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Branding Osaka-- Part 2

The year 2009 finished with a mixed message in the economy and there were some small signs of recovery (i.e., in key manufacturing sectors & low-end consumer spending) while others continue to suffer (i.e., real estate & luxury goods).

Regardless of what was happening on the business front, things were indeed "bright" in and around Osaka City Hall and along Midosuji street, with the new and improved Christmas illumination project.

This season's effort was particularly impressive as City Hall, and the adjacent area, were turned into a Christmas wonderland -- perhaps a positive sign of things to come in 2010?

In the last issue of the Osaka Renaissance News, I introduced a new group borne out of the Osaka Mayor's Foreign Business Network Club, namely, the Osaka Hotels

GM Roundtable.

Our second session was held at the Swissôtel in Namba in November with most of the General Managers (GMs) from foreign hotels as well as key decision makers from the Osaka Convention and Tourism Bureaus in attendance.

We also welcomed a special guest from Tokyo, the CEO of a major foreign hotel group who provided a SWOT analysis of his own on "Osaka as a destination."

Clearly, Osaka has many **strengths** (i.e. food, culture, history & people), but just as obvious are its **weaknesses** (brand image, infrastructure to welcome domestic and foreign guests).

The **opportunities** are abundant if Osaka, and the key stakeholders in the city can work together to attract visitors to Osaka and provide a delightful experience leading them to

come back for more. The **threats** coming from competition with other cities around Japan are fierce, combined with the fragmented approach to branding Osaka so far, further emphasizes the need for a strong and collaborative effort between the public and private sectors.

The GM Roundtable was a spirited session and several key action plans emerged.

Moving forward, the leaders of local hotels and the convention and tourism bureaus made a commitment to participating in a working level group of representatives of each, to formulate an action plan on branding Osaka.

There was unanimous commitment from all participants to contribute knowledge and resources in a collaborative effort to put Osaka on the map as a premier destination. Keep your eyes on this space!

Paul Dupuis, *Adviser to Osaka City and FBNC Chair*

Osaka: Springboard to the Future

A forum held on November 12, 2009, focused on new developments in the Osaka Bay Area and corporate advancement incentive programs.

A presentation, by Teruyo Funakoshi, Director for Business Development, Office of the Mayor, City of Osaka, was just one of a series of initiatives to make the general public and the business community aware of how Osaka City is

positioning itself to become a springboard for the future.

We live in a time of unprecedented change, the kind of change that could simultaneously signal crisis or opportunity.

Osaka City has chosen to serve as a base for companies and institutions that seek to avert some of the crises we all worry about such as global

warming, by supporting companies on the forefront of development of green energy products.

In the following pages, read about how Osaka is positioning itself to be a leader in next-generation products that will contribute to the protection of the planet, in effect, doing well while doing good!

Osaka: Hotbed for Next-Generation Battery Production

AUTHOR

Osaka City has commissioned Paul Dupuis to author this series of newsletters.

Paul Dupuis, Director of West Japan for Wall Street Associates, is a business development adviser to Osaka City, Osaka Prefecture and is a key member of the Kansai Economic Federation roundtable.

Questions & suggestions about these articles can be directed to him at:

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Sharp and Panasonic Take the Lead

Two of Japan's most well-known companies, Sharp and Panasonic, have decided to be a part of the solution to the world's problems. They will do so through their next-generation business initiatives in the Osaka Bay area, with Sharp establishing solar battery plants while Panasonic is setting up lithium ion battery plants.

Osaka in the Lead:

Japan has established a clear lead as the number one producer of lithium ion batteries, with Japanese companies producing as much as half of all world production. The Kansai area, which has traditionally been friendly to technology companies, serves as the base for about 80 percent of this production. In the field of solar battery production, Japanese companies account for 20 percent of the manufacturing total. Kansai-based companies handle as much as 70 percent of this production.

However Kansai and Osaka are not resting on their laurels. Rather, there is a push to ensure that many more companies are anchored in the Kansai area so that the area can truly maintain its leadership in these fields.

Among the companies that are in preparation to establish themselves in the Kansai area in next-generation technology products are Honda Motor Company and GS Yuasa, who are in partnership to produce lithium ion secondary batteries in Fukuchiyama City.

Others include Sanyo Electric Company, with its planned 34 billion yen lithium ion plant and a 10 billion yen solar battery plant located in Kaizuka City. Yet another company, Kyocera Corporation, is investing about 50 billion yen in the production of solar batteries. This project is slated to start in the spring of 2010.

One of the most exciting aspects of having many companies in a similar industry concentrated in the same area is the opportunity for collaboration, especially since the Osaka region is home to many leading research institutions.

Teruyo Funakoshi,
Director for Business
Development, Office of
the Mayor, City of
Osaka, delivering an
address at the Osaka
Forum.



Osaka/Kansai: Not Just a Manufacturing Hub

Both a Manufacturing Center and a Market

It is true that Osaka-based companies export products worth millions of dollars each year but the Osaka region is also an important consumer base for companies in the Kansai region. While the land, sea, and air access to the Kansai region, makes it possible to send products outside the area easily, it is interesting to observe that, of the 21 million people that make up Kansai's population, 11 million can be reached within 60 minutes while 6 million residents are within 30-minute access from Osaka's downtown.

Currently, the Gross Regional Product (GRP) of the Kansai area stands at \$701.1 billion (FY2006), an amount that is equivalent to that of developed countries like the Netherlands and Turkey.

Logistics and Distribution Centers

You can make the best products in the world but if you do not have a quick, cost-effective way of making your products available to your customers you are bound to lose to a company that takes logistics seriously. As the importance of the role of logistics in the manufacturer-to-consumer chain becomes clearer, it is not surprising that the Osaka Bay area has also become home to leading logistics enterprises and delivery centers.

Since 2003 there have been 32 buildings focused on logistics, comprising 1,920,000 m². Among the leading companies involved in logistics are Mitsubishi, which has a logistics center in Sakurajima, J-REP Logi-Station in Nishi-Yodogawa, and Daizo Fukusaki Delivery Center.

Better Access: A Work in Progress

Though Osaka and the Kansai area have a lot of positive elements, including a concentration of high-tech industries, access to ports, and a network of roads and waterways, there are plans to improve access for this. In particular, improving access to prefectures neighboring Osaka Prefecture, which both contribute to the success of Kansai, and serve as a reliable market for products, is, without a doubt, a value-added proposition.

In this respect, a new express way, phase one of the Yodogawa-Sagan Line, which will run from Hokko-Nishi to Ebie, is scheduled to open in 2012. Phase two of the project, which will have a line running from Ebie to Shin Midosuji is scheduled to be in service in 2020. Another is the Yamatogawa Line, which will run from Sakai to Matsubara, and is scheduled for opening in 2014. Also, the Daini-Keihan Road, running from Hirakata-Higashi to Kadoma, is scheduled to be in service in 2010.

**If you change
the way you
look at things,
the things you
look at
change.**

- Dr Wayne Dyer

**Money grows
on the tree of
persistence.**

- Japanese proverb

The Magic of Land Reclamation – The Power of Collaboration

Maishima, Yumeshima, and Sakishima

The results of land reclamation may seem like magic but the process is undoubtedly one that takes copious amounts of money, technology, and resolve. Osaka has been able to reclaim as much as 1,663 hectares of land, which is divided into the islands of Maishima, Yumeshima, and Sakishima. Developments on these three reclaimed islands are expected to be finished in several phases, with phase one focusing on Yumeshima's 140 hectares. This is to be the center of the burgeoning environment and energy industries. There will also be room for international logistics functions, a container terminal and port facilities. Meanwhile, industrial and logistics functions are expected to be in place on a 50 hectare piece of land by 2011. The toll-free Yumesaki Tunnel, which connects to Yumeshima, will play a vital role in moving products to and from other parts of Kansai to the port and the services harbored on Yumeshima.

Schedule for Phase 1 Development Area

With the opening of the Yumesaki Tunnel in August 2009, plans are underway to lay underground water and gas pipes as well as storm drains. This preparatory work will continue through 2010. The year 2011 will focus on plans for road construction. While the land will be made available for sale through a public offering in 2012, this is an optimal time for companies to consider how such a move can fit in with their long term investment plans.

Public-Private Sector Joint Efforts

Osaka City understands the value of collaboration in ensuring success of this project. To this end, the Yumeshima/Sakishima District Urban Development Promotion Council has been established. It includes the following notable members:

- Mayor of Osaka City
- Governor of Osaka Prefecture
- Chairman of the Kansai Economic Federation
- Senior Advisor of the Osaka Chamber of Commerce and Industry
- Co-Chairperson of the Kansai Association of Corporate Executives

Goals of the Promotion Council

Through the cooperation of Osaka Prefecture, the City of Osaka, and the local business community, this council will make an effort to promote Osaka as a place to set up businesses, universities, and other research institutions.

The council will also spearhead efforts to assist businesses and entities that have chosen to set up in the Yumeshima/Sakishima districts. On October 27, 2009, a bill for purchasing the World Trade Center in Suminoe-ku was passed at the Osaka Prefectural legislature. This building will serve as a nerve-center for promotion activities and for assisting new businesses.

Subsidy Programs

The City of Osaka is aware of the contributions that companies and educational institutions can make to the Osaka and Kansai region. To make it easier for businesses and institutions, various subsidies are available, including a basic subsidy for construction; special subsidy for business headquarters establishment; special subsidy for universities to help with their rental costs or facility investment.

In addition, there is a subsidy for land acquisition in the Sakishima Cosmo Square as well as for business establishment promotion for key industries.

Support Services: One Stop Service

Companies that take advantage of the subsidy system will be happy to know that procedures relating to establishment such as those relating to industrial water and fire prevention, for example, have been centralized so that the paperwork can be done through a one-stop service!

Other Convenient Support Services

In those critical first few months of business establishment or the lead-up to it, it is possible to obtain the free use of a temporary office (for up to six months). Interpreting and translation services can be arranged, along with possible arrangements for business meetings to make presentations or to meet guests. In addition, consultation services will be available for those who need access to capital or local experts. And last but not the least, assistance can be obtained regarding information for offices or residences.

Osaka City

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We're on the Web!

See us at:

www.osaka-saisei.jp/eng/index.html

The Bay Area: The New Face of Osaka

The concentration of new energy companies in the Bay area will also mean a concentration of manpower and expertise in the development of green energy. The Osaka Bay area is already anchored by companies such as Asahi Glass Company's substrate plant for flat screen television sets, Sharp's liquid crystal panel factory scheduled for opening in the Spring of 2010 and Panasonic's 1500 billion yen investment in lithium ion battery production in Suminoe-ku. The high-class distribution facilities in this area are also an important draw for potential new entrants to the area.

Please feel free to contact us:

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Since 2003, **Osaka City** has been seeking to attract individuals, businesses, and educational institutions that can contribute to the dynamism, creativity, and vibrancy of the Osaka area. Contact us with feedback and suggestions at: y-bouno@city.osaka.lg.jp