The Business Environment in Okinawa Prefecture
Okinawa’s Location

“Asian Gateway,” with major Asian cities within range of 4 hours

Source: Okinawa Prefecture
Population in 1972 when Okinawa was returned to Japanese administration: 970,000 → 1,400,000 in 2011 (+430,000)

Working-age population (15-64): Okinawa Prefecture 65.1% (National average: 63.6%)

Population Trends in Okinawa Prefecture (in thousands)

Source: Bureau of Statistics, Ministry of Internal Affairs and Communications
Note: Data for each year as of October 1
Okinawa is the only prefecture in Japan expected to experience an increase in its population through to 2025.

Estimates of population changes (2005-2030)

### Ratio of changes in the number of households (2005-2025)

#### Source:
Despite a decrease of 177,000 attributable to the impact of the earthquake disaster, increase of 18,000 in the number of overseas visitors

Number of visitors 5,520,000 and Tourism revenue ¥378.2 billion → Targets: 10,000,000 and ¥995.7 billion, respectively

Number of visitors and tourism revenues

Source: Tourism Handbook, Okinawa Prefecture
After the return of Okinawa to Japanese administration in 1972, 10-year promotion plans continuously put in place and implemented; Current plan represents the fifth plan in succession.

Principal responsibility for the putting in place each plan transferred to the prefecture; In addition to placing greater emphasis on the independence of the prefecture, steps taken to upgrade and expand national government support measures focusing mainly on fiscal and taxation system assistance including the payment of lump-sum subsidies.

10-year period from 2012 to 2021.

### Promoting tourism

Promote the development of health, medical treatment and other tourism as a part of efforts to add new value to existing aspects of tourism in Okinawa

### Building an international logistics base

- Implement initiatives aimed at bringing forward the expansion/extension of runways at Naha Airport and the construction of an international passenger terminal
- Take steps to attract peripheral airport and seaport industries
- Promote overseas development by businesses within the prefecture with this logistics base as a central hub

### Increased sophistication and diversity in the information and telecommunications industry

### Employment promotion

### Culture promotion

### Balanced development

### Infrastructure development

### Okinawa Development Council

Source: Collated by the Bank based on materials from Japan's Cabinet Office and Okinawa Prefecture
Population

○ 1,440,000 (2021) (average annual increase of 0.3%)
○ Okinawa is the only prefecture in Japan forecast to experience continuous population growth through to around 2025 (1,443,000)

Note: Based on estimates (May 2007) by the National Institute of Population and Social Security Research

Number of persons employed and the unemployment rate

【Growth acceleration case】<2021>
○ Number of persons employed: 690,000 (average annual increase of 0.9%)
○ Unemployment rate: 4.0% (average annual decrease of 0.3 of a percentage point)

【Standard trend case】<2021>
○ Number of persons employed: 676,000 (average annual increase of 0.8%)
○ Unemployment rate: 6.1% (average annual decrease of 0.1 of a percentage point)

Source: Okinawa Prefecture
**Prefecture GDP • Prefecture per capita disposable income**

**Growth acceleration case**<2021>
- Prefecture GDP: ¥5,143.9 billion (average annual increase of 3.0%)
- Prefecture per capita disposable income: ¥2,710,000

**Standard trend case**<2021>
- Prefecture GDP: ¥4,727.7 billion (average annual increase of 2.2%)
- Prefecture per capita disposable income: ¥2,490,000

**Number of visitors • tourism revenue**

**Growth acceleration case**<2021>
- Number of visitors: 10,000,000 (average annual increase of 5.2%)
- Tourism revenue: ¥995.7 billion (average annual increase of 8.6%)

**Standard trend case**<2021>
- Number of visitors: 8,170,000 (average annual increase of 3.3%)
- Tourism revenue: ¥694.5 billion (average annual increase of 5.1%)

*Source: Okinawa Prefecture*
Subsidy Business of Economy, Trade and Industry Department, Okinawa General Bureau (Fiscal 2011)

This business was first identified by the Okinawa Wellness Industry Research Committee to help create an Okinawa wellness industry through international medical exchange unique to Okinawa in fiscal 2010, and was established for the purpose of building a new growth industry in Okinawa Prefecture. Through this business, steps are being taken by related companies within the prefecture to build a network that is capable of promoting future independent international medical exchange.

### Initiatives of the business

<table>
<thead>
<tr>
<th>Verification business</th>
<th>Details</th>
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<tbody>
<tr>
<td>Implement medical spa business monitoring</td>
<td>Introduce a Russian couple as monitors; implement a medical consultation monitoring tour over four nights and five days (November 6-10, 2011)</td>
</tr>
<tr>
<td>Implement rehabilitation business monitoring</td>
<td>Introduce patients from such countries as China for a long-term period of around one month; implement a Japanese rehabilitation program (February 21, 2012 to March 16, 2012)</td>
</tr>
</tbody>
</table>
Promotion Plan and the Bank’s Initiatives I-(2): Health and Medical Treatment

Okinawa Wellness Industry Research Committee Report
— “Bankoku-Iryo-Shinryo” and Okinawa Regional Economic Development —

Part 1

“Bankoku-Iryo-Shinryo” (International Medical Exchange) in Okinawa

Fiscal 2011 Implementation Business

Bank of Okinawa Group:
Okigin Economic Research Institute Co., Ltd.
Fiscal 2011 Implement a “Bankoku-Iryo-Shinryo” (International Medical Exchange) creation business

Part 2

Medical lifestyle industry aimed at maintaining health and longevity in Okinawa

Fiscal 2012 Regional New Growth Industry Group Creation Business, Okinawa General Bureau

Part 3

Building a platform to support the Okinawa wellness industry

Wellness industry (medical lifestyle and related industries) creation business


(1) Create a medical lifestyle industry by building a network between business operators within the prefecture and utilizing IT
(2) Conduct events including international conferences and exhibitions
Promotion Plan and the Bank’s Initiatives II - (1): Matching Businesses

Second Round of Bank of Okinawa Churashima Business Meetings
Bring courage to Japan! Also support Asia!
Okinawan foods makes the bridge to the world.

Held at the Okinawa Industrial Fair
(sponsored by the Okinawa Industrial Federation) on October 21, 2011.
Bank of Okinawa invited 30 food buyers, including 20 from outside Okinawa and 10 from overseas, to the fair directly.

Development of local industries
Sales channel expansion for companies in Okinawa

They had one-on-one business talks with 54 companies in Okinawa.

Business talks totaled 306, including 39 that led to agreements, and 120 still in progress.
Bank of Okinawa formed a consortium with nine companies and organizations to establish a structure for executing these initiatives across Okinawa.

**Okinawa Prefecture**

**Consortium for the Promotion of Okinawa’s Role as a Hub for International Air Freight in fiscal 2011**

- Dentsu Okinawa Inc.
- Dentsu Inc.
- Okinawa Industry Promotion Public Corporation
- Okinawa Products Associated Co., Ltd.
- Regional Development Consultants Co., Ltd.
- Think tanks in Okinawa Prefecture
- Nansei Shoto Industrial Advancement Center
- Bank of Okinawa Group (Okigin Economic Research Institute Co., Ltd.)

**Okinawa Prefecture**

- Offices for the expansion of sales channels
- Developing branding strategies and cross-border public relations
- Committee administration
- Attracting new services by overseas airlines
- Establishing Naha Airport as a hub
- Bringing in visitors from abroad

**Okinawa Prefecture**

- Support for pilot shop and offices in Hong Kong, Shanghai and Taipei
- Recruitment and dispatch of personnel
- Container leasing operations

**Okinawa Prefecture**

- Seminars for encouraging airport-dependent companies to set up operations near Okinawa airports. Held in five cities overseas and three cities in Japan

**Cooperative framework**

- Okinawa Convention & Visitors Bureau
- Okinawa Tourist Service and other travel agencies in Okinawa Prefecture
- Mass media in Okinawa Prefecture (TV stations, newspapers and radio stations)