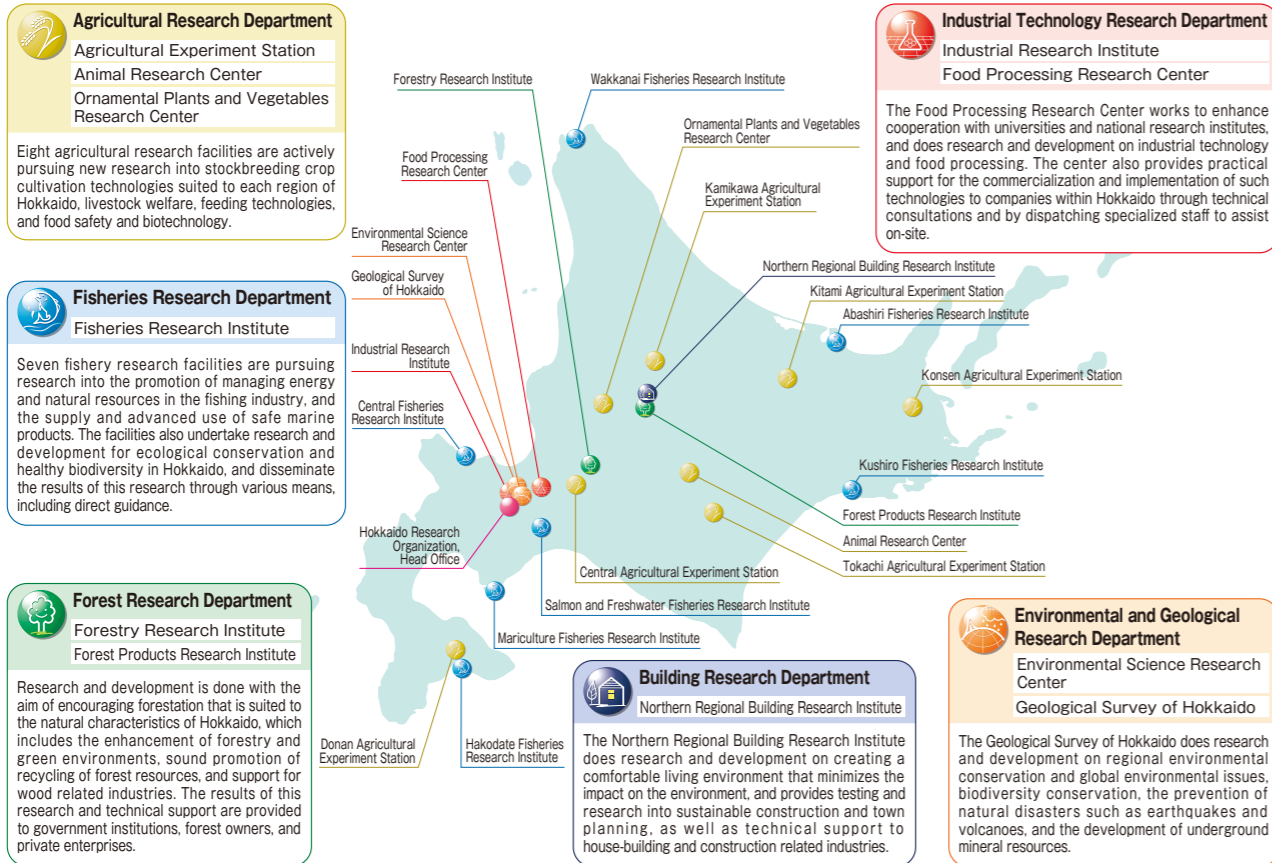


POINT 2 Research Institutions Provide Strong Support for Emerging Businesses

“The Hokkaido Research Organization” Supports Many Companies through Technical Guidance and Consultations.

The Hokkaido Research Organization is an integrated research institute formed in 2010 by merging 22 Hokkaido testing and research institutes. Involved in a wide range of industrial fields, the institute uses its collective strength to carry out multidisciplinary research and technical support in order to meet your various needs.



Number of Patents, etc.

(as of March 31, 2013)

	Number of rights*1	Number of licensing agreements	Main items
Patents	155	73	Lactobacillus plantarum HOKKAIDO (new lactobacillus) (sole ownership) Air filtered house (Sumi no Ie) (private joint ownership) Scallop shell chalk (private joint ownership)
Utility models	5	2	Foot heater (private joint ownership)
Designs	7	4	Pellet stove (private joint ownership)
Species	113	248	Wheat: Kitahonami Brown beech mushroom: Mabure 219

*The number of rights includes those pending.
 *The number of licensing agreements includes cases in which a right is licensed to multiple companies.

Main Results

Crop development field



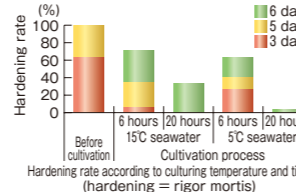
(Cultivation of Yume-Pirika species of wet-field rice) A promising new type of rice with a taste as delicious as mainland brands. It is somewhat low in amylose and is sticky and soft.

Product technology field



(Development of sophisticated pressing technology) Sophisticated pressing technology using a highly specialized press.

Fields in which the work is used



(Development of live scallop adductor muscle distribution technology) Commercialized technology has been developed to keep freshly caught scallops alive at 0°C for 5 days, using a combination of low-temperature culturing and a high-oxygen seawater pack for the adductor muscle.

Experimental Institutions Provide Strong Support for Emerging Businesses

A system to support collaboration between businesses and Hokkaido's main universities has resulted in an increase in joint research projects in recent years. In addition, public testing and research institutions are continuing research and development in a broad range of areas. Hokkaido is well-equipped for industry-academia cooperation, with a proven track record. Collaborations between companies and national and public universities have produced Japan's fourth-highest number of rights such as patents resulting from industry-academia cooperation. Hokkaido also has the seventh highest number of joint studies and consigned studies.

Main National and Public Universities and Public Testing and Research Institutes *Excluding Hokkaido Research Organization

Category	Name	Location	Research Fields
National and Public Universities	Center for Innovation and Business Promotion, Hokkaido University	Sapporo	Joint research with companies (Research fields: biotechnology, material sciences, environment, etc.)
	Muroran Institute of Technology Center for Cooperative Research and Development	Muroran	Joint research with companies (Research fields: Materials, energy, production systems, measurement and control, electrical and electronic devices, biotechnology, etc.)
	Kitami Institute of Technology Cooperative Research Center	Kitami	Joint research with companies (Research fields: Development of urban environments, energy development, functional materials, systems development, cold technology development, etc.)
	Obihiro University of Agriculture & Veterinary Medicine Center for Regional Collaboration in Research and Education	Obihiro	Joint research with companies (Research fields: Livestock farming, biotechnology, agriculture and livestock farming machinery, agriculture and livestock processing, etc.)
	Otaru University of Commerce Center for Business Creation	Otaru	Centers for joint research between industry, academia and government (Networking of professionals and institutions for creating business opportunities)
	Center for Advanced Research and Education, Asahikawa Medical University	Asahikawa	Joint research with companies (Research fields: Neuroscience, basic medicine, fringe medicine, social medicine, clinical internal medicine, clinical external medicine, dentistry, nursing, regenerative medicine)
	Collaboration Center for Community and Industry, Sapporo Medical University	Sapporo	Joint research between industry, academia and government (Research fields: Disease treatment and diagnosis, health maintenance and management, medicine and health sciences)
	Collaborative Research Center, Sapporo City University	Sapporo	Cooperation and joint research with companies and the local community (Research fields: Design, nursing, cooperation with other fields, etc.)
	Northern Hokkaido Regional Research Institute, Nayoro City University	Nayoro	Joint research between industry, academia and government (composite joint studies relating to health, medicine and welfare, etc.)
	Center for University-Society Relations and Collaboration, Future University Hakodate	Hakodate	Joint research, technology transfer and support of promotion of intellectual property activities between industry, academia, government and the private sector (systems information science combining disciplines such as information/complex/intelligent systems, design and cognitive science)
Independent administrative institution	Public Works Research Institute Civil Engineering Research Institute for Cold Regions	Sapporo	Research into civil engineering technologies for cold regions
	National Institute of Advanced Industrial Science and Technology Hokkaido (AIST Hokkaido)	Sapporo	Joint research between industry, academia and government (Research fields: Food & biotechnology, food related equipment systems, information and communication, environment, recycling, housing and lifestyle environments, etc.)
Hokkaido prefectural	Hokkaido Industrial Technology Center	Hakodate	Testing, research, and technological training into seafood processing, biotechnology, industrial materials, and mechatronics
	Hokkaido Okhotsk Area Regional Food Processing Technology Center	Kitami	Testing, research and technical training for food processing that corresponds to local needs
	Hokkaido Tokachi Area Regional Food Processing Technology Center	Obihiro	Testing, research and technical training for food processing that corresponds to local needs
Municipal	Asahikawa Industrial Technology Center	Asahikawa	Research, development, and technical training for machinery and metals
	Kitami Industrial Technology Center	Kitami	Technical training and product development training for machinery and metals, furniture, joinery, and woodcrafts
	Tomakomai Industrial Technology Center	Tomakomai	Technical training and Research and Development support for materials, processing and mechatronics
	Kushiro Industrial Technology Center	Kushiro	Technical support for machinery, metals and woodcrafts
Others	Muroran Advancement Center of Industrial Technology and Management	Muroran	Technical development and training for the machinery and metals, electronic control, and software fields
	Tokachi Regional Industrial Development Center	Obihiro	Technical support for machinery, metals and woodcrafts

Industry-academia Cooperations, etc. with National and Public Universities (by Prefecture) (as of 2012)

	Number of patents (number)	Joint studies (number)	Consigned studies (number)
No. 1 Tokyo	2,505	Tokyo 2,752	Tokyo 2,171
No. 2 Kyoto	584	Osaka 1,394	Osaka 1,041
No. 3 Aichi	446	Kyoto 1,177	Kyoto 999
No. 4 Hokkaido	444	Fukuoka 923	Aichi 802
No. 5 Miyagi	429	Aichi 869	Fukuoka 759
No. 6 Fukuoka	410	Miyagi 836	Hokkaido 678
No. 7 Hiroshima	354	Hokkaido 772	Miyagi 676
National average	156	National average 342	National average 288

*Number of patents, etc.: Number of licensed or transferred patents (Source: Ministry of Education, Culture, Sports, Science and Technology (MEXT))

The First Private Enterprise Research Facility in Japan to be Established with the Premises of a National University Corporation

The Shionogi Innovation Center for Drug Discovery

Establish on May 30th 2008, The Shionogi Innovation Center for Drug Discovery is the fruit of a partnership between Shionogi & Co., Ltd, Hokkaido University and Hitachi Ltd. as part of the "Project to Form a Future Drug Discovery and Medical Care Innovation Center." The center represents full-scale cooperation between industry, academia and government, and aims to cultivate the "seeds" of technical discovery made by Hokkaido University for future drug discovery. The center is the first private research facility to be established within the premises of a national university corporation in Japan.

The center undertakes cutting-edge research into such fields as developing drugs that place top priority on the patient's QOL (Quality of Life), such as glycosylation technology that controls the effects of protein formulation. Collaborative research between the university and companies is rapidly increasing, and there are great expectations that the result of this research will have a global impact.

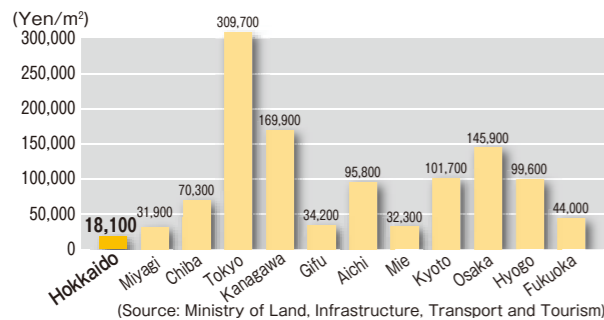


POINT 3 Open, Individual Local Communities

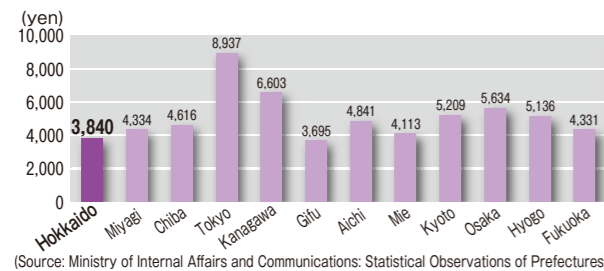
Enjoy a Relaxed, Comfortable New Life

Land is relatively cheap in Hokkaido, and many people take the opportunity to buy a comfortably large family home close to Hokkaido's abundant natural settings. Commuting and school traveling times are relatively short, and you can enjoy a more relaxed pace of daily life. There are also large parks, nearby convenience stores and an abundance of hospitals to make your life comfortable.

Average Price of Residential Land (2013) (Unit: yen per m²)



Rent for Private Rental Homes (2011) (Per 3.3m² per month)

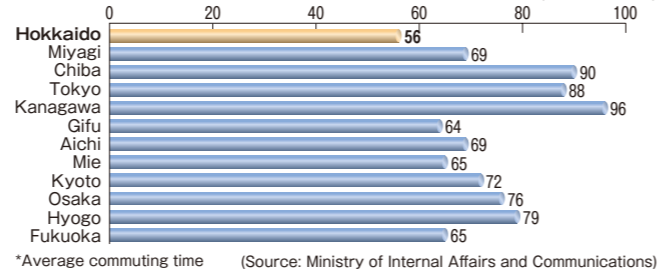


Proposal for Summer Offices Utilizing Hokkaido's Pleasant Climate

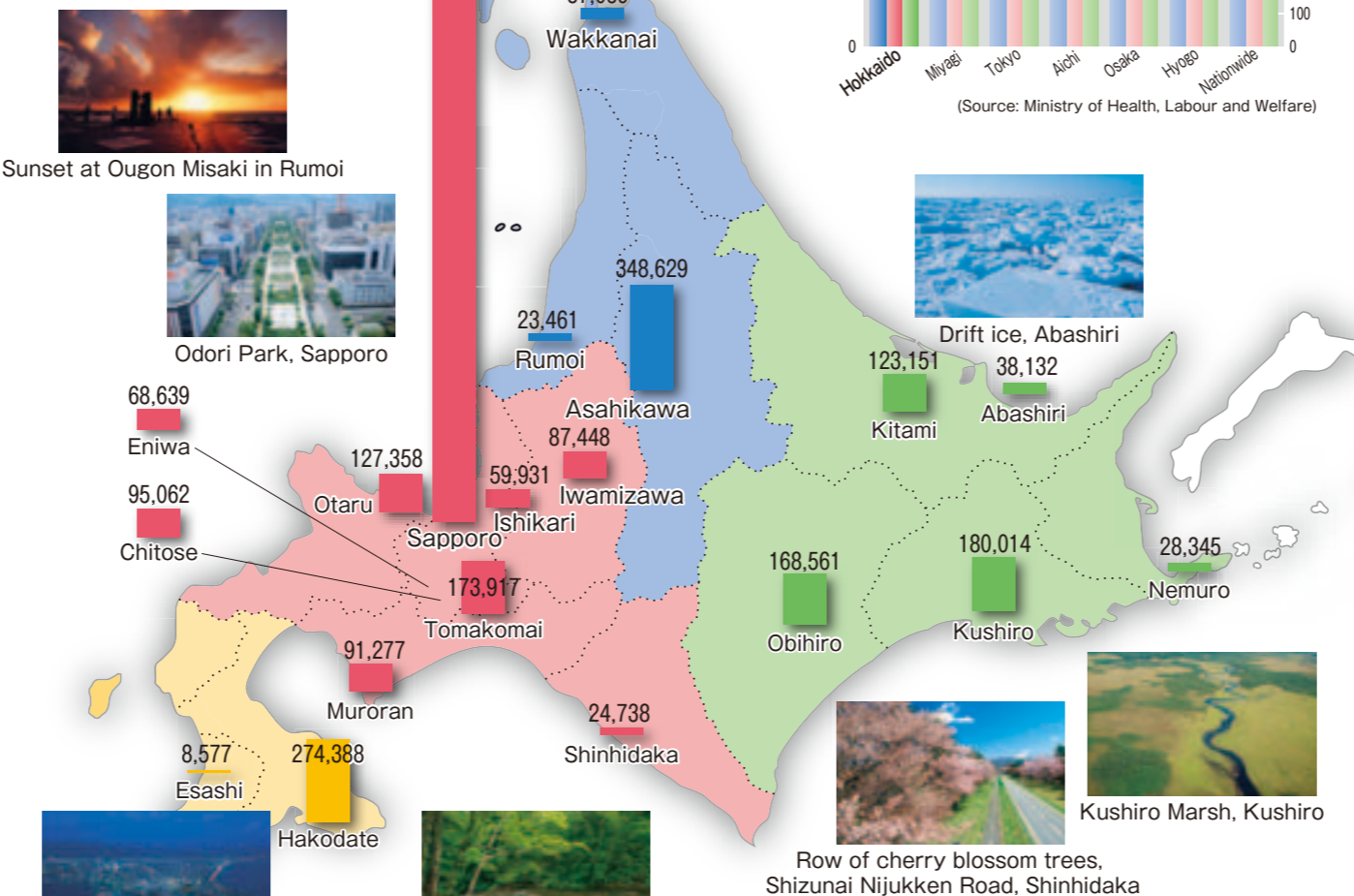
Begin a new lifestyle by escaping the heat and stress of the southern cities by spending the summer doing business in Hokkaido's cool, pleasant climate.

Categories	【③ Everyday business type】 (for conducting everyday business such as head office operations in Hokkaido)	【④ Special purpose type】 (to be used for employee retreats or employee training in Hokkaido when creating new projects)
【① City type】 (to be used in major cities in Hokkaido)	Companies that already have a base in Hokkaido can make use of it by sending employees here from their head office during the summer. → IT companies, etc. <ul style="list-style-type: none"> Furnished apartments House rentals 	Companies can conduct employee retreats or training to create new projects in different yet more stimulating surroundings. *Both the city type and resort type have potential for this purpose. → All companies. <ul style="list-style-type: none"> Resort hotels Condominiums Public training facilities
【② Resort type】 (to be used in resorts in Hokkaido)	Self-employed people can carry out their day-to-day business at a resort with a great atmosphere → self-employed people, creators, etc. <ul style="list-style-type: none"> Teletworking Short-term accommodation 	

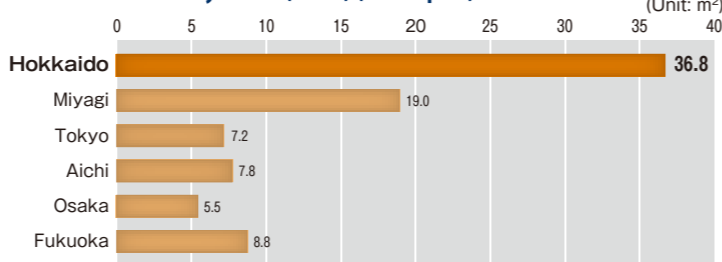
Comparison of Average Commuting Times (2011) (Unit: Minutes)



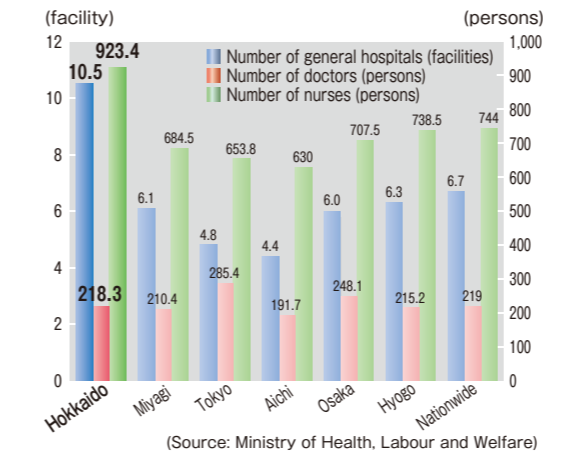
Population According to Basic Resident Register (September 2013)



Total Area of City Parks (2013) (Per capita)



Number of General Hospitals (2012) and Numbers of Doctors and Nurses (2010) (Per 100,000 residents)



Comments about business life in Hokkaido from companies that have expanded here from outside of Hokkaido

Here are some thoughts on life in Hokkaido from companies that have expanded their operations here.

These businesspeople are enjoying nature and a lifestyle that is only possible in Hokkaido.

(Masaharu Goto, President and CEO, AISIN HOKKAIDO)



Winter here is not as tough as we were expecting. I feel that this is an area with high potential in various ways. It is near the airport, and if work in Aichi is required, we can travel there and back in one day if the job is in the afternoon. The weather in winter does not cause any problems with our production work at all. There are areas rich in nature just a stone's throw from the city, and there is still a lot of wilderness left on the mountains - completely different from Aichi.

It's easy to get around by public transport and the people in Hokkaido are very earnest and kind.

(Seigo Nosaka, Executive Director and President, Sango Hokkaido Co., Ltd.)



61 of our 64 employees are locally employed. We had no problems finding employees, and all of them are very earnest about their work. Business trips are also easy. It's extremely easy to get to the airport, the trip isn't stressful as there are no traffic jams, and the parking at the airport is extremely cheap.

I now understand the story of the company employee who cried when he was transferred to Hokkaido and then cried when he had to leave.

(Masakazu Sugimoto, President and CEO, Denso Electronics Corporation)



As expected, we managed to find highly motivated and skilled employees. The employees we hired here are earnest and determined, and our female employees in particular are very strong-willed. I remember the story of the company employee who cried when he was transferred to Hokkaido because he didn't want to go, then cried when he was transferred back home a few years later because he didn't want to leave. I now understand why.

If you love the outdoors, there's no better place than Hokkaido.

(Keiji Inagawa, President and CEO, Muroran Togo Corporation)



Muroran is very easy to get to and from. It's even possible to fly to our head office in Togo, Aichi, work there for 5-6 hours and then fly back without having to stay the night. As someone who likes the outdoors, it's great being able to enjoy activities like golfing, kayaking and mountaineering in my free time. A game at a cheap golf course here is a third of the price of a game in Aichi. The above are excerpts from letters. See the website below for details. <http://www.pref.hokkaido.lg.jp/kz/ssg/sgr>

Leisure and Sports Facilities and Accommodation Facilities

Camp sites	249	No. 1 nationwide	Aquariums	10	No. 1 nationwide
Golf courses	192	No. 2 nationwide	Museums	249	No. 2 nationwide
Ski grounds	30	No. 3 nationwide	Zoos and botanical gardens	49	No. 1 nationwide
Swimming beaches	52	No. 8 nationwide	Parks	375	No. 1 nationwide
Skating rink	41	No. 1 nationwide	Hot springs	263	No. 1 nationwide
Cycling courses	43	No. 1 nationwide	Hotels	677	No. 2 nationwide
Theme parks and recreation centers	25	No. 2 nationwide	Japanese-style inns	2715	No. 2 nationwide

Data Centers

POINT 4 The Perfect Environment for Living and Working

Attractiveness Ranking of Prefectures and Cities in Japan (2013)

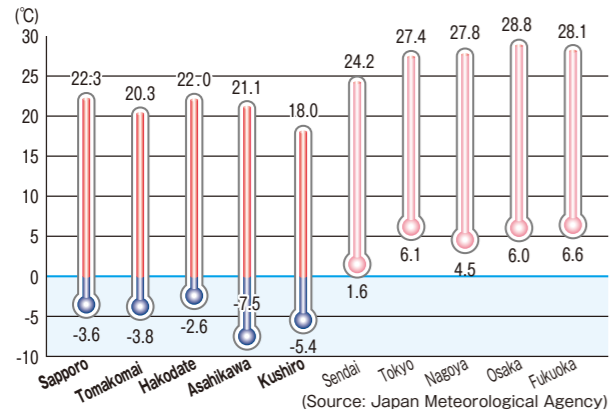
Ranking	Prefecture	Municipal Government(s)
1	Hokkaido	Kyoto
2	Kyoto	Hakodate
3	Okinawa	Sapporo
4	Tokyo	Yokohama
5	Kanagawa	Furano
6	Nara	Otaru
7	Fukuoka	Kamakura
8	Osaka	Kobe
9	Nagano	Kanazawa
10	Hyogo	Ishigaki

(Source: "Research of Regional Brands 2013" Brand Research Institute, Inc.)

Nature with Four Distinct Seasons

Spring in Hokkaido begins with beautiful cherry blossoms and gets fully underway with profusions of a variety of other flowers. The other seasons are just as distinct, with clear skies in summer, colorful leaves in autumn and silvery white landscapes in winter.

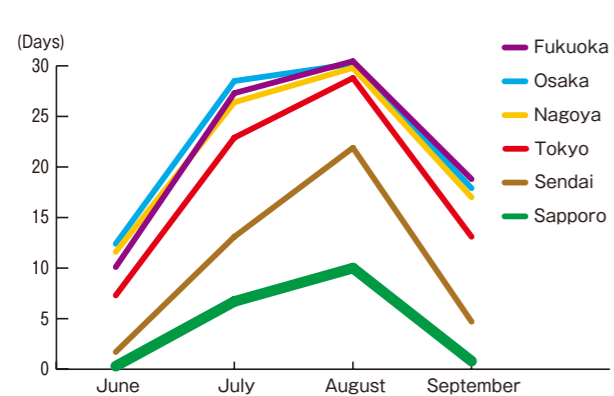
Temperature: Minimum and Maximum of the Average Monthly Temperatures (Average from 1981 to 2010 (30 years))



Low Humidity, Clean Refreshing Air

Hokkaido has an extremely pleasant climate, with no rainy season and low humidity - the perfect location for biotechnology- or IT-related companies.

Average Discomfort Days (Discomfort Index of Over 75 for the Period, 1961-1990 (30 Years))

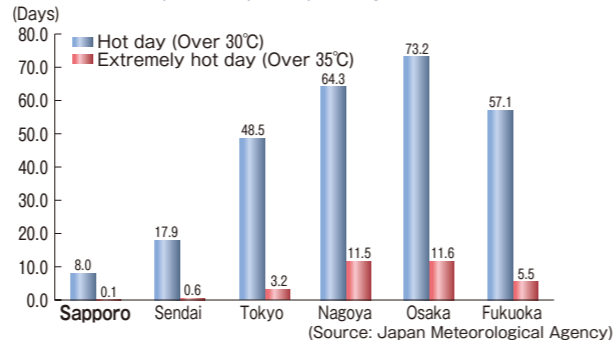


(Source: "Chronological Scientific Tables" from the National Astronomical Observatory of Japan)

Comfortable Summer Climate

Hokkaido has very pleasant summer weather, with very few hot (Over 30°C) or extremely hot days (Over 35°C).

Number of Hot Days/Extremely Hot Days (Averages from 1981 to 2010 (30 Years))

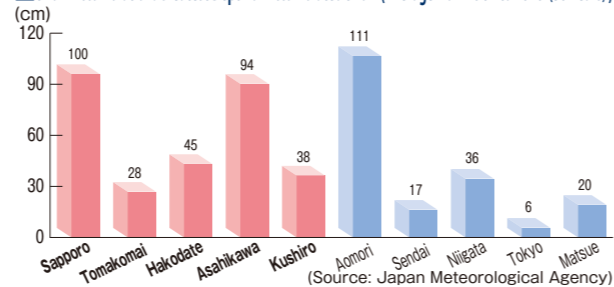


A Substantial Snow Clearing System and Cold Resistant Houses

Because Hokkaido has a thorough snow clearing system for roads, airports and railways, snow is no obstacle to distribution in winter. Comfortable living is ensured in homes built to withstand snow accumulation and cold weather.



Snow Accumulation: Greatest Depth of Accumulated Snow (Average from 1981 to 2010 (30 Years))



99.6% Snow Clearance Rate of the Roads in Hokkaido (As of end of FY2013)

Hokkaido is a large place, and cars are an essential means of transport. With 6,687km of national highways, Hokkaido has a snow clearance rate of 99.6%, with only one 24km road that remains uncleared.

Length with snow removal 6,651km 99.6%

Total length: 6,710km
Length not cleared of snow: 1 road 24km 0.4%

(Source: Hokkaido Regional Development Bureau)

Winter Roads are Safe to Walk on with Winter Shoes

To walk safely and comfortably in the snow, it is very important to wear shoes with the right kind of sole. In Hokkaido, we have excellent "winter shoes" that are made for walking on the snow and ice.

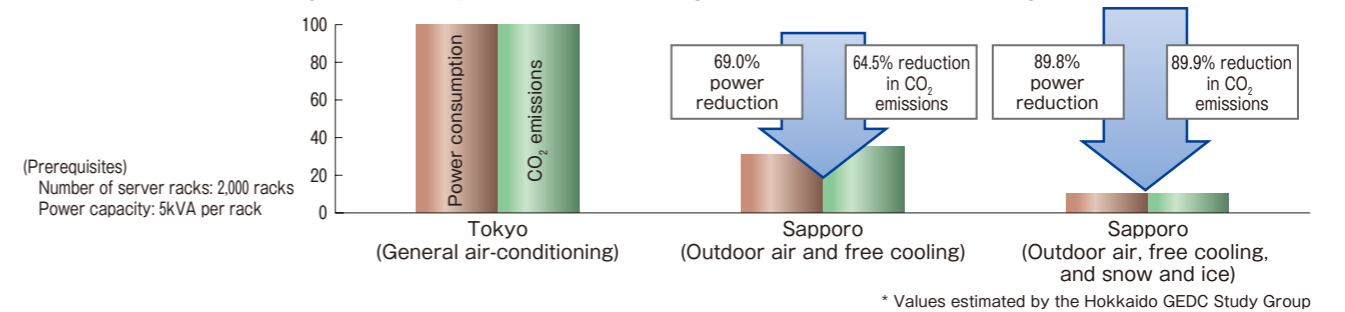


Data Centers — Taking Full Advantage of the Cool Climate

Dramatically Reduced Air-conditioning Costs through the Use of Snow and Ice Energy and Cool Air

As the demand for data centers continues to expand rapidly, there are increasing concerns for the amount of power consumed. It is said that 40% of the power used by data centers is for air-conditioning, and this consumption needs to be drastically reduced. Hokkaido is gaining a great deal of attention as an ideal location for companies that need to reduce air-conditioning power consumption because of its naturally cool temperatures, and it is being actively promoted to companies looking to relocate their facilities.

Reductions in Air-conditioning Power Consumption and CO₂ Levels through the Use of Outdoor air, Free Cooling, and Snow and Ice (Estimation)



Hokkaido is Fast Gaining Attention as a Predominant Location for Risk Dispersion and as a Backup Center

An increasing number of companies, such as SAKURA Internet Inc., NEC Corporation and NTT COMWARE Corporation, are relocating their data centers to Hokkaido. The Hokkaido government works with municipal governments to promote Hokkaido as a location for data centers by holding data center seminars and tours of data centers throughout Hokkaido. Hokkaido provides such benefits as controlled power consumption through the use of its cold climate, excellent access to the mainland of Japan, and reduced risk of natural disasters such as earthquakes and lightning, all of which are gathering a great deal of attention as the ideal location for data centers.



Using Hokkaido's cool climate for the Realization of a low-energy consumption data center Opening of a large-scale suburban data center that takes advantage of plentiful space

SAKURA Internet Inc. (Head office: Osaka)

SAKURA Internet Inc., which operates internet data centers and has the largest backbone network in Japan, open a new suburban large-scale data center called the "Ishikari Data Center" in the Ishikari Bay New Port Area in November 2011. The Ishikari Data Center features improved energy efficiency by adopting outdoor air-conditioning and harnessing the advantages of its considerable size. With the total adoption of outdoor air-conditioning that utilizes the cool climate of Hokkaido, the cost for air-conditioning to cool the data center servers has been reduced by 90%. PUE*, an energy efficiency indicator for data centers, has been decreased to 1.11 by simply using outdoor air-conditioning throughout the year. The company aims to make the data center even more energy efficient by using heat generated by the servers to heat offices and some of the roads near the center during the winter. There are future plans to build a 8 more data centers on the property, which is 1.1 times larger than Tokyo Dome. These plans will enable the realization of data centers that not only take advantage of the vast space available, but also enable a high level of cost performance and future expandability. Talking of future prospects, President and Representative Director Kunihiro Tanaka says, "It is said that the cost of data centers in Japan is double that of advanced data centers overseas. We built the Ishikari Data Center to reduce costs by half, and to provide customers with a service that delivers a high level of cost performance."

*PUE (Power Usage Effectiveness) indicates the energy efficiency of a data center. The closer the value is to 1.0, the more efficient the data center is. Generally, values lower than 2.0 show a good level of efficiency.



"Ishikari Data Center," built by SAKURA Internet Inc. in Ishikari city in November 2011



SAKURA Internet Inc.
President and Representative Director
Kunihiro Tanaka

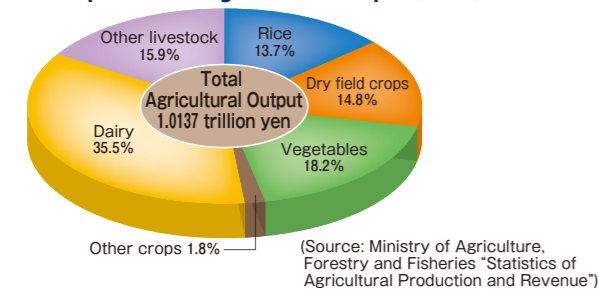
Food-related Industry

Accumulation of Food-related Industries that Utilize the Abundance of Safe Marine and Agricultural Resources

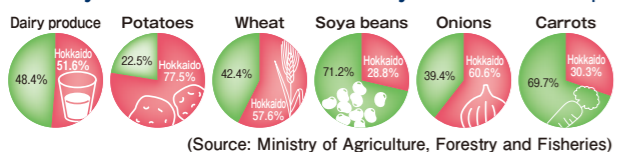
Largest Food Supplying Region in Japan

Hokkaido has a cold climate and is covered in snow for a long period throughout the winter, but through the introduction of many modern western agricultural technologies since the Meiji period (1868 onwards), along with the creation of a firm foundation for production, we have been able to overcome the problems of the adverse climate. Hokkaido is now home to a large scale specialized agricultural industry focused on rice crops, dry field farming, dairy farming and livestock farming. As of 2012, Hokkaido has approximately 1.15 million ha of arable land, approximately 1/4 of the national total. Furthermore, the average land size per farm is 22.3ha, 14.9 times the national average. There are 42,000 farms (commercial farmers) in Hokkaido, which is just 2.8% of the national total. However, 73.0% of Hokkaido farmers are full-time, compared to the national average of 21.4%. The agricultural yield of Hokkaido is 1.0536 trillion yen, or 12.2% of the national total. In addition, Hokkaido is the top producer of dry field crops such as wheat, soya beans, potatoes and sugar beet, vegetables such as onions, pumpkins and sweet corn, and dairy produce, and plays an essential part in the food supply chain for the entire country.

Composition of Agricultural Output (2012)



Main Agricultural Products of which Hokkaido has the Highest Production Volume in Japan



No. 1 in Japan for Shipping Value

Hokkaido boasts a large concentration of food manufacturing industries, and is top in Japan for both the value of products shipped, and for the number of food-related businesses.

Shipping Value by Prefecture

Ranking	Prefecture	Shipping value of products (Unit: 100 million yen)
1	Hokkaido	18,420
2	Aichi	16,246
3	Hyogo	14,266
4	Saitama	13,838
5	Chiba	13,336

(Source: Ministry of Economy, Trade and Industry - "2011 Industry Statistics")

Number of Businesses by Prefecture

Ranking	Prefecture	Number of businesses (Unit: Businesses)
1	Hokkaido	2,006
2	Aichi	1,506
3	Hyogo	1,472
4	Shizuoka	1,388
5	Osaka	1,036

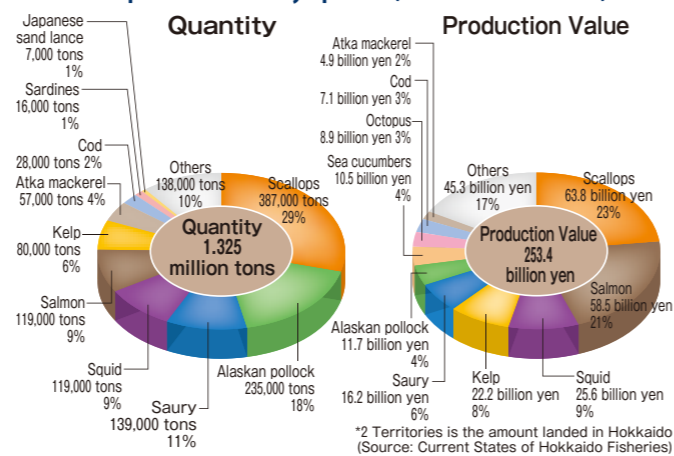
(Source: Ministry of Economy, Trade and Industry - "2011 Industry Statistics")

Fishing Industry of Hokkaido — the Island Surrounded by Oceans

Hokkaido is bordered by the Pacific Ocean, Sea of Okhotsk and Sea of Japan, and has a total coastline of 4,446km, which is 12.6% of national total. The huge continental shelf to the north of Hokkaido, and offshore regions such as Kitami Yamato-tai bank and Musashi-tai bank, boast rich fishing grounds. In 2011, the total amount produced by the fisheries and aquaculture industries (zokujin)*1 was 1.29 million tons, accounting for 27.6% of the national total of 4.69 million tons. This amount represents 276.3 billion yen, or 20.8% of the national total of 1 trillion 328.9 billion yen, and Hokkaido holds the number one spot for seafood production on either scale. Main produce are scallops, Alaskan pollock, salmon, saury, Atka mackerel and kelp, and the main fishing methods are scallop dredging, bottom offshore trawling, fixed-net salmon fishing, Pacific saury fishing and scallop cultivation. Primary landing ports are Kushiro, Wakkanai, Nemuro, Otaru and Hakodate.

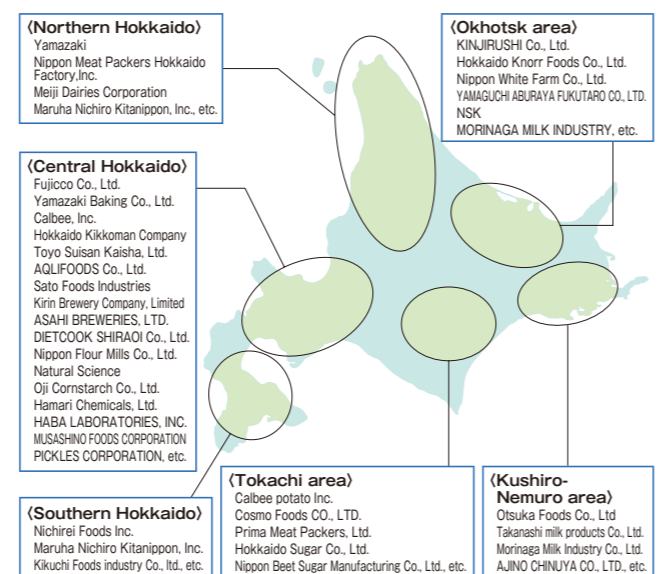
*1 Zokujin: total amount landed by fishery management bodies in Hokkaido.

Composition Ratio by Species (2011: Territories)*2



Location of Main Food Companies

Hokkaido is the leading center for the food manufacturing industry in Japan.



Hokkaido's Original Food Function Display System - the First in Japan!

With health-consciousness increasing in recent years, there has been a call to provide detailed information on products such as health foods to allow consumers to select products that suit their desires. In April 2013, Hokkaido was the first to begin a food function display system, in which the Hokkaido government certifies the wholesome ingredients of products such as health food if scientific research relating to health management is conducted.

A certification mark from the Hokkaido government is placed on qualifying products. Hokkaido's foods already have a reputation for being safe, trustworthy and delicious. This system adds new value in the form of health benefits.

Products certified in 2013 First certification: 12 products Second certification: 6 products

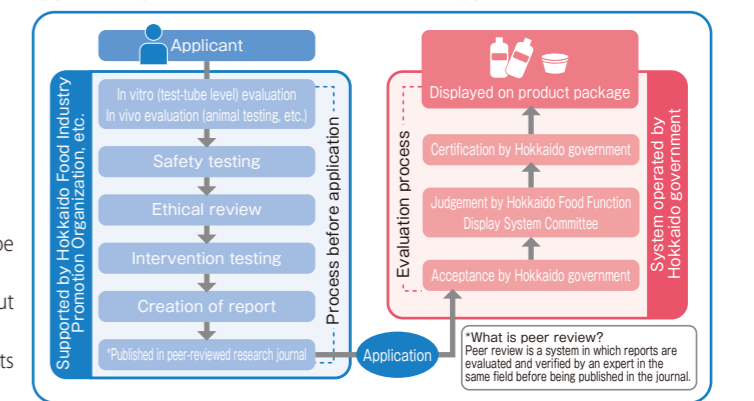
Certification mark Example of product certified during first certification



Features and Merits of System

- This food function display system is the first in Japan and cannot be found anywhere but Hokkaido.
- The certified products can be sold not only in Hokkaido but throughout Japan.
- In addition to single ingredients, mixed (composite) ingredients such as extracts can also be certified as wholesome ingredients.
- Applicants do not need to conduct intervention testing themselves. Reports from organizations such as universities or manufacturers can be used with the permission of the author.

Application procedure for certification (from application to certification)

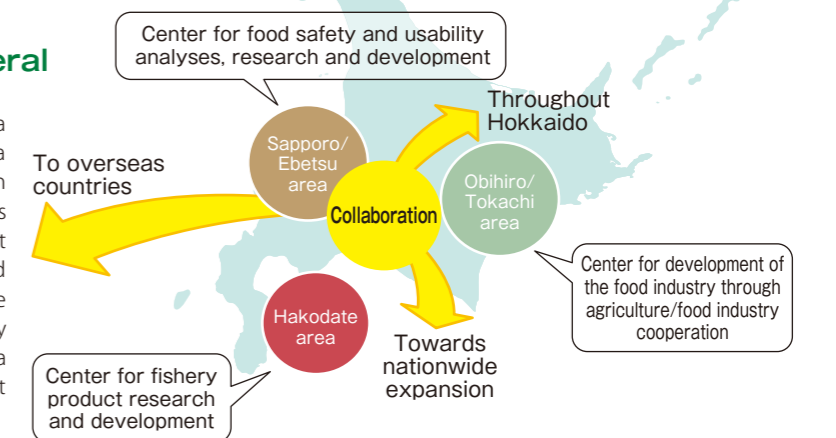


"Food Cluster" Activities Throughout Hokkaido

In April 2010, the Food Clusters Cooperation and Coordination Body (FC/NW) was established by industry, academia, government and financial institutions throughout Hokkaido. The organization serves as a Hokkaido-wide promotional body for food cluster activities to create an integrated food industry unique to Hokkaido. More than 2,000 organizations are involved in FC/NW, and over 500 projects have been proposed and put into action as a result of the cooperation and collaboration by the organizations involved.

Hokkaido Food Complex International Strategy General Zone (Food Cluster) Efforts

As a driving force of these food cluster activities, a decision was made in December 2011 to form a strong "value chain" that combines the production and sales resources from various industries, such as agriculture and fisheries, in order to make the best use of Hokkaido's abundant and high quality food products. Efforts are underway to form this value chain and use it to strengthen the agricultural, fishery and food product industries and make Hokkaido a research, development and export center for East Asia's food industry.



Incentives for International Strategy General Zone system

Incentives for operations in zone

Tax support	○Special depreciation or tax credits relating to corporate taxes for companies investing in facilities ○Income tax deductions relating to corporate taxes for companies specializing in business activities receiving special measures under regulations, etc.
Funding	○Priority use of ministries' budget systems when conducting business
Financial support	○Grant-in-aid for paying interest on loans from financial institutions
Special measures	○Special measures under regulations, systems, etc. are possible if the proposal is agreed to by the National and Regional Council

*The cutoff for acquisition of business operator designations, facilities, etc. relating to tax support is expected to be extended from March 31, 2014 to March 31, 2016 if the Act on Special Measures concerning Taxation passes.

Automobile-related Industry

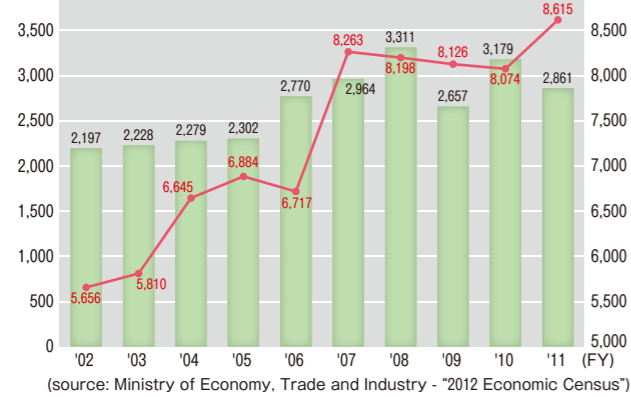
Accumulation of Automotive Industries in Hokkaido

Major Automotive Companies are Expanding to Hokkaido

The shipping value of transportation machinery and number of employees involved have increased by approximately 50% in the last 10 years.

Hokkaido is gathering a great deal of attention as the new manufacturing area for the automobile industry. Essential members of the Toyota Group such as Aisin Seiki Co., Ltd. and Denso Corporation have expanded operations into Hokkaido, and O-OKA Corporation, MEITOKU HOKKAIDO, INC. and CVTEC Hokkaido Co., Ltd. have also established premises in Hokkaido to disperse risk after the Great East Japan Earthquake and tsunami.

Shipping Value of Transportation Machinery from Hokkaido and Number of Employees Involved (Hundred million yen) (Persons)

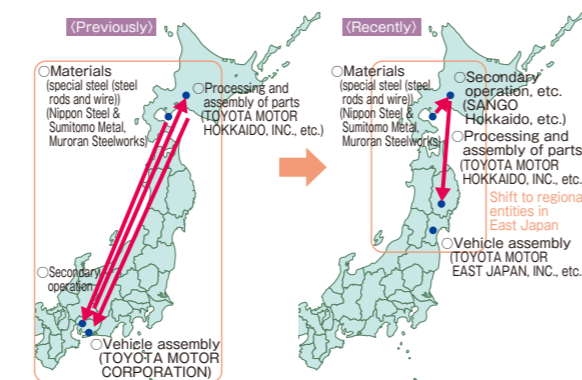


TOYOTA MOTOR HOKKAIDO, INC. (Tomakomai)

Automotive Companies that have Recently Expanded into Hokkaido

Years in operation	Company	Head office	Location (municipality)
'06	Hokkaido Steel Wire	Hyogo	Muroran
'06	Daysys Co. Ltd.	Shizuoka	Sapporo
'07	TOKUE sisuner	Aichi	Ishikari
'07	AISIN HOKKAIDO CO., Ltd.	Aichi	Tomakomai
'07	SATOSHOJI CORPORATION	Tokyo	Tomakomai
'07	SANWAYUKA INDUSTRY CORPORATION	Aichi	Tomakomai
'07	SANGO Hokkaido Co., Ltd.	Aichi	Tomakomai
'07	Okaya Iwai Hokkaido	Aichi	Tomakomai
'07	Umetoku Co., Ltd.	Osaka	Tomakomai
'08	Kosei Aluminum Co., Ltd.	Aichi	Tomakomai
'08	Hokkaido Smelting Technology Corporation	Aichi	Tomakomai
'09	Denso Electronics Corporation	Aichi	Chitose
'12	Muroran Togo Corporation	Aichi	Muroran
'12	MEITOKU HOKKAIDO, INC.	Aichi	Abira
'13	O-OKA Corporation	Aichi	Muroran
'14	Sinto Kogyo, Ltd.	Aichi	Tomakomai
'14	CVTEC Hokkaido Co., Ltd.	Aichi	Tomakomai

The Shift to Regional Entities in East Japanese Automotive Supplier Chains Through the Establishment of New Locations for Automotive Companies



Accumulation of Forges and Foundries

An increasing number of forges and foundries are being established in Hokkaido, providing such services as the manufacturing of special steels (Nippon Steel & Sumitomo Metal Corporation) and aluminum castings. As the production capacity for completed cars expands at the Toyota Group's third largest production base in the Tohoku region, Hokkaido is able to capitalize on the close proximity of these related industries to provide material procurement and processing services to Tohoku, thus contributing to the shortening of the supply chain.

Efforts in Various Domains to Promote Agglomeration in the Automobile Industry

Additionally, the "Hokkaido Auto Industrial Agglomerations Promotion Council (HAIA)" was established on August 3rd 2006. HAIA comprises companies, business and industrial groups, educational institutions and government bodies related to the automobile industry, and was established to promote incentives for the accumulation of automobile-related industries in Hokkaido.

Main Initiatives of the Hokkaido Auto Industrial Agglomerations Promotion Council (HAIA)

Promotion of ideal locations for the automotive industry	<ul style="list-style-type: none"> Seminars on Hokkaido as a business location (held in Tokyo, Osaka and Nagoya) Expansion into Messe Nagoya Visits to automobile-related companies (Efforts by the governor to entice companies to Hokkaido, visits to companies by trailblazers who created supply chains and visits to companies by employees of offices outside Hokkaido)
Encouragement of local businesses to enter the automobile industry	<ul style="list-style-type: none"> Seminars on production control, quality control, etc. (held in cooperation with TOYOTA MOTOR HOKKAIDO, INC. and Aisin Hokkaido Co., Ltd.) Trade fairs on techniques relating to Hokkaido's automotive industry (held by TOYOTA MOTOR CORPORATION, TOYOTA MOTOR EAST JAPAN, INC., DAIHATSU MOTOR CO., LTD., etc.) Individual instruction and advice by experts providing support for entry into the market (experienced automobile manufacturers, etc.)
Securing training for technical staff	<ul style="list-style-type: none"> Training workshops on CFRP processing techniques Training in enhancement of aluminum casting techniques Hokkaido Automobile Industry Zone unveiled at Sapporo Motor Show 2014 (exhibition of handmade eco-cars created by students at technical high schools, etc.)



Intensive seminars for improvement (kaizen) of production sites



Trade fairs on techniques relating to Hokkaido's automotive industry

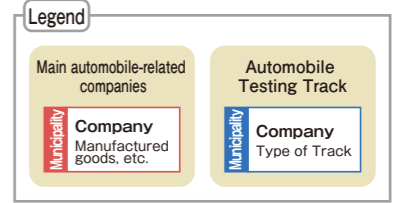
Contact
Contact address
 Total support room for auto industry, Industrial Location Development Division, Bureau of Industrial Location Promotion, Department of Economic Affairs, Hokkaido Government
 TEL: +81(0)11-204-5323 FAX: +81(0)11-232-2139
 E-Mail: keizai.sangyousinkou1@pref.hokkaido.lg.jp

Related URL
 Hokkaido Auto Industrial Agglomerations Promotion Council (HAIA)
<http://www.pref.hokkaido.lg.jp/kz/ssg/s/sj/jidousha>
 Information on key technology companies in Hokkaido
<http://www.pref.hokkaido.lg.jp/kz/ssg/s/sanishi/monozukuri/100sen.htm>
 Information on plant and equipment manufacturers/maintenance companies in Hokkaido
<http://www.pref.hokkaido.lg.jp/kz/ssg/s/sanishi/monozukuri/100sen2.htm>

With the Largest Number of Testing Tracks in Japan, Hokkaido is the Perfect Place for Testing, Research and Development of Automobile-related Companies

Central Hokkaido is rapidly becoming an important location for many automobile-related companies such as prominent parts manufacturers and software companies. Dense agglomerations are being created successively.

Additionally, the cold weather conditions and large open spaces provide the perfect conditions for many outstanding testing tracks to be built. In fact, Hokkaido boasts 27 testing tracks, and holds an essential role in the testing of new cars for automobile manufacturers. Hokkaido will remain an important location for all manner of research, development and testing in the future for the automobile industry.



Main automobile-related companies outside Hokkaido, and the largest number of testing tracks in Japan (27 tracks)

Municipality	Company	Track Type
Takasu	Honda Motor Co., Ltd.	All-round winter course, frozen roads, winding hills
Takasu	The Yokohama Rubber Co., Ltd.	Frozen roads, compacted snow, circular roads
Asahikawa	UEHARA NAMEPLATE Co., Ltd.	Emblems, car horn badges
Asahikawa	Sumitomo Rubber Industries, Ltd.	Circuits, hills
Asahikawa, Higashikawa	Nissan Kogyo Co., Ltd.	Simulation testing courses recreating various road conditions
Akabra	TORC Seimitsu Kogyo Co., Ltd.	AT switches
Ishikari	Keihin Seimitsu Kogyo Co., Ltd.	Engine parts, etc.
Ishikari	TOKUE sisuner	Drive shaft boots
Ishikari	Micro Sapporo Co., Ltd.	Small metal cutting parts
Sapporo	AW SOFTWARE CO., LTD.	Development of car navigation software
Sapporo	Toyota Technical Development Corp.	Development of car navigation software
Sapporo	Argo System Support Inc.	3D CAD systems
Sapporo	Daysys Co. Ltd.	Software development for automobile meter control
Chitose	Denso Electronics Corporation	Manufacturing of on-board semiconductor products
Muroran	Muroran Suzuki	Hardened and tempered wires for automobile springs
Muroran	Hokkaido Steel Wire	Hardened and tempered wires for engine valve springs
Muroran	Muroran Togo Corporation	Automobile springs
Muroran	O-OKA Corporation	Production of precision forging gears for automobiles
Nanae	Matsue Engineering Co., LTD.	Mold manufacturing for automobile parts
Tomakomai	INCORPORATED ADMINISTRATIVE AGENCY PUBLIC WORKS RESEARCH INSTITUTE Civil Engineering Research Institute for Cold Region	Cold region testing roads
Tomakomai	ISUZU MOTORS LIMITED HOKKAIDO	Engines
Tomakomai	TOYOTA MOTOR HOKKAIDO, INC.	AT, aluminum wheels, transfers
Tomakomai	SATOSHOJI CORPORATION	Machining and cutting of steel for automobiles
Tomakomai	SANGO Hokkaido Co., Ltd.	Machining of automobile castings
Tomakomai	AISIN HOKKAIDO CO., Ltd.	Aluminum casting parts (Bulb body, etc.)
Tomakomai	Hokkaido Smelting Technology Corporation	Manufacturing of molten aluminum alloys and alloy ingots
Tomakomai	Kosei Aluminum Co., Ltd.	Aluminum wheels
Tomakomai	Meiwa Industries, Ltd.	Design and manufacture of automated facilities
Tomakomai	SUGIYAMA INDUSTRIES Co., Ltd.	Automotive casting molds
Tomakomai	SANTOKOGIO, LTD.	Maintenance of automobile production facilities
Tomakomai	DYNAX Corporation	Clutch, clutch plates
Tomakomai	CVTEC Hokkaido Co., Ltd.	Metal belts for CVTs
Tomakomai	Umetoku Co., Ltd.	Mold heat treatment, surface treatment
Tomakomai	MEIWA INDUSTRIES, LTD.	Design and manufacture of automated facilities
Tomakomai	KOWA KAKO CO., LTD.	Maintenance of shot machine for producing components
Tomakomai	CVTEC Hokkaido Co., Ltd.	Metal belts for CVTs
Tomakomai	MEITOKU HOKKAIDO, INC.	Mold design and production for automotive parts
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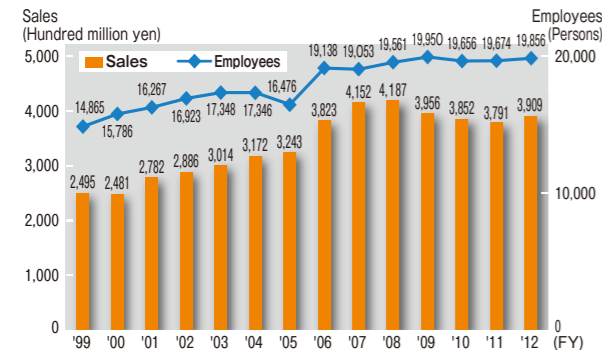
IT-related Industry

IT related Industries Concentrated in "Sapporo Valley" Becoming a Major Industry in Hokkaido

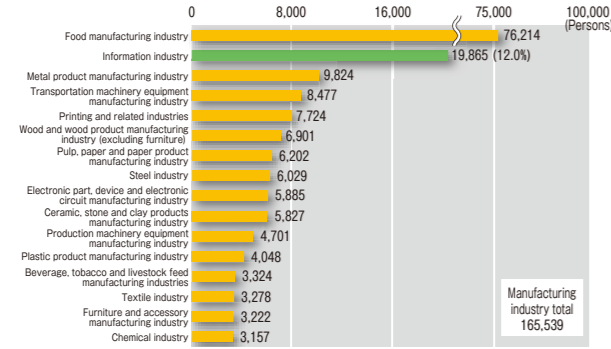
IT Becoming a Major Industry

According to "Hokkaido IT Report 2013," published by the Hokkaido Information and Communication Technology Association, Hokkaido's IT industry's sales for that year totaled 390.9 billion yen, an increase of around 40% from 10 years ago. It is Hokkaido's second largest source of manufacturing employment after the food production industry, accounting for 12.0% of all manufacturing jobs in Hokkaido.

IT Becoming a Major Industry



Comparison of number of employees in Hokkaido's information industry and number of employees in Hokkaido's manufacturing industries (FY2012)

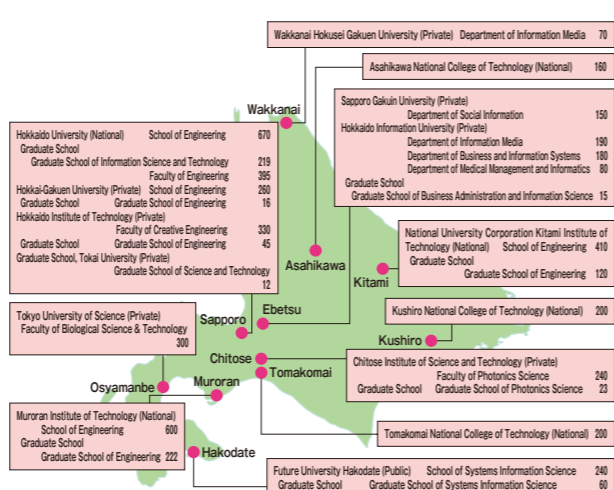


(Source: Hokkaido Information and Communication Technology Association)

Engineering and Information Universities Supporting IT-related Industry

Hokkaido has 12 universities and 4 technical high schools with engineering or informatics departments in 11 municipalities (10 cities and 1 town). The enrollment capacity is around 5,600 people, with many highly skilled personnel graduating from these courses each year.

Universities, etc. in Hokkaido with an Engineering or Informatics Department (2013)



※The number of people shown is the capacity for each academic year
 ※The figure for the Oshamambe Campus of the Tokyo University of Science is for the first year only
 (Source: School Affairs Division, Department of General Affairs, Hokkaido Government)

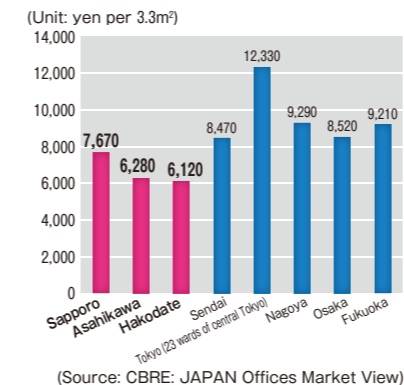
Industrial Support Services Industry

A Growing Industrial Support Services Industry

Ideal Conditions such as Low Office Rent and Easy Recruitment

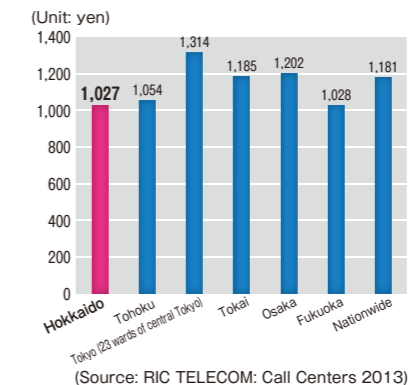
An increasing number of companies are establishing call centers or offices for some head office functions in Hokkaido in recent years, particularly in Sapporo. Wages and office rent are lower than in other cities and the risks of natural disasters are low, making it an ideal location. Hokkaido is also ideal for companies considering a location for a call center, as the Japanese spoken in Hokkaido is similar to standard Japanese. There are now 76 call centers and backup offices in Sapporo, with 22,000 employees.

Comparison of Office Rent (As of September 2013)



(Source: CBRE: JAPAN Offices Market View)

Starting Wages for Call Center Employees



(Source: RIC TELECOM: Call Centers 2013)

Number of Call Centers (As of July 2013)

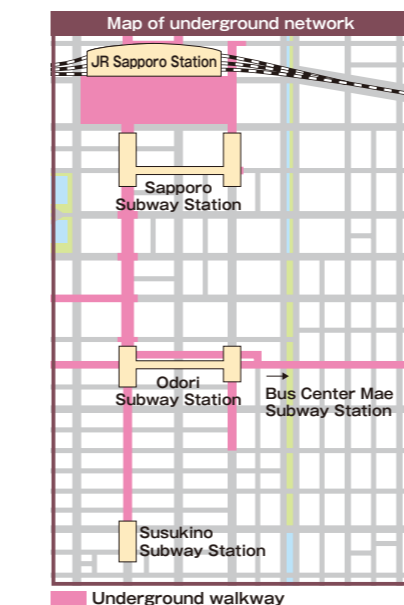
Rank	Region	Number of Call Centers
1	Okinawa	93
2	Hokkaido	76
3	Fukuoka	38
4	Miyagi	36
5	Miyazaki	21
6	Nagasaki	19
7	Aomori	17
8	Ehime	14
9	Niigata	11
10	Saga	10

*Excludes Tokyo, Kyoto, Osaka, Saitama and Aichi (RIC TELECOM: Call Centers 2013)

Employment in Call Centers and Backup Offices



● "Full-time employee" refers to an employee receiving employment insurance, health insurance and pension (short-term part-time employees are excluded from the number of employees).
 (Source: Sapporo City Government)



Hokkaido Is the Ideal Location for Risk Dispersion, Personnel and a Great Lifestyle

Alaya is a translation and production company handling over 30 languages on a regular basis. We have offices in Tokyo and Osaka, and overseas offices in China, Malaysia and Germany.

Our expansion into Hokkaido was prompted by the Great East Japan Earthquake. The disaster gave us a new awareness of risks, such as a shutdown of the servers in the Tokyo metropolitan area, which led us to establish an office in Sapporo. The main purpose of this office is research and development of IT relating to translation.

The following three points were the deciding factors in our choice to expand into Hokkaido:

1. The availability of highly skilled personnel
2. Low risk of natural disasters
3. Sales, general and administrative expenses, such as office rent and labor expenses, are lower than in the Tokyo metropolitan area.

I think the greatest payoff for our choice was the excellent staff we found. Our staff are even more determined and meticulous than we expected.

My new life in Sapporo is also extremely fulfilling and comfortable. In Tokyo, it's normal to have a commute of 1 1/2 to 2 hours. In Sapporo, our employees get to work in half an hour at the longest. While the winters in Sapporo are cold, the offices are warmer than the ones in Tokyo, so we're actually more comfortable here. Summer is cool enough that we do not need air-conditioning and can sleep comfortably at night. And there are plenty of recreational facilities in Sapporo, such as ski grounds and hot springs, providing a fulfilling work-life balance.



In 2012, we obtained ISO/IEC27001 certification for our information security management systems.

ALAYA SAPPORO INC. (Head Office: Tokyo)



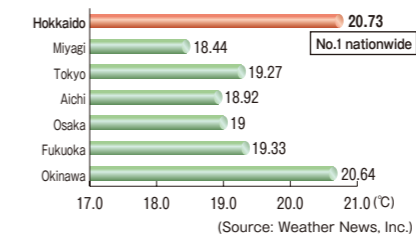
Tetsuo Ohmura, CEO, ALAYA SAPPORO INC.

An Easy Commute and a Comfortable Office Environment in Sapporo

There are various forms of convenient public transport to Sapporo Station from the outlying suburbs. There is also a 1,700m underground passage running north to south from the office district around Sapporo Station to Susukino, allowing door-to-door commuting that will not be affected by weather.

The winter room temperature is the warmest in Japan and summer temperatures are cool. Your employees will be able to work in a warm and comfortable workplace even in winter.

Winter Room Temperatures



(Source: Weather News, Inc.)

Station	Number of Subway Services (return services per day on weekdays)	Other public transport
Sapporo Station	995 services	Trains (JR), buses, streetcars
Sendai Station	339 services	Trains (JR), buses
Hakata Station	878 services	Trains (JR), buses



Underground walkway opened in March 2011

Hokkaido Attracting Attention as a Backup Base for Head Office Functions

AXA Life Insurance Co., Ltd.

The recent Great East Japan Earthquake has prompted many companies to disperse risks such as the risk of natural disasters.



Hokkaido has attracted attention among companies formulating business continuity plans throughout Japan as the ideal location for a backup office or for core head office functions. Hokkaido is working actively to entice companies to establish head office functions here through measures such as devising a Backup Base Plan. AXA Life Insurance Co., Ltd. decided to establish a Sapporo head office as a backup base for its head office functions to strengthen its business continuity framework. The company held a press conference in Sapporo in November 2013.