



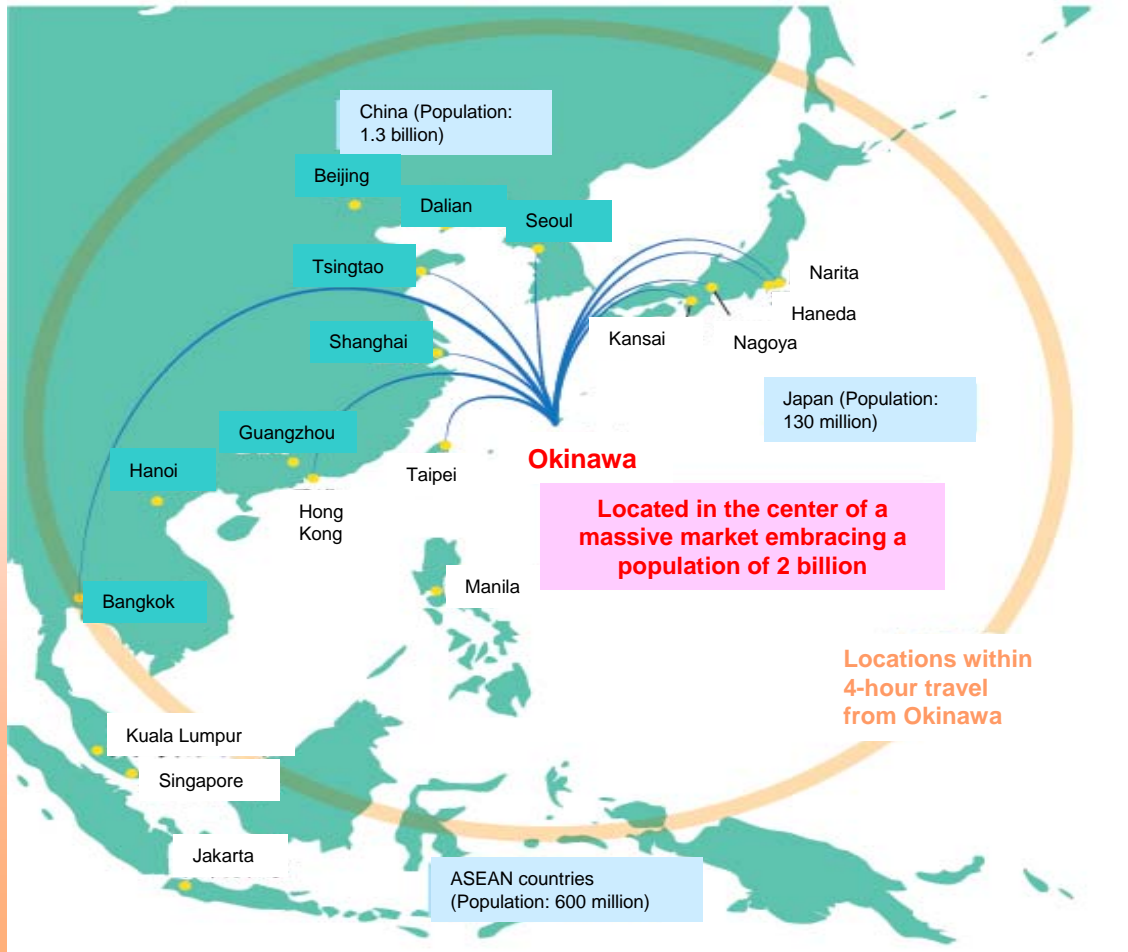
The Business Environment in Okinawa Prefecture



Competitive Advantage of Okinawa's Ideal Location



With major Asian cities within range of 4 hours, located in the heart of East Asia



Okinawa	→ Seoul	2h 10min
	→ Tsingtao	2h 50min
	→ Shanghai	2h 5min
	→ Taipei	1h 30min
	→ Hong Kong	2h 35min
	→ Bangkok	4h 25min
	→ Narita	2h 25min
	→ Haneda	2h 20min
	→ Nagoya	2h 15min
	→ Kansai	1h 50min



Future Development as International Distribution Base 1 (Model of Distribution Relayed Through Okinawa)

Delivery of nationwide specialties to the Asian market, ensuring their "added high-value and freshness"



Direct shipments from producers to consumers using e-commerce site malls!

Rakuten Global Market

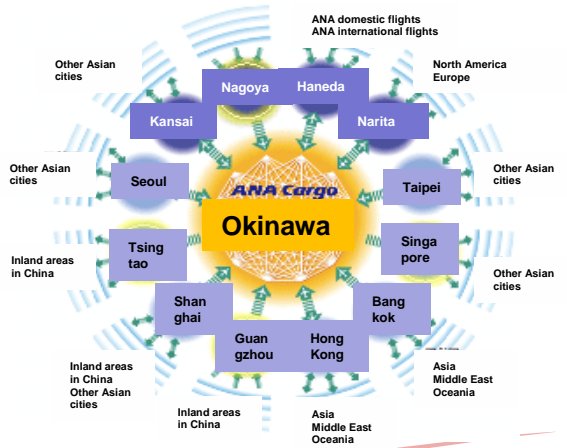
YAHOO! 超市
雅虎香港

ANA

沖縄交易会
Okinawa Great Trade Fair Pre-Trade Fair

Achieving overwhelmingly advantageous lead times on the back of the logistic infrastructures of ANA and Yamato Transport. The "Okinawa Great Trade Fair" provides assistance in business matching for nationwide specialties suppliers and Japanese and overseas buyers.

- ◆ The export of nationwide specialty goods, including perishables, to the Asian market
- ◆ Rapid transport of high value-added products, e.g. electrical and precision apparatus



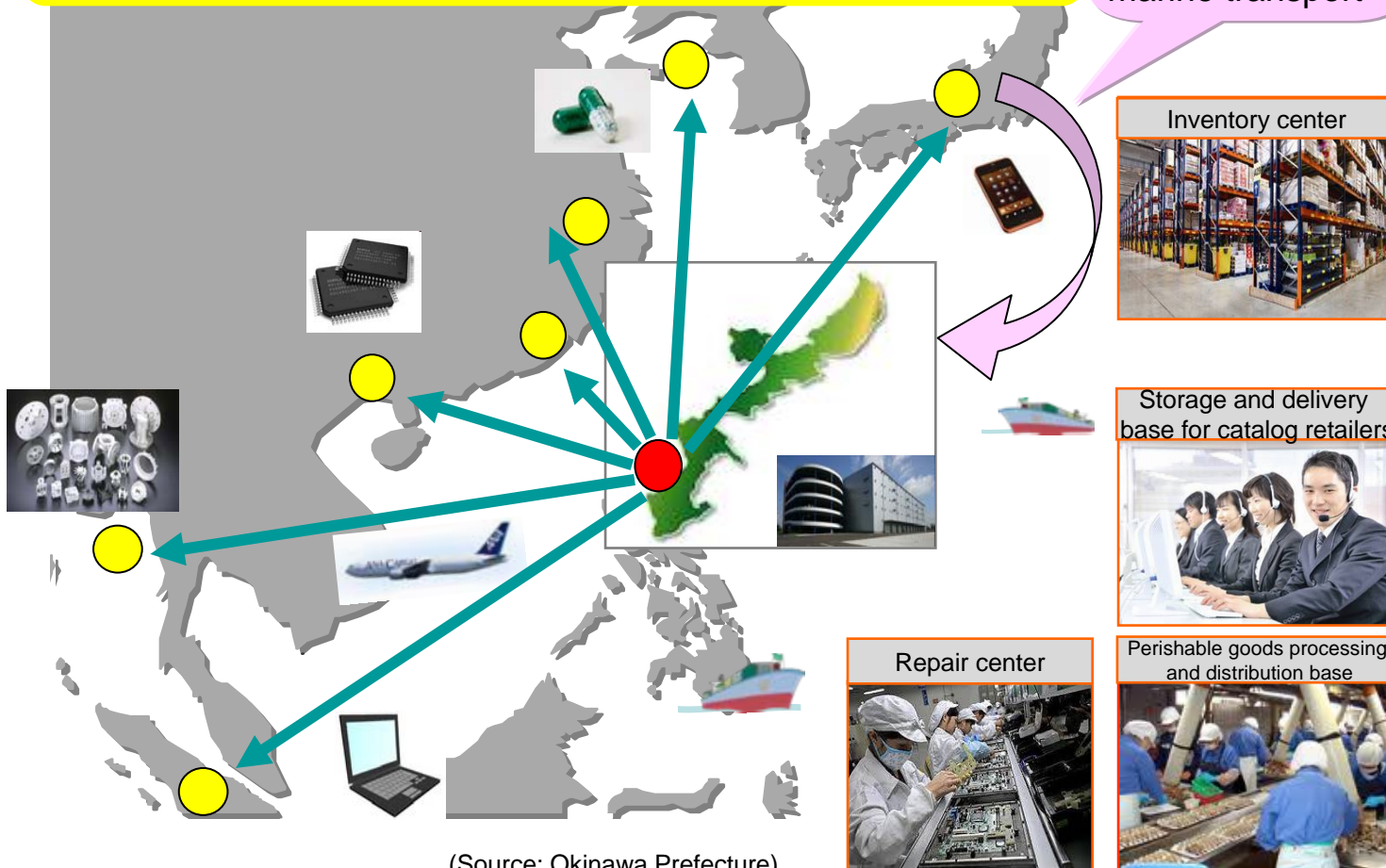
(Source: Okinawa Prefecture)

Future Development as International Distribution Base 2 (Okinawa Warehousing Model)



Dominant expansion into the Asian market by means of the Okinawa Distribution Depot

Shipping goods to Okinawa by air or marine transport



(Source: Okinawa Prefecture)



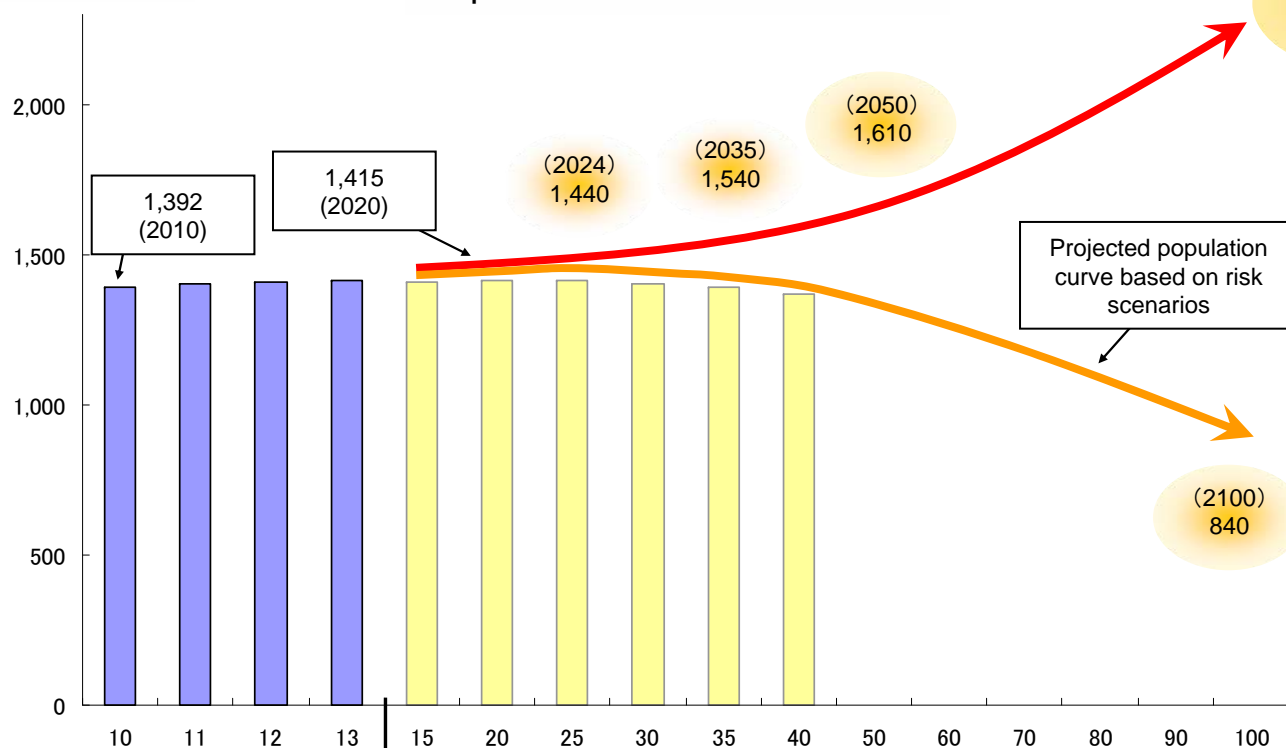
Population of Okinawa (Future Prospects)



The population of Okinawa is expected to take a downward turn in and after 2025. Population is on the increase at this stage, but active steps towards population growth are being taken now.

(in thousands)

Population trends in Okinawa



Efforts to facilitate natural increase in population

(Creation of a society that allows people to marry, give birth to and raise children without undue worries)

- ◆ Higher marriage rates and birthrates
- ◆ Promotion of "health and longevity in Okinawa" campaign

Efforts to enhance growth of society

(Creation of a dynamic society that is open to the world)

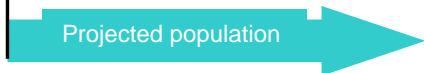
- ◆ Job creation and securing diverse human resources
- ◆ Addressing to increase tourists and visitors

Aims to resolve challenges faced by isolated islands and depopulated regions

(Creation of a society that delivers well-balanced and sustainable population growth)

- ◆ Improvement of conditions for long-term residence
- ◆ Industrial development by demonstrating attractive regional characteristics

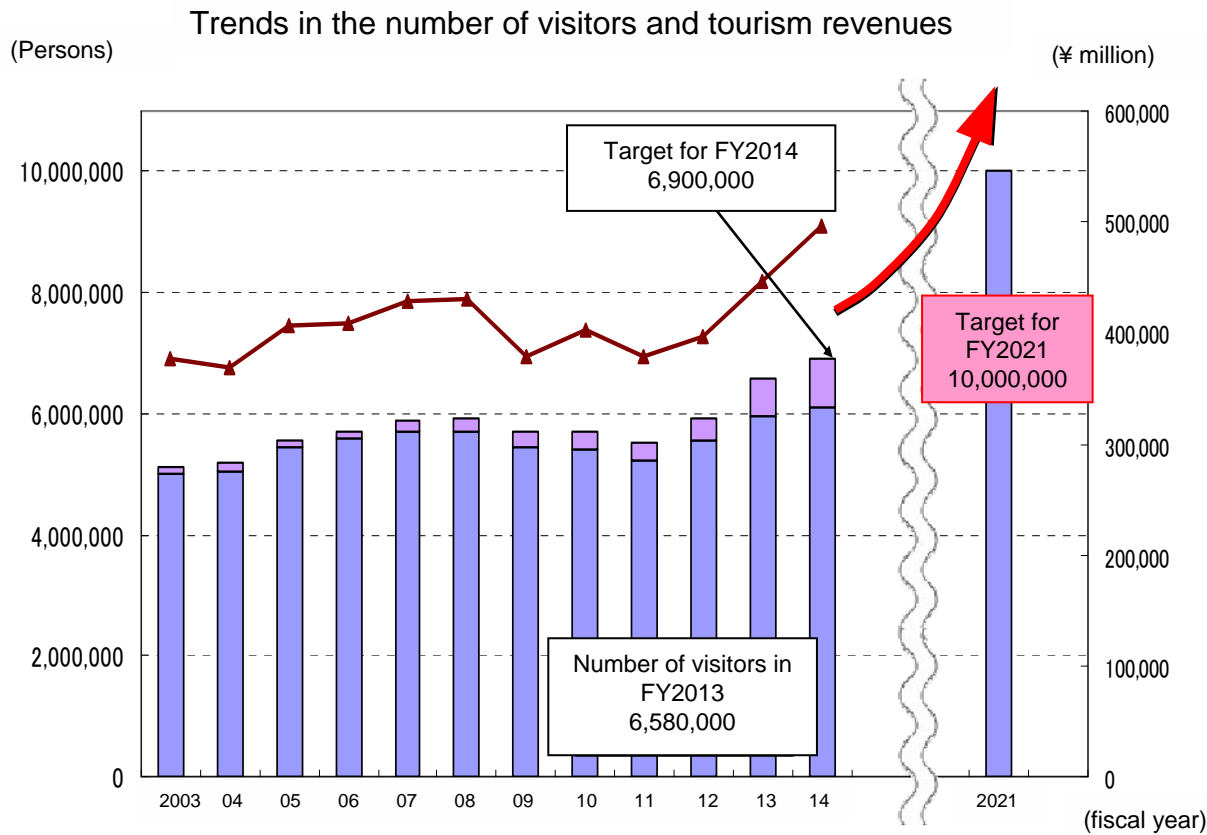
Source: Statistics Bureau, Ministry of Internal Affairs and Communications of Japan, the National Institute of Population and Okinawa Prefecture



Number of Visitors to Okinawa



FY2013 marked a record 6.58 million tourists visiting Okinawa
Both domestic and overseas tourists registered a new record

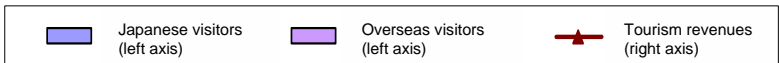


National Strategic Special Zone designated as bases for international tourism (Designated in 2014)

Building of second runway at Naha Airport (Scheduled for completion in 2019)

Large-scale MICE (Facilities for international meetings, etc.) (Scheduled to commence service in 2020)

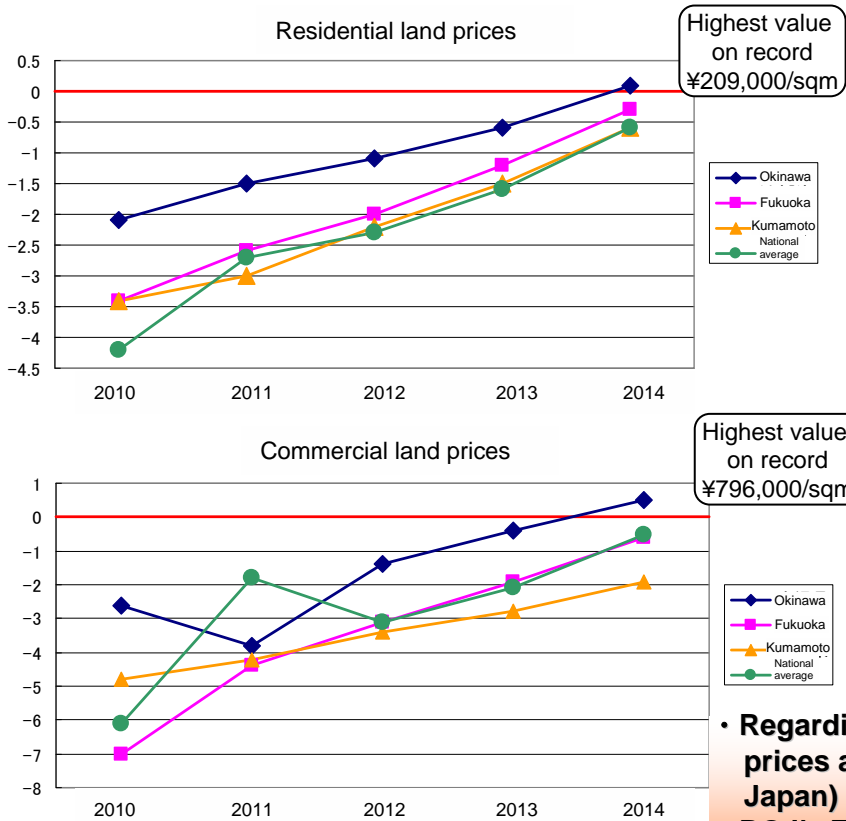
Source: *Tourism Handbook*, Okinawa Prefecture



Recent Economic Trends 1

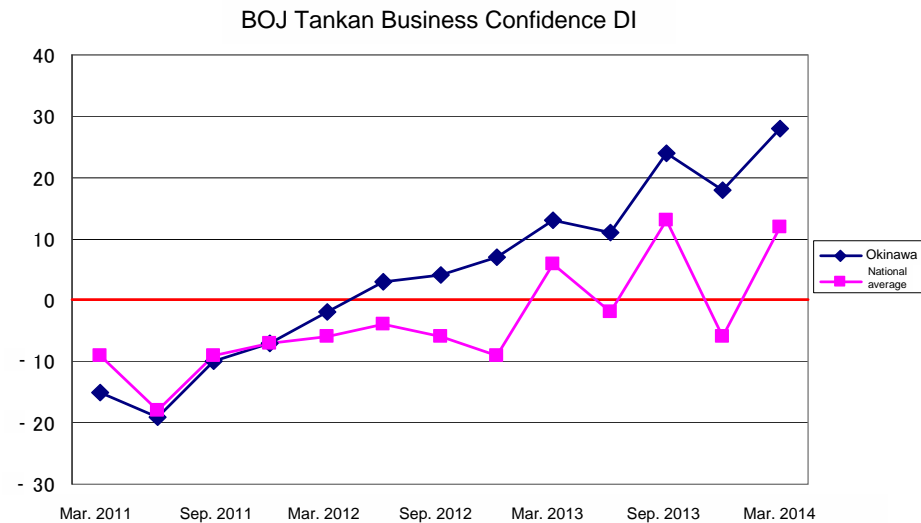


Official land prices



Source: Ministry of Land, Infrastructure and Transport

BOJ Tankan



Source: BOJ Naha Branch

- Regarding official land prices for 2014, only Okinawa marked a rise in land prices among prefectures in the Kyushu region. (6th highest rate of rise in Japan)
- BOJ's Tankan survey also underlines greater improvement in Okinawa's business outlook compared to the national average.

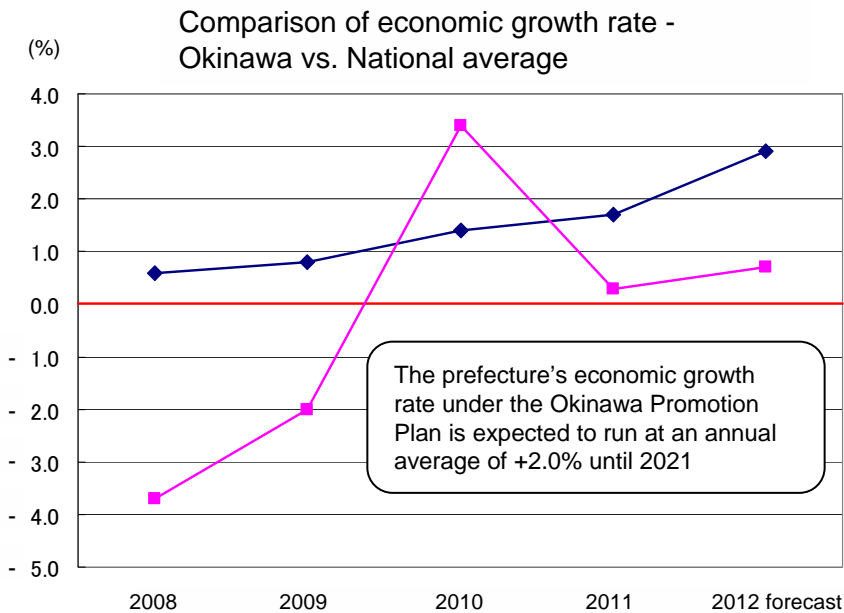


Recent Economic Trends 2



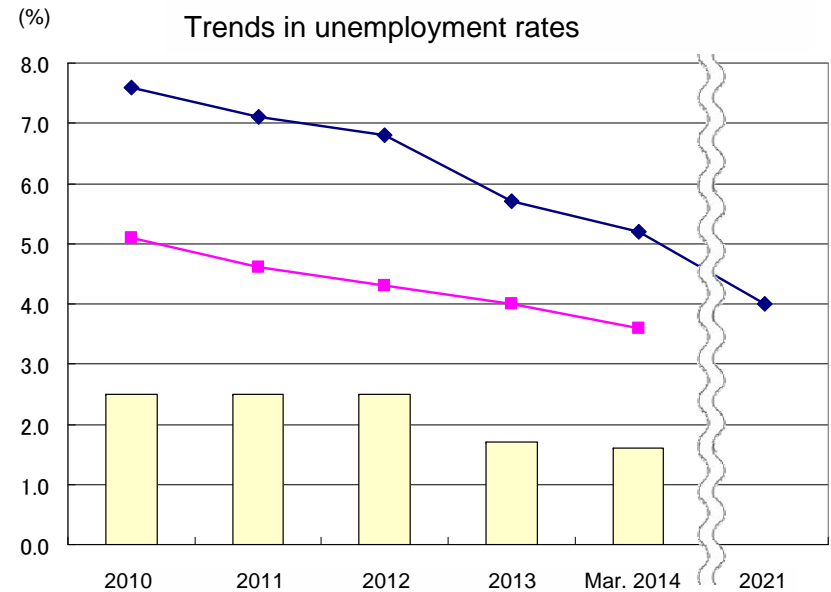
Economic growth rate (actual)

Unemployment rate



Source: Okinawa Prefecture, Cabinet Office, Government of Japan

—◆— Okinawa —■— National average



Source: Okinawa Prefecture, Ministry of Internal Affairs and Communication

■ Difference —◆— Okinawa —■— National average

- Okinawa has maintained higher rates of economic growth than the national average
- In the past, Okinawa suffered nearly twice the unemployment rate of the national average, but the rates have steadily fallen, becoming closer to the national level.

