) since its founding in April 2005, consulting on the entry of foreign and foreign-affiliated companies. The main content of these consultations has included 431 cases regarding entry into the Japanese market (94 companies), 43 cases (20 companies) related to trade or customers, and 27 cases (18 companies) with system related matters.

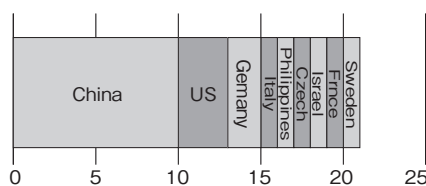
Among these consultations, 21 companies have made "Hyogo/Kobe" part of their business, establishing Japanese legal entities, branch offices, liaison offices, etc.

	2005	2006
Entry Consultations	156	275
Trade and Business Client Consultations	26	17
System Related etc.	25	2
Total	207	294
Entering Companies	10	11

About Entering Companies

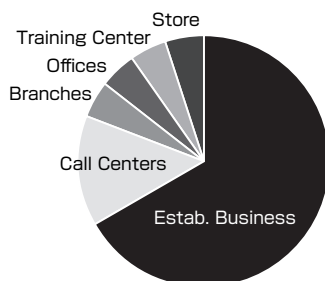
In terms of nationality, there are 9 nations represented, with China having the most companies, with 10, followed by the US with 3, Germany 2, and Italy, Philippines, Czech, Israel, France, and Sweden 1 each. Due to the nature of an international city Kobe, we receive requests for consultations from a variety of countries. Many of these companies are from China. We guess the reason why Chinese companies come into Hyogo/Kobe is that China has developed a strong relationship with Hyogo/Kobe, due to the usefulness of Kobe Port for trade purposes, the number of Chinese people in the area, the number of Chinese students starting businesses in Japan, and the international Hyogo/Kobe offices in Hong Kong, Nanjing, and Tianjin. (Figure 1)

In terms of the form of the 21 entering companies, 14 of them established legal entities, 1 a branch, and



[Figure 1: Entering Companies by Country]

1 established an office. Businesses that have established some kind of office in "Hyogo/Kobe" number 16, or 2/3 of all companies, and there are also 3 call centers, 1 major retail development, and 1 training center. (Figure 2)



[Figure 2: Form of advancement]

In terms of type of business, there are more trading companies than anything else, with 7, and then there are two Life insurance companies, 2 wholesale and retail furniture stores, and 2 firms related to information/communication technologies. In addition, there is one medical/drug related company in the area of "Kobe Medical Industry Development Project", and 1 seller of manufacturing machines of nano-fibers.

Major support offered to Entering Companies

<Major support offered to Entering Companies in t/y 2006>

1. BMW Co. Ltd. (Germany)

Supported the establishment of a dealer training facility for BMW.

Kind of Support▶ Provided information about suitable places for their training facility, and showed them around

2. M.G.I.T. Japan Export Co. Ltd

Supported the establishment of a Japanese legal entity for trade with Israel and other countries.

Kind of Support▶ Provided information about potential office spaces, and showed them around

▶ Offered support for office rent subsidies for foreign/foreign affiliated companies in the filling in of documentation

3. Jupiter Telecommunications Co. Ltd. (US)

Support for the establishment of a call center for sales and inquiries.

Kind of Support▶ Provided information about potential office spaces.

Reasons for Coming

The following are examples of reasons for coming to "Hyogo/Kobe".

- ▶ "Hyogo/Kobe" is very open to foreigners, and is an easy and comfortable place to live, with a good natural environment.
- ▶ Involved parties are somehow related to "Hyogo/Kobe", for example, living there.
- ▶ The "Kobe" brand image can be used for business.
- ▶ With a well established railway network in the city, including Shinkansen and other railways, in addition to the newly opened Kobe Airport, transport access to various places both in Japan and abroad is excellent.
- ▶ Clients are in "Hyogo/Kobe".
- ▶ Having been interested in local projects (the Kobe Medical Industry Development Project, etc.)
- ▶ There are various financial incentive systems and good support institutions like JETRO IBSC Kobe (temporary office).

Future Measures

After foreign companies enter the Japanese market, it is understood that a number of challenges await them in the development of their business, from differences in business culture or laws, to differences in language.

At the "Hyogo/Kobe Investment Support Center", we will continue to provide support to companies entering the "Hyogo/Kobe" area, assisting them to grow their businesses, and to have a stable foothold in the area.