



INVEST IN KOBE

Discover opportunity in Kobe

“1 About Kobe

KOBE

Total population
1,490,000

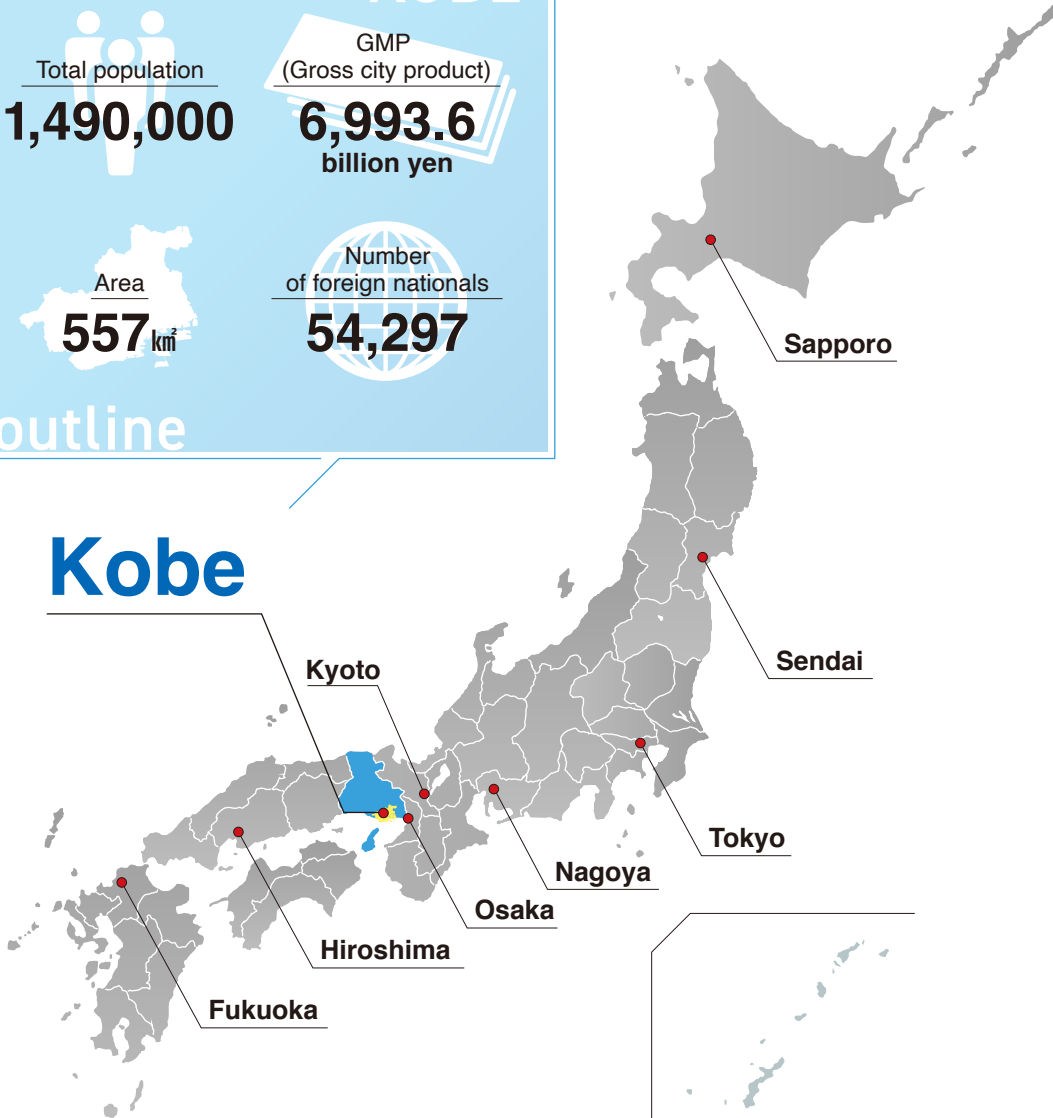
GMP
(Gross city product)
6,993.6
billion yen

Area
557 km²

Number
of foreign nationals
54,297

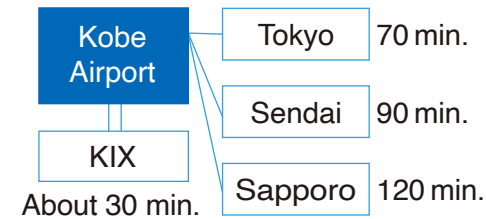
outline

Kobe



Easy Access to Major Japanese Cities

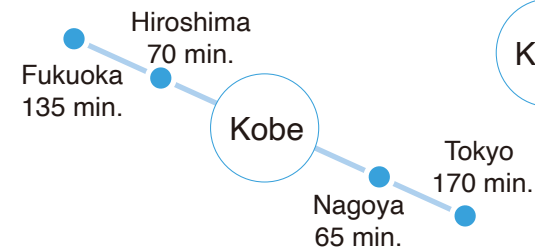
By air Airplane



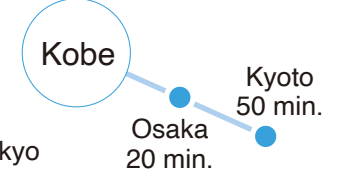
Kobe Airport as an International Gateway

It is scheduled to expand the number of domestic flights and to provide services for international charter flights from 2025. Regular international flights are expected to be in operation around 2030.

By land Rapid bullet train (Shinkansen)



Local lines

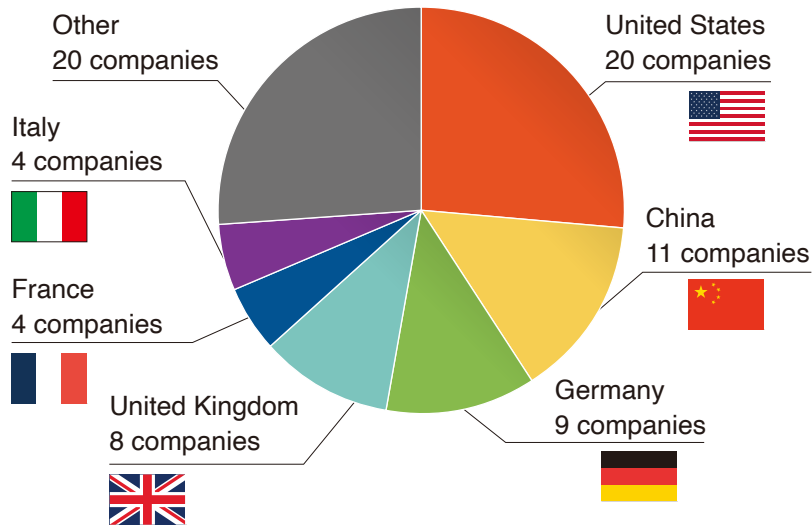


“2 Home for Global Businesses

Foreign-affiliated companies with head offices in Kobe

76 companies (4th in Japan)

Source: Toyo Keizai Inc. “2023 the List of Foreign Affiliated Companies”



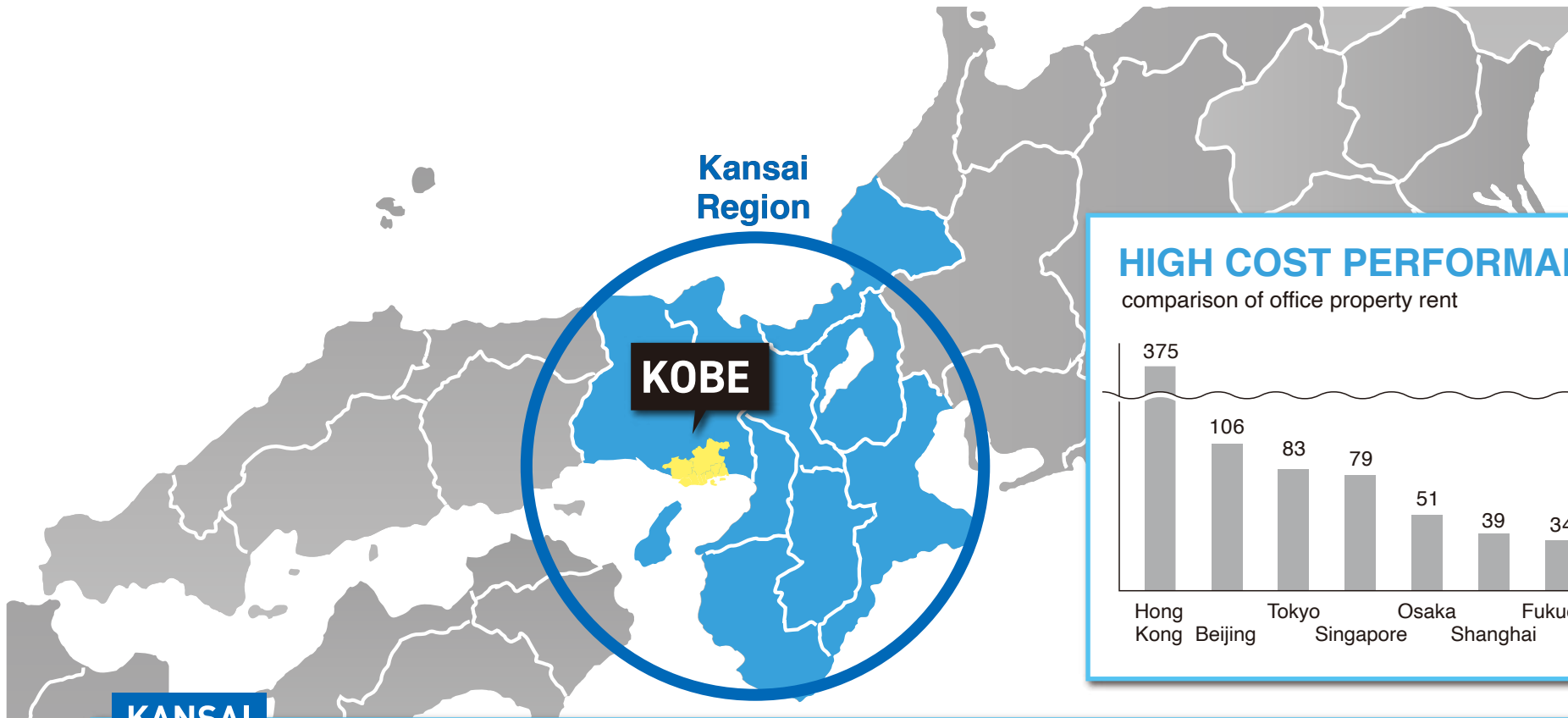
Foreign-affiliated companies, with branch offices and factories

About 410 companies Source: Kobe City



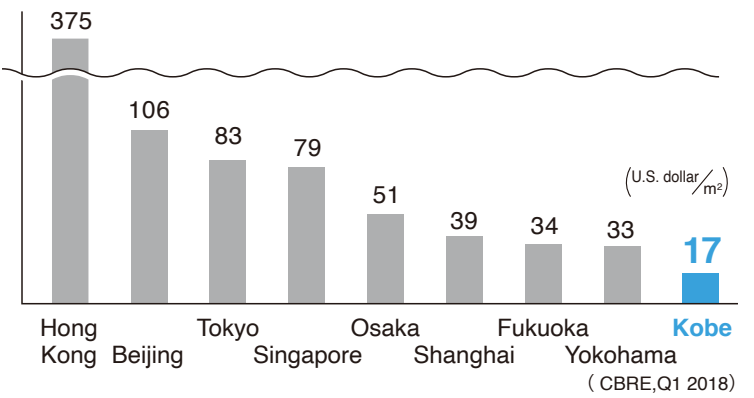
“3

Strategic Business Location in Asia



HIGH COST PERFORMANCE

comparison of office property rent



KANSAI

Economic scale comparable to Netherlands and Switzerland
 GDP: \$808 billion
 Ranked 18th in the world



Population size comparable to New York and Shanghai
 Population: 21,377,000
 8th largest in the world

Easy access to major international cities

- **Kansai International Airport (KIX)**
 (About 80 international routes, about 20 domestic routes)
 (30 minutes from KIX to Kobe)
- **Kobe-Osaka International Port**
 (80+ shipping lanes)

Source: METI Kansai "INVEST JAPAN, INVEST KANSAI" (2022)

“4 Industries in Kobe City, Kansai Area

1

Environmental industry, including lithium-ion batteries and hydrogen

- Kawasaki Heavy Industries
- Kobe Steel •Iwatani •Panasonic
- Kyocera •Sumitomo Electric



2

Pharmaceutical industry

- Eli Lilly •Bayer •Sumitomo Pharma
- Sysmex •Takeda Pharmaceutical
- Boehringer Ingelheim



3

Electronic devices

- Panasonic •Mitsubishi Electric
- Murata Manufacturing •Shimadzu
- Horiba •Sysmex



4

Railway cars

- Kawasaki Heavy Industries
- Kinki Sharyo
- Alna Sharyo



5

Steel·Shipbuilding

- Kobe Steel •Nippon Steel•IHI Corporation
- Kawasaki Heavy Industries
- Mitsubishi Heavy Industries



6

Aviation·Aerospace

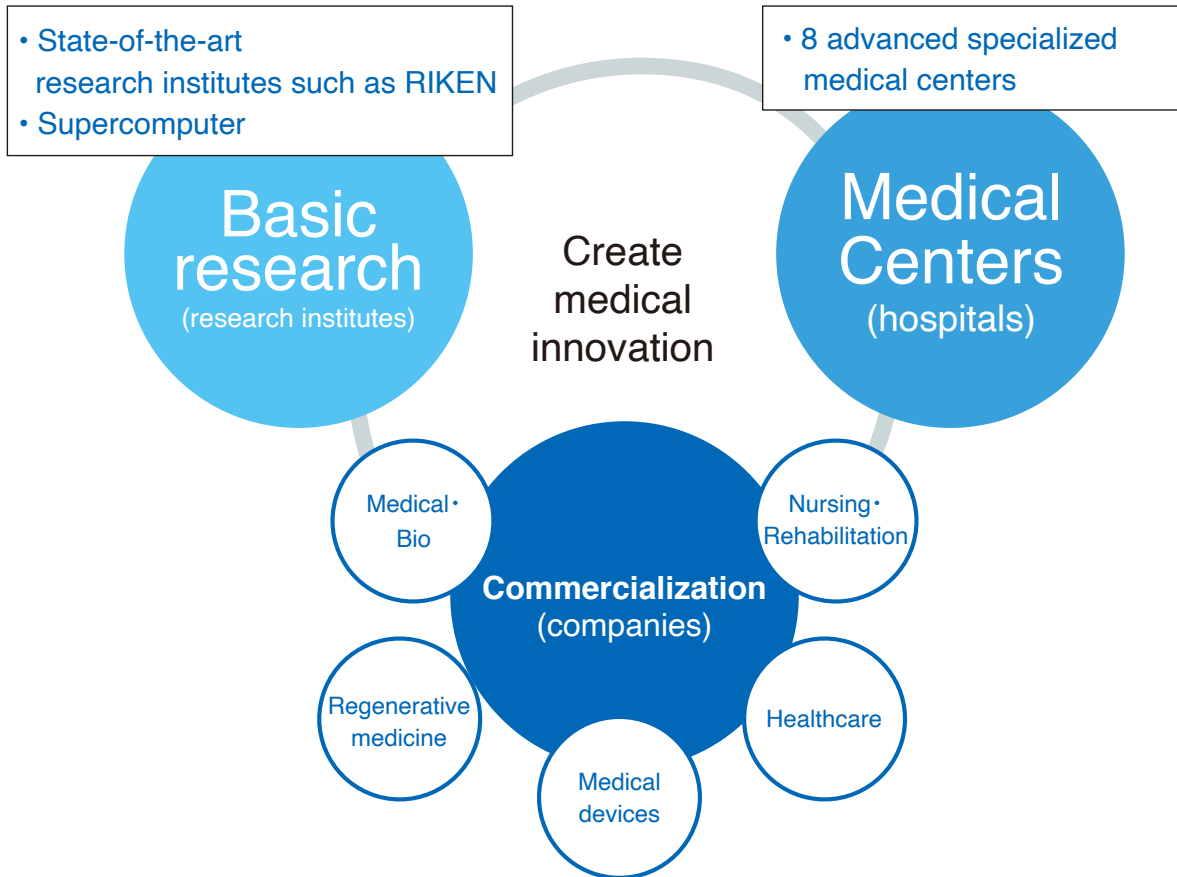
- Kawasaki Heavy Industries •Kobe Steel
- Mitsubishi Heavy Industries •ShinMaywa
- Sumitomo Precision Products
- Airbus Helicopters Japan



“5

Kobe Biomedical Innovation Cluster

Asia's Top Biomedical Cluster



Number of companies and organizations at KBIC

about **370**

Number of employees

about **12,700**

(As of March, 2023)

List of foreign-affiliated companies



United States

- Nihon Medi-Physics • Johnson & Johnson
- Progenicyte Japan • Simco Japan
- IQVIA Services Japan • Integra Japan
- NEI Japan • Vector Builder Japan



Germany

- Nippon Boehringer Ingelheim • Bayer
- provitro AG • Dürr Dental Japan K.K.



France

- TreeFrog Therapeutics Japan • Texcell Japan



Switzerland

- SKAN JAPAN • Electrosuisse Japan • Sucampo Pharmaceuticals



United Kingdom

- Spectris
- IMI Critical Engineering Japan



Belgium

- IBP Technologies



Italy

- Copan Japan



Spain

- Igenomix Japan



China

- BGI JAPAN • INTERNATIONAL COOPERATION FOR MEDICAL INNOVATION CO.,LTD • HONDO INNOVATION CENTER CO.,LTD.
- Bioer LifeScience Japan Co.,Ltd • O and R



Korea

- Dexcowin Japan
- Celltrion



Singapore

- Access-2-Healthcare Japan

“6

Kobe Biomedical Innovation Cluster



Business Expansion Support

Foundation for Biomedical Research and Innovation (FBRI)

Supported by 15+ coordinators

- Commercialization support
- Business matching support
- Cluster networking events



Regulatory Affairs & PMDA Consultations

- The only biomedical innovation cluster in Japan to have PMDA (Pharmaceuticals and Medical Devices Agency) consultation services
- Dedicated coordinators provide assistance and advice on procedures and questions
- Consultation is provided to KBIC member companies at no cost

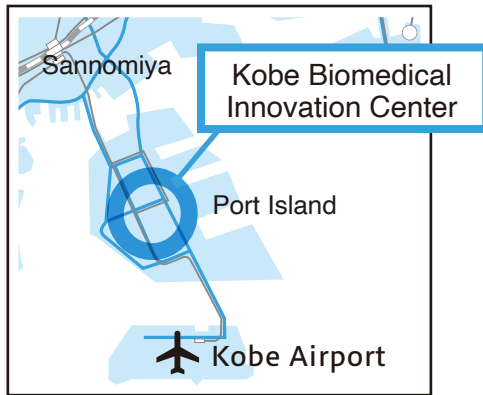


“7

Kobe Biomedical Innovation Cluster



Easy access to the center of Kobe



Offices • Labs

Ample labs and offices for marketing/R&D

▶ **16 buildings**

Creative Lab for Innovation in Kobe (CLIK)



CoLaborator Kobe (Bayer)



The third open innovation hub in the world to be established

Revolutionary Achievements of Kobe Biomedical Innovation Cluster

World's first iPS cell-based transplant surgery

The world's first-ever transplant of retinal cells derived from iPS cells to a patient with "age-related macular degeneration," was performed in Kobe in 2014.

(Image: Dr. Masayo Takahashi, President of Vision Care Inc.)



Surgical Support Robot

A surgical support robot "hinotori™ surgical robot system" was released in 2020.

(Image: Mediaroid Corporation)



World's First Pulp Regenerative Treatment

Dental nerve regeneration by using tooth cells derived from orthodontically unnecessary teeth such as wisdom teeth

(Image: Aeras Bio Inc. of Air Water Group)



“ 8

Hydrogen Smart City Kobe Initiative

I Hydrogen Smart City Initiative

Aims to achieve a decarbonized society through a hydrogen cluster, in collaboration with individuals and businesses.

Main Initiatives

- Use of fuel cells
- Development of hydrogen stations
- Development of new hydrogen energy utilization technologies
- Entry of local SMEs into the hydrogen industry
- Net zero plans in various industries

Achievements

- 2013 Launch of Hydrogen Project Initiatives
- 2015 The world's first demonstration projects (Hydrogen CGS, World's first liquefied hydrogen Supply Chain establishment)
- 2021 Establishment of the world's first Liquefied Hydrogen Supply Chain

Demonstration Project for the Development of a Hydrogen Energy Utilization System (CGS)

- Gas turbine power generation using hydrogen fuel to supply electricity and heat
- The electricity and heat generated will be supplied to Kobe City-related facilities

Provided by Kawasaki Heavy Industries, Ltd., NEDO subsidy project
Conducted by Kawasaki Heavy Industries, Ltd., Obayashi Corporation



Establishment Project for Hydrogen Supply Chain

An ongoing demonstration project to establish a hydrogen supply chain that transports, and unloads liquefied hydrogen by sea between Australia and Kobe

Provided by HySTRA, NEDO subsidy project
*NEDO: New Energy and Industrial Technology Development Organization



“9 Hydrogen Smart City Kobe Initiative

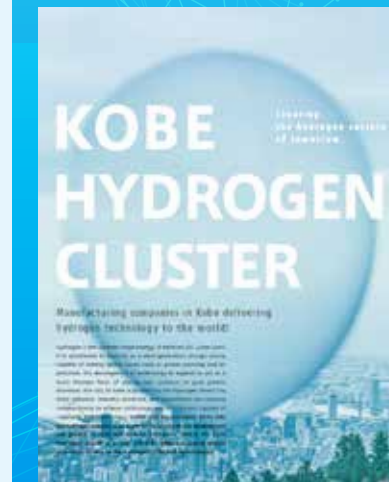
Hydrogen Stations

- Two hydrogen stations established in the City
- Hydrogen stations are in operation; one urban-style station and the other station is accessible to commercial vehicles as well



Hydrogen Cluster Workshops

34 SMEs that are aiming to enter the hydrogen industry, are engaged in research and product development in collaboration with each other and with universities and other academic institutions.



New Training Center to be a Hydrogen Energy Dissemination Base (Iwatani Corporation)

- A center for the realization of a decarbonized society through the use of hydrogen
- Aims to develop diverse human resources to promote the hydrogen energy business



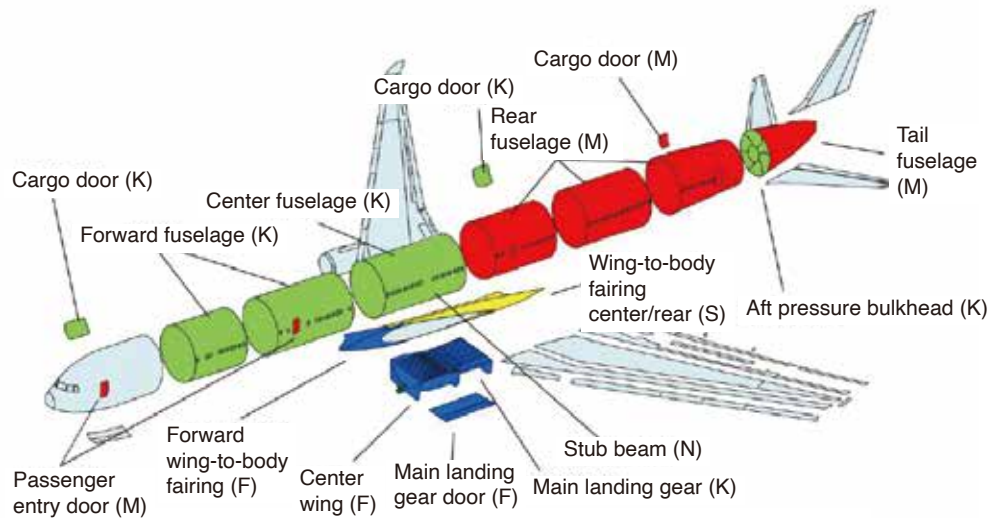
Activities

- Workshops** Hold seminars 4 to 6 times annually by inviting hydrogen experts as lecturers
- Site Tours** Offer tours of state-of-the-art hydrogen demonstration facilities and research institutes
- Sectional Activities** Research three sectors based on participating companies' expertise
- PR Activities** Participate in exhibitions and publicize activities in professional journals

“10 Aerospace Industry

Kobe, home to aircraft manufacturers and top aero engine suppliers, plays a significant role in the aerospace industry. With one aircraft comprising up to three million components, ensuring high safety and technical standards is crucial. Companies in the city meet these stringent requirements, with a defect ratio as low as one in a billion (0.000000001)

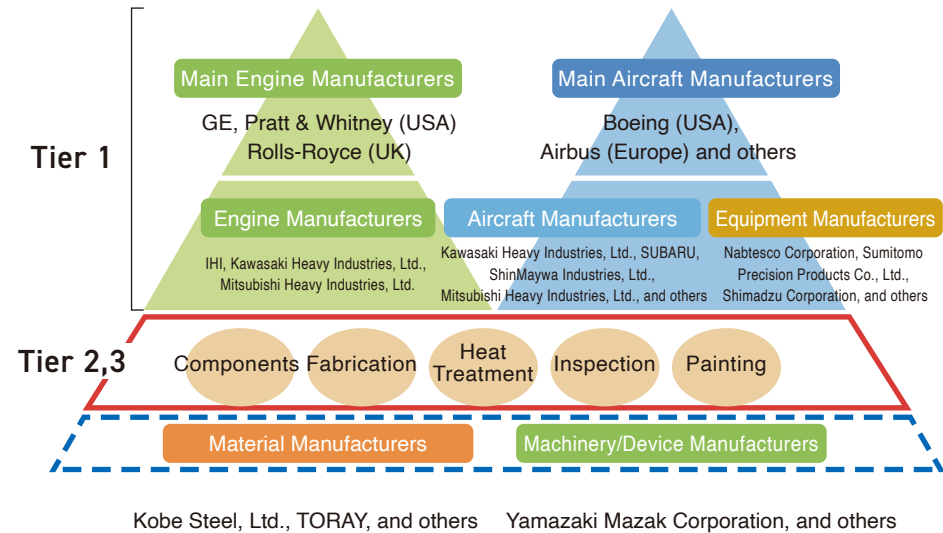
Aircraft Parts



- :Mitsubishi Heavy Industries, Ltd. (M) (Rear fuselage, Tail fuselage, Passenger entry door)
- :Kawasaki Heavy Industries, Ltd. (K) (Forward fuselage, Center fuselage, Cargo door, Aft pressure bulkhead)
- :SUBARU (F) (Center wing, Main landing gear door, Wing-to-body fairing (forward))
- :ShinMaywa Industries, Ltd. (S) (Wing-to-body fairing (center/rear))
- :Nippon Corp. (N) (Center fuselage components)

Source: Japan Aircraft Development Corporation

Aircraft Supply Chain Structure



Source: The New Industry Research Organization

“ 11

Aerospace Industry

Leveraging the concentration of aircraft-related manufacturers to support the entry of SMEs

KOBE AREA

23 Kobe-based companies participate in the Aircraft clusters integrated production system



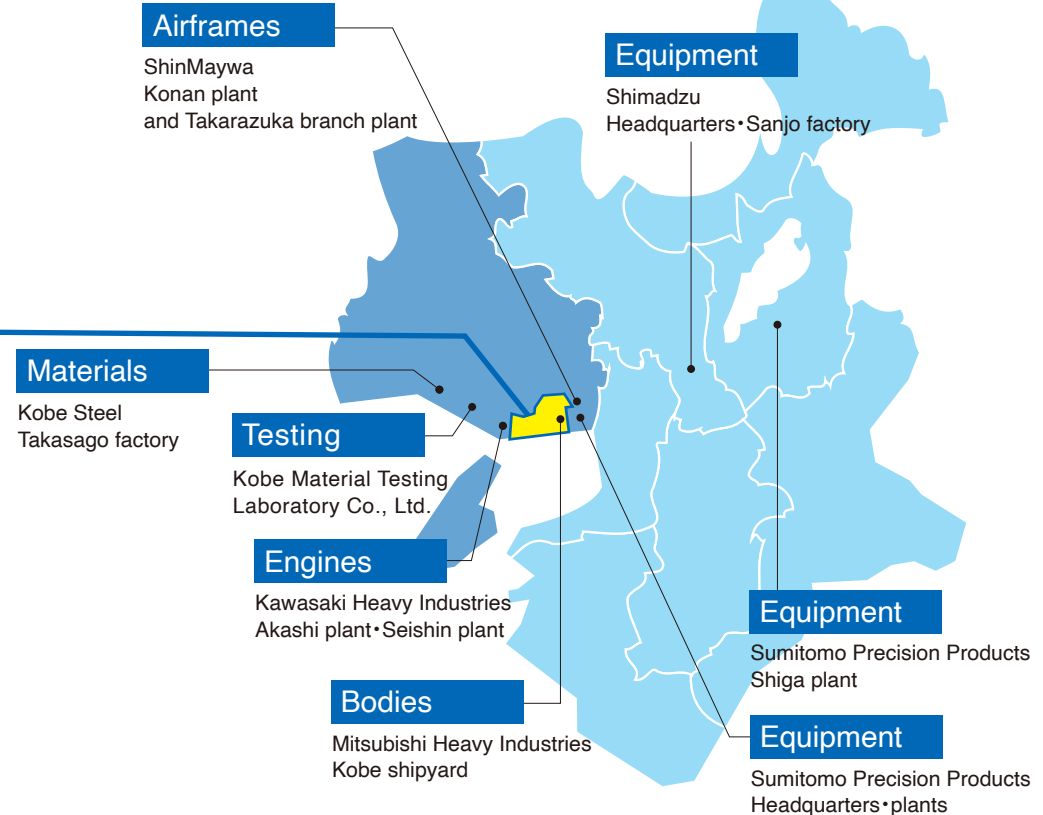
Aircraft non-destructive testing training center (the only one in Japan)

Engine Forum Kobe, an international exhibition and meetings



KANSAI AREA

Major companies supporting the aircraft industry in the Kansai area



“12 IT/Tech Industry



Support Agencies



Financial Institutes/Developers



Universities



Corporates



Economic Organizations



(As of January, 2024)

“13 IT/Tech Industry

Accelerate the emergence of innovation by supporting start-ups

Microsoft AI Co-Innovation Lab in Kobe

Microsoft AI Co-Innovation Lab opened in October 2023 as Japan's first and the world's sixth center for AI/IoT tool and service development, with free support from Microsoft engineers



Business Matching Programs

Support business matchings between overseas start-ups and domestic companies that focus on addressing social issues and climate change in the food industry



ANCHOR KOBE

A hub where companies, research institutes, universities, and start-ups can interact to create innovations



Kobe Global Startup Support

Support for business matching, establishment of bases, and growth and settlement assistance for foreign entrepreneurs and overseas startups aiming to expand into Kobe



“14 Living Environment

I Comfortable Living Environment

Abundant nature with a climate that offers cool summers and warm winters
Seasonal leisure activities such as Arima hot springs and sake breweries in Nada

Education

Many international schools are located in the city with a multicultural educational environment

8 International schools

- Canadian Academy • Deutsche Schule Kobe International • Kobe Chinese School
- Kobe Korean Junior High School • Kobe Korean Elementary School
- Marist Brothers International School • St. Michael's International School
- Kobe Korean Senior High School



Canadian Academy

A prestigious K-12 educational institute with approximately 700 students



Deutsche Schule Kobe International

German government-accredited infant and primary education institutions located only in Kobe and Yokohama nationwide



KENTO Center

A learning support and care center for bilingual children

Medical

- English-speaking hospitals are available, including seven hospitals that provide interpreters to accompany patients during their hospital visits
- Rated #1 for nine consecutive years for emergency medical center care in Japan

Kobe City Medical Center General Hospital



Convenience

- Less commuting crowds compared to Tokyo
- Kobe International Community Center offers various information and daily life counseling in many languages

Kobe International Community Center

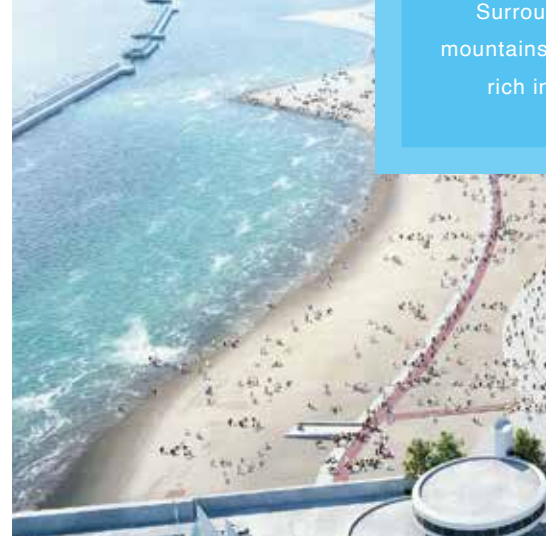
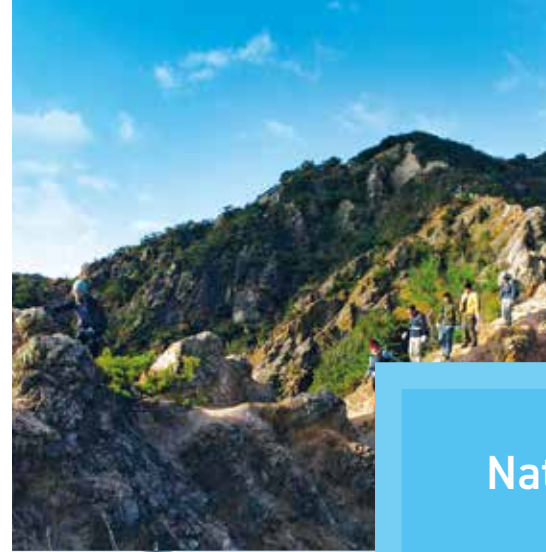


“15 Living Environment



Community

Various international communities such as Western, Chinese, Korean, and Vietnamese

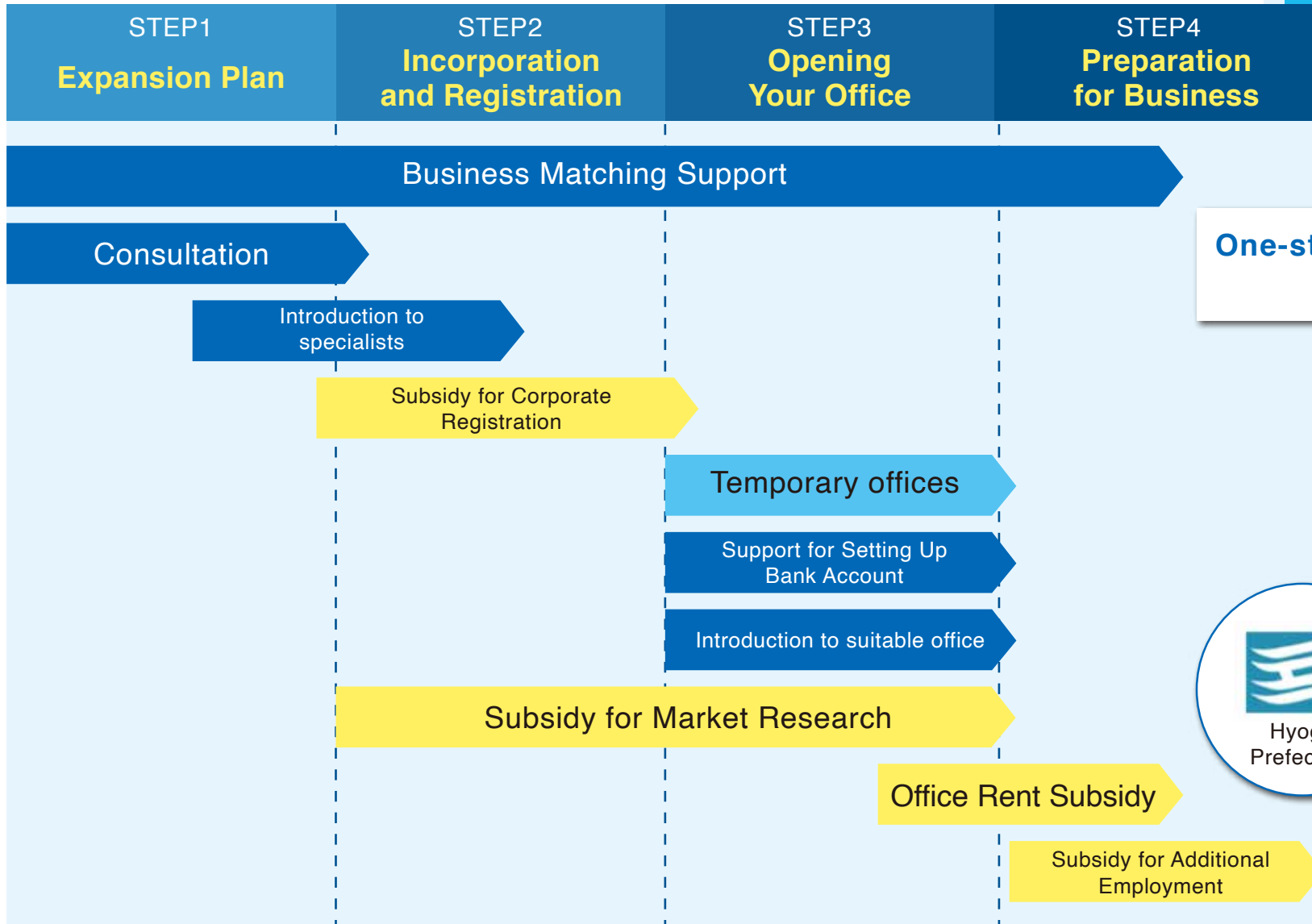


Nature

Surrounded by mountains and ocean, rich in nature

“16 Support System

Warm support for an expansion into Kobe



One-stop service support by 3 entities



“ 17 Support System

Support system for foreign and foreign-affiliated companies that operate globally

Each support system has eligibility requirements imposed by Hyogo Prefectural Government, Kobe City Government and the JETRO.

Office Rent Subsidy System

[Kobe City]

- ▶ Area: All areas of Kobe City
- ▶ Subsidy amount: Up to 25 % of rent (utilities and taxes excl.)
- ▶ Maximum amount: JPY 1,500/m² per month; JPY 10,000,000 per year
- ▶ Max. Subsidy period: 3 years
(5 years when a space of 1,500m² and more is rented)

[Hyogo Prefecture]

- ▶ Subsidy amount: Up to 25 % of rent (utilities and taxes excl.)
- ▶ Maximum amount: JPY750/m² per month; JPY1,000,000 per year
(JPY 1,500/m² per month; JPY 10,000,000 per year if 11+ new full-time employees are hired)
- ▶ Maximum subsidy period: 3 years

Prefectural Corporate Enterprise Tax Reduction [Hyogo Prefecture]

- ▶ Area: All areas of Kobe City
- ▶ Reduction rates : A 1/2 of prefectural corporate enterprise tax
- ▶ Period: 5 years
- ▶ Requirements : Enterprises:10+ new full-time employees
SMEs:5+ new full-time employees

Additional Subsidy for Employment [Kobe City]

- ▶ Requirement: Five or more permanent employees (Kobe citizens)
- ▶ Maximum amount: JPY 100 mil.

Kobe City	Site for accumulating business functions *2
•Requirement: Newly moving into Kobe City *1 Indefinite-term full time employee: JPY 1,200,000/ person Other: JPY 200,000/ person	•Requirement: Newly employed Kobe citizens *1 Indefinite-term full time employee: JPY 1,000,000/ person Other: JPY 150,000/ person

*1 Unemployment insurance and other requirements apply.

*2 City area around Sannomiya station, Shin-Kobe, Motomachi, Kobe, Port Island, etc.

Employment Subsidy [Hyogo Prefecture]

- ▶ Requirement: 10+ new full-time employees (if SMEs 5 new full-time employees)
- ▶ Maximum subsidy: JPY 600,000 per person (JPY 300,000 per person only if SMEs hire part-time employees residing in Hyogo)
- ▶ Maximum amount: JPY 300 million

Company Start-up Support [Hyogo Prefecture]

Subsidy for Corporation Registration Fee

- ▶ Maximum subsidy: 50% of qualifying expenses
- ▶ Maximum amount: JPY 200,000

Subsidy for Market Research Fee

- ▶ Area: Kobe International Economic Zone
- ▶ Maximum subsidy: 50% of qualifying expenses
- ▶ Maximum amount: JPY 1,000,000

Free Temporary Offices [JETRO Kobe]

- ▶ Maximum Use Period: approx. 3 months

“18

In Companies' Own Words



Bayer Yakuhin, Ltd.



Head of Open Innovation
Center Japan

TAKAHASHI, Shunichi

Q1. Why did you choose Kobe for your location?

A. We have expanded to Kobe for the purpose of establishing an incubation facility to support venture companies. Over a period of two years, we established the “CoLaborator Kobe”, the first initiative of its kind in Japan.

Q2. What are the reasons for your decision?

A. In addition to a convenient location, it was important to have the necessary conditions to develop an ecosystem. Most importantly, the location had to be within easy commuting distance to facilitate building relationships with partners.

Q3. How do you see your decision in retrospect?

A. We actually feel that the location and research environment are excellent. We are also expanding our network with companies and people in the surrounding area through various events.



EF Education First Japan



Regional Sales Director

KOUNO, Shinichi

Q. Why did you choose Kobe for your location?

A. The demand for study abroad is increasing as globalization progresses. We currently have six offices in Japan, and to meet the growing demand, we decided to establish offices where we can provide in-person support.

Q. What are the reasons for your decision?

A. As an international educational institute, we receive many inquiries about studying abroad, and we chose Kobe because many companies are looking to expand their business overseas. Our mission is to increase the number of human resources who can contribute to the internationalization of Kobe and Japan in the future.

Q. How do you see your decision in retrospect?

A. With the city's excellent transportation system, it is easy for our clients or potential clients to stop by to use our services while shopping, dining, or even after school or work. The sophisticated cityscape is also a good motivation for me to work here.



Dürr Dental Japan K.K.



CEO

HAULL, Uwe Dieter

Q1. Why did you choose Kobe for your location?

A. To expand our business, we were searching for a good location to set up our Japan HQ. We came across Kobe City's “Kobe Biomedical Innovation Cluster” plan and found a perfect location.

Q2. What are the reasons for your decision?

A. Kobe located geographically in the centre of Japan, and the area we choose with its proximity to the airport, the harbour, as well as having the Shinkansen station close by, Kobe seemed to be the best choice to be able to serve all our customers in all areas of Japan.

Q3. How do you see your decision in retrospect?

A. The ideal environment of a modern city and surrounded with an abundance of nature gives us every day's energy and creativity. Many of our customers consider visiting us in Kobe instead of us visiting them.

“ 19 In Companies' Own Words



Gripple Japan K.K.



Managing Director
MAKINO, Takahiro

Q1. Why did you choose Kobe for your location?

A. To penetrate the market, our head office decided that we needed to interface with our customers and be grounded in our activities. We do not choose the capital city for our business in other countries; instead, we tend to look for a location where we can engage in steady business and steady growth. For that reason, we chose the vibrant Kansai region.

Q2. What are the reasons for your decision?

A. We chose Kansai as a candidate because of its convenience for importing. We took into consideration the vitality of the city for creating a loyal customer base to put down roots in the region, and we were impressed by the warmth of the people in Kobe, and therefore we chose Kobe.

Q3. How do you see your decision in retrospect?

A. The Kobe Airport and the shinkansen from Shin-Kobe Station are extremely convenient even for business trips to distant places. The food is delicious, and the people from the UK headquarters who come to Japan 4-5 times a year are always happy to come back.



Knorr-Bremse
Rail Systems Japan Ltd.



Managing Director
KIM Peter

Q1. Why did you choose Kobe for your location?

A. Locally rooted sales activities and after-sales follow-up are indispensable to earn the trust of customers in the Kansai area. For that reason, we expanded to Kobe City.

Q2. What are the reasons for your decision?

A. In order to support our business partners in the Kansai area, we thought we could maximize the location's merits by setting up the office in Kobe City.

Q3. How do you see your decision in retrospect?

A. Such factors as the convenience of the office and the surrounding environment have exceeded the expectations of not only the employees working in Kobe but also those coming from Tokyo on business trips.



Morganite Carbon



Director, Finance controller &
Office Manager
Mayumi Yamaguchi

Q1. Why did you choose Kobe for your location?

A. We were considering relocating at the expiration of our lease contract due to the deterioration of the headquarters in Suita City. Due to the soaring rent in Osaka City, where the company was founded, we were looking for potential relocation sites within commuting distance.

Q2. What are the reasons for your decision?

A. Convenient access to the Kansai International Airport, Kobe Airport, Shin-Kobe Station and Sannomiya Station was an advantage for our domestic business as well as for overseas visitors. In addition, the preferential incentive policies of Hyogo Prefecture and Kobe City for foreign companies led an approval from headquarters in overseas.

Q. What would you like to achieve in Kobe?

A. In a social structure that has changed in many ways since the Covid pandemic, we aim to achieve new growth by collaborating with companies active in the National Strategic Special Zones by utilizing new materials using the strengths of global companies.

“20 In Companies' Own Words



Oerlikon Japan Co., Ltd.



President and
Representative Director
TSUYUKUBO, Haru

Q1. Why did you choose Kobe for your location?

A. Our branch in Osaka relocated to Kobe for more convenient access to our customers in the Kansai areas as well as for convenience for visitors from overseas.

Q2. What are the reasons for your decision?

A. The reason is the various means of transportation connecting Kobe with other parts of Japan, including railroads, airlines, and buses, as well as convenient access to the Kansai International Airport for overseas travel.

Q3. How do you see your decision in retrospect?

A. Surrounded by the sea and mountains, the business district and residential areas are closely integrated and employees and visitors from abroad can enjoy the exotic atmosphere of the city. I think this kind of environment is also important for our work.



Svanehoj Japan, LLC



Director, Head of Japan Office
Hirohide Gohda

Q1. Why did you choose Kobe for your location?

A. In 2018, our company became independent from the Wärtsilä Corporation in Finland and established a Japanese subsidiary to expand our business in Japan. Since our customers are mainly in the Kansai and Setouchi areas, we were looking for a base in the Kansai region.

Q2. What are the reasons for your decision?

A. Access to our customers involved in the shipbuilding business is ideal for us, in addition to which, Kobe City provides an unparalleled infrastructure for business support, including accounting firms and law firms. The allure of a foreign ambiance is very attractive for European business travelers.

Q3. How do you see your decision in retrospect?

A. In a word, Kobe is wonderful place to do business due to the convenience of travel, both by land and air, to neighboring areas as well as country-wide, combined with a vibrant atmosphere replete with many restaurants offering delectable dishes, meaning that all daily needs are within walking distance.



TreeFrog Therapeutics Japan K.K



CEO
Fabien DEBAECKER

Q1. Why did you choose Kobe for your location?

A. From the very start of the company, our goal was to set up a research & development and business hub in Japan. Japan has been known as a pioneer in the field of iPS-based cell therapies for the past 10 years. When we learned about the Foundation for Biomedical Research and Innovation at Kobe (FBRI), the largest medical industry cluster in Japan, we started investigating how we could settle in Kobe.

Q2. What are the reasons for your decision?

A. Obviously, there's already an ecosystem in Kobe that is of utmost interest to us. Then, transportation to and from Kobe is convenient. Quality of life is attractive. And the Kobe City council was very supportive to help us create our first offices and labs.

Q3. What would you like to achieve in Kobe?

A. In 2021, we demonstrated that the C-Stem™ technology allows to produce iPS cells with unprecedented scalability, quality and reproducibility. With our lab in Kobe, our goal is to establish partnership with Japanese labs, biotech and pharma, to co-develop safer, more efficient, and more affordable iPS-derived cell therapies.

BE KOBE

Kobe City Economic and Tourism Bureau

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<https://investkobe.com/>

Invest in Kobe

