

# Promotional Tour to Grow International Economic Activities (International Tourists, Students, & Investments) in Kyushu through Regional Businesses, Products, and Tourism Report

## 1, Objective

Upcoming major, international sporting events such as the 2019 Rugby World Cup, the 2020 Tokyo Olympics/Paralympics, and the 2021 World Aquatics Championships are golden opportunities to promote Kyushu's appealing characteristics to international tourists visiting Japan and the rest of the world (the London Olympics attracted approximately 440 billion yen of direct investments into the UK, generated around 30,000 jobs, and distributed direct investments to other regions).

At present, however, the attractive characteristics of Kyushu's respective regions has yet to be conveyed to the rest of the world. Although international Asian shoppers from China and South Korea, amongst others, have increased substantially, Western consumers have not been engaged effectively. Furthermore, the number of international students and investments into Kyushu are not growing significantly.

In consideration of these aforementioned issues, this project aims to disseminate information internationally—with a focus on the West—regarding Kyushu's various businesses, products, and tourism overseas. By raising awareness of Kyushu at the international level, we expect to grow international economic activities in Kyushu. ( According to a business and investment survey by METI, approximately 80% of international companies are from the West and subsidies in Kyushu are typically part of secondary expansion efforts.)

## 2, Description

· Five experts (international influencers) will be invited to survey Kyushu's five "blocs" from the angle of "tourism," "regional resources," "international students," "investments," & "city development/design." Each prefecture/city will select businesses, products, and tourism that each region wishes to highlight. With the experts, they will learn and share methods to generate interest among Westerners (how to display, sell, and add value, etc.). In the future, the Kyushu Bureau of Economy, Trade, and Industry and the Kyushu Economy International, etc. will utilize SNS to broadcast videos and information.

· With regards to tourism, for example, we expect international businesses to expand into Kyushu (investments in Japan) by a broad range of industries entering the market for diverse local resources such as *onsen*, accommodations, traditional crafts, and cuisine.

· This promotional tour will be held multiple times over the next 3-4 years and held throughout Kyushu in order to convey Kyushu's charm.

### 【Image】

2016

NORTHEAST KYUSHU  
Fukuoka & Oita  
Prefectures & Kitakyushu  
City:  
Dec 6-9, 2016 (4 days)  
Themes: [Manufacturing,  
Onsen, International  
Students, & "Cool Japan"]  
Kitakyushu Airport (SFJ),  
Yaskawa Electric,  
Kokuraori (Textiles),  
Mojiko, Fresenius, APU,  
Oita Robocare Center,  
Beppu Onsen, Nakashi-  
mada Engineering,  
Dazaifu Tenmangu, etc.

2017(proposal)

NORTH-CENTRAL  
KYUSHU  
Fukuoka City  
(Fukuoka Pref.) &  
Kumamoto City  
(Kumamoto Pref.)  
Themes (tentative):  
[Creative Industries  
such as Games &  
Fashion]  
Unagi-no-Nedoko  
Sitateru,  
HITOYOSHI,  
Factelier, etc.

2018(proposal)

NORTHWEST  
KYUSHU  
Saga & Nagasaki  
Prefectures  
Themes (tentative):  
[Sake, Food, &  
Cosmetics]

2019(proposal)

SOUTHEAST  
KYUSHU  
Miyazaki &  
Kagoshima  
Prefectures  
Themes (tentative):  
[Healthcare &  
Onsen]  
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### 3.Tour program

Date:

December 6th-9th, 2016

Destinations:

- Day1(Dec.6<sup>th</sup>) : Yasukawa Electric → Kokura Ori Yu Textile Workshop  
/Shima Shima Head Office → Tanga Market  
/Kokura Uomachi Sun Road Arcade
- Day2(Dec.7<sup>th</sup>) : Mojiko Retro Area/Moji Red Brick Place→  
Fresenius Medical Care Japan – Buzen Plant→  
Beppu Onsen
- Day3(Dec.8<sup>th</sup>) : Onsen Water & Steam Power Generation System &  
Geothermal Smart Greenhouse → Ritsumeikan Asia Pacific  
University → Oita Robocare Center
- Day4(Dec.9<sup>th</sup>) : Nakashimada Engineering Works→  
Nakayama Kichishoen → Wrap up meeting

Invited Experts:

- Tonoloop networks CEO  
Tom Vincent (Regional Resource)
- IT & IP Strategy Advisory Group SA Japan  
Deputy General Manager  
Aldo Bloise (Investments in Japan – international perspective )
- Fukuoka Now CEO  
Nick Szasz ( international economic activities in  
general – town development, tourism )
- Accenture Consulting  
Health & Public Service Principal Director  
Hiroshi Ebara (investments in Japan – Japanese perspective) )
- Campus support SEINAN  
Business Solutions Consultant  
Translating and Language Business Manager  
Matthew Barkley (international students, interpreters, & guides)

[Hosts] Kyushu Bureau of Economy, Trade, and Industry,  
Institute for International Studies and Training,  
Kyushu Economy International

[Co-hosts] Fukuoka Prefecture, Oita Prefecture, Kitakyushu City

[Supporter] Kyushu Economic Federation

[Cooperation] JETRO - Fukuoka, Kitakyushu, Oita

# Yaskawa Electric

**[Themes: robots, manufacturing]**

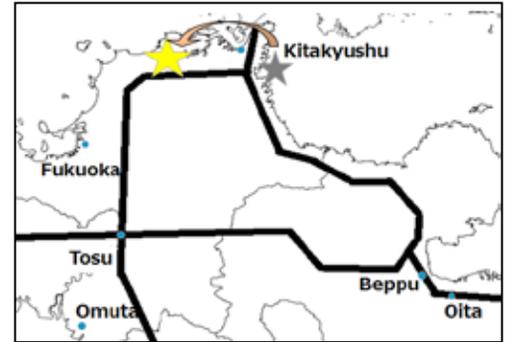
## Description

Yaskawa Electric Corporation is founded in 1915, the company specializes in motors and its applications.

Yaskawa pioneered and proliferated the "Mechatronics\*1" concept.

- The company's core technologies are motion control, robotics, and power conversion.
- The Yaskawa Innovation Center is located inside Robot Village, which opened on June 1, 2016. Here, visitors will experience the amazing excitement and joy of robots and manufacturing.

\*1 Mechatronics is derived from "mechanism" and "electronics"



## Point

- Identify ways the company can expand through new content or collaborations with other companies, can be an appealing subject of investment & partnerships with foreign firms, and be a regional pioneer into new areas of business.

## Expert's Advice

- Yaskawa Electric was wonderful, and the point here is to figure out how to connect it with other corporate fields. This is the best place for investment.
- It is an ideal place to introduce Japanese high-tech.
- The company is carrying out educational programs for university students through offering facility tours of the Innovation Center (Miraikan) by incorporating a business perspective to cultivate human resource (engineers, scientists, etc.) as part of its CSR activities.



## Kokura Ori Yu Textile Workshop / Shima Shima Head Office

[Themes: traditional crafts, expansion into Western markets]

### Description

“Kokura Ori” from Kitakyushu City is a cotton fabric textile that is thick and durable. Kokura Ori is crafted by threading the vertical threads more denser than the horizontal threads. This textile was woven to be used for Hakama and Obi—a type of Kimono and the belt worn around the Kimono, respectively—that Samurai warriors would wear. The textile became a popular, Buzen-Kokura Clan product during the Edo period. Even Ieyasu Tokugawa, the founder of the Tokugawa Shogunate, wore a Haori—Kimono-like jacket—made from Kokura Ori to battle.



Kokura Ori weave was successfully restored after a decades-long hiatus during which there was an absence of weavers who could pass down their techniques. Production today ranges from unique, hand-woven products to mass-produced, machine-woven textiles so that many people can enjoy and use this material. This a substantial achievement, as it introduced versatility and popularity to a traditional craft.

### Point

- Identify ways to disseminate this successful example of a traditional crafts firm that overcame various issues that others struggle with, what further business opportunities exist – such as developing products for a younger demographic, whether it is necessary to cultivate new business channels.

### Expert's advice

- Kokura Ori is amazing. Noriko Tsuiki is the dyer and weaver who restored this traditional craft. Not only is she a successful artist, but ten out of fifteen of her apprentices have gone on to become independent artists. In addition, the Kokura Ori “Shima-Shima” brand, headed by her younger sister, has expanded its business in Japan as well as overseas.

There are very few traditional artisans in Japan who are turning a profit. This can add value to the industrial city of Kitakyushu.

- Kokura Ori is a wonderful, top-of-its-class, traditional products. However, it should disseminate more information.



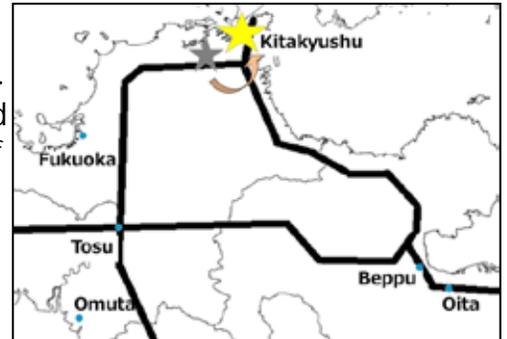
## Tanga Market

### /Kokura Uomachi Sun Road Arcade

[Themes: shopping arcade revitalization, urban development]

#### Description

Tanga Market has over 100 years of history. It is known as the "Kitchen of Kitakyushu" and continues to flourish today. The townscape of approximately 50 shops on the west side of the arcade pushing out over Kantake River is popular, but the market is struggling with the issue of redevelopment in accordance with expansion of the river.



Kokura Uomachi Sunroad Shopping Arcade removed its arcade after 35 years. It is a successful case in which renovation of vacant shops transformed the run-down, shuttered shopping avenue into a rejuvenated commercial area where new stores are being opened one after the other.

#### Point

• Based on these two success stories, identify issues and solutions for the coexistence and mutual revitalization of commercial facilities and their host community from the perspective of urban development. Example: utilization of the Renovation School, which is highly regarded as a proactive effort by youth and members of the shopping arcade.

#### Expert's Advice

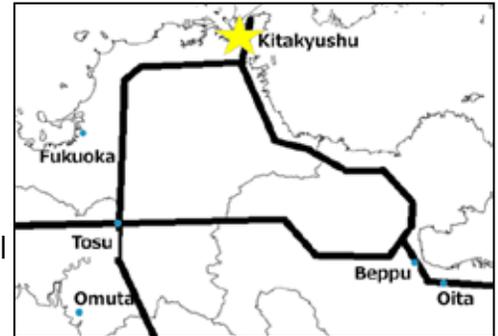
- Tanga Market has many appeals and is the biggest asset of the town, from the Western point of view.
- The renovation concept to revitalize shuttered shopping arcades is excellent. If the shopping arcade were to cultivate an atmosphere that is attractive to youth, other people will come as well.
- Just as the locals enjoying coffee in cafés in Italy attract overseas tourists, what is important is whether the immediate residents are actually enjoying the place.



## Mojiko Retro Area / Moji Red Brick Place [Themes: hotels for foreign tourists]

### Description

Red Brick Place is now an industrial heritage site where buildings of architectural significance and industrial history remain today as symbols of Kitakyushu and the Moji district. It is known as the Mojiko Retro Area, which include buildings and commercial establishments built in the Taishō era (early 19th century), Kanmon Straights, Kanmon Bridge, and Garryū-jima (island).



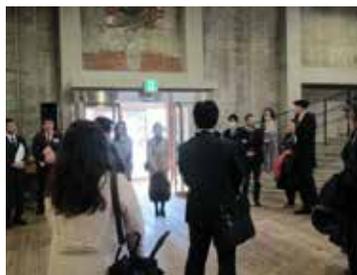
The region constitutes an exotic tourism resource with historical context and has potential for various kinds of development, as it is located between Kitakyushu Airport and Kokura (center of Kitakyushu City).

### Point

- How can you utilize the historical, regional resources to build a future. For example, even if a international hotel was founded and the area became a place for foreign tourists and businessperson, are there any ideas that utilize local resources to attract investment and foreign tourists?

### Expert's advice

- Moji could be a gateway to both Honshu and Kyushu, and it could be turned into a "one-stop" city. It would be worthwhile to consider introducing Mojiko and Shimonoseki as a pair.
- Circumstances and trends change over time. Data-driven technology can show where foreigners enter Japan, where they go, stay, and visit, etc. The movement of people always fluctuates, so it's important to think ahead and prepare for the future (as opposed to pursuing the current trend).



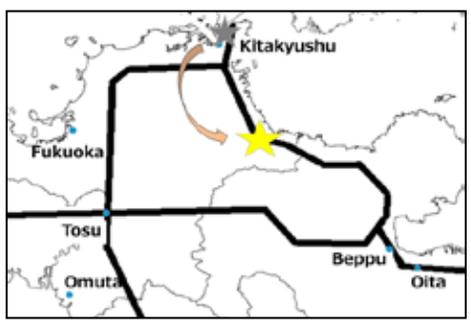
# Fresenius Medical Care Japan – Buzen Plant [Themes: attracting foreign investment, dialysis]

## Description

A success story of a foreign-affiliated manufacturer that has established development and production operations in a provincial region of Japan. This manufacturer is expanding its cutting-edge products and services that are implemented in and highly acclaimed by dialysis facilities around the world.

Precise analyses were carried out on its expansion procedures, so their experience may shed light on conditions for other companies interested in secondary and tertiary expansions.

On one other hand, the company is struggling with cost competition with similar products made in China. It is, therefore, crucial to observe whether it can preserve its global competitive advantage while in Buzen City. On the other hand, the “Made in Japan” label bolsters considerable credibility in its quality among doctors and hospitals.



## Point

• Foreign investors take accessibility, energy costs, and plant & equipment investment support through subsidies and grants into consideration. What incentives can be offered to foreign firms that can create employment and revitalize the local region. In particular, what can be done for companies such as Fresenius that are neither an SME nor an industrial giant?

## Expert’s Advice

- This is an incredible company that is producing world-class products in Buzen. However, this is a uniquely successful case and does not serve as a precedent.
- This company succeeded in secondary/tertiary investment through its parent company’s primary expansion into Japan. The initial opportunity (investment) is extremely difficult to achieve for most firms, whose challenge is to identify the opportunity. When it is too complicated for a single municipal to handle this on its own, this process should be carried out skillfully in cooperation with the prefecture or other organ/institution throughout the entire Kyushu region.
- Buzen City’s support for foreign companies that it has attracted is an incentive for investment. It would be beneficial for such companies, instead of the city, to share details on their experience after their expansion into Buzen.



15:00

# Beppu Onsen

## Umi Jigoku /Jigoku Mushi Kobo Kannawa /Beppu City Tour 【Themes: onsen (No. 1 in Japan), tourism】

### Description

• Beppu is known as one of the world’s leading spa regions. It suffered a decline when the Japanese bubble economy collapsed and a shift from group travel to private travel. However, in recent years, the city has become the focus of attention for its various tentative efforts that have helped attract tourists again. The city has integrated its history and “new blood” through collaborative projects with Tatsunoko Production (animation programs), “Hattou Onpaku” (cooperative of 8 onsen regions), “Beppu Project” (modern art movement by various artists), numerous art festivals, international students at APU, and “Shin-furo” videos (synchronized swimming in onsen).



### Point

- Increasing Beppu’s communicability, in light of the reality that neither Kyushu nor Beppu have strong publicity overseas as “onsen areas,” can help strengthen communicability for Kyushu as a whole.
- What is necessary to convey Beppu’s charms to the international community and connect the city to foreign firms that are interested in investing in the tourism industry? Furthermore, what future direction and cooperation with other regions can Beppu take as a hub for tourist excursions around northeastern Kyushu?

### Expert’s Advice

- If tourism was going to be part of this tour, then the luxury onsen are should have been included in the itinerary, regard less of cost. It was a waste of time to only look at old, run-down facilities in Beppu.
- The tourism portion of this tour was Moji and Beppu, but it felt that the government’s perception of tourism is out of sync. Being taken to see Umijigoku seemed rather pointless region where industrial level is high and there are many other sightseeing areas.
- The city is trying to promote itself through an interesting TV commercial and so forth, but none of this illuminates what kind of town Beppu is, and it appears as though the city itself has forgotten. Beppu’s essence is found in its therapeutic baths. It is a hot-spring area where people are willing to spend their money and time for a refreshing experience.
- Beppu can become a world-leading *onsen* (hot-spring) resort town. Steam billowing up from so many quality hot springs all over the town – this is a valuable asset. The city should consider what kind of spa resort is in demand by the people of the world, incorporate the concept of traditional therapeutic bathing, and come together to launch its brand as the world’s “Spa Resort Beppu.”



19:00

# Onsen Water & Steam Power Generation System & Geothermal Smart Greenhouse [Themes: geothermal generation (largest in Japan)]

## Description

Onsen steam power generation and smart greenhouses is garnering attention about the use Oita Prefecture's ample renewable geothermal energy for agriculture and tourism.

The Onsen water used in the generation system is then distributed to neighboring areas. This efficient system is garnering attention from all over Japan and has become a new source for tourism.



## Point

- The system is continuously becoming closer to implementation. However, domestic and overseas applications are still very modest. How can this be utilized as a regional resource for Beppu, which has the most number of onsen springs and volume of onsen water in Japan?

## Expert's advice

- This water & steam power generation system should be marketed internationally. There may be issues to solve, such as the bottom-line and operation rate, but it should be marketable to areas in Asia with moderate power demands and where geothermal generation is possible. This would be possible by clarifying, numerically, how it can be profitable.
- Geothermal generation must be developed as a profit-making enterprise. It could be marketed to other onsen regions, within and outside of Japan, with the support of the private sector and specialists.



# Ritsumeikan Asia Pacific University 【Theme: international students】

## Description

Approximately 3000 international students live here and generate a mutually beneficial impact, such as expansions of exchanges between the local community and human resources. The university has attracted attention as a leader in globalizing higher education institutions in Japan. On the other hand, global human resources have yet to be sufficiently established in this region. In other words, there is substantial room for growth.

Most international students who remain in Japan upon graduation find employment outside of Kyushu, mainly in the Kanto and Kansai regions. Even so, the business community in Kyushu is raising its expectations in APU graduates to handle overseas expansion.



## Point

- Potential for developing businesses that utilize APU and the effective utilization of its ample global human resources.
- What can be done to keep APU graduates in Kyushu and have them contribute meaningfully? What can be done to make students become more interested in Kyushu?

## Expert's advice

- I would like students to consider not only major corporations or to start their own businesses, but also the possibilities of other kinds and ways of employment.
- If you do choose to live in Japan, you will certainly struggle with your identity. You should learn how things work in Japan, but you should also be aware that you don't necessarily have to assimilate to the "Japanese way".
- There are many decent small- and mid-sized firms in Kyushu. More information needs to be passed on in better ways to international students.
- Major firms have an advantage in the current job-hunting & employment system. This is why a more flexible system is required to enable students to choose smaller firms or start-ups.



# Oita Robocare Center

## [Themes: health, rehabilitation]

### Description

Oita ROBOCARE Center is a lodge-type training facility founded in 2014 by CYBERDYNE. This venture company based in Tsukuba City researches and develops Robot Suit HAL® for medical and caregiving purposes.

Using Robot Suit HAL®, ROBOCARE Center provides intensive training to persons with leg or back impairments, as well as paralympians. Incorporating Onsen tourism into the training course, Oita ROBOCARE Center is garnering attention from the world as a new form of medical tourism.



### Point

- HAL is recognized as a robotic suit for rehabilitation, but what can be done to utilize HAL to create clients who stay in Beppu for the long-term, to develop other business segments such as tourism, and to collaborate with sightseeing resources?

### Expert's advice

- The city/prefecture could assist the company in finding business partners to expand its business.



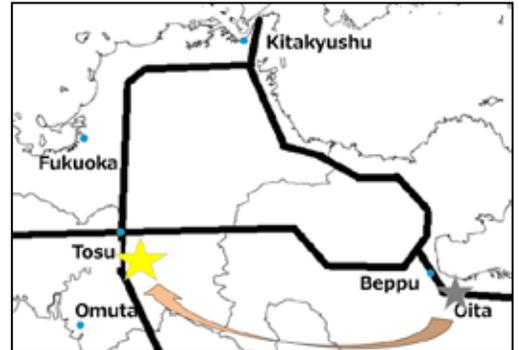
# Nakashimada Engineering Works

## [Theme: from screws to satellites]

### Description

A manufacturer of headers and formers that produce screws and other metal parts that are utilized in various industrial goods, this company's sophisticated technology has established its firm position in domestic and global shares.

This is a visionary company despite being a medium-sized, provincial enterprise, the company collaborated with Tohoku University to invent DOM (device that drops retired satellites out of orbit and into the atmosphere)

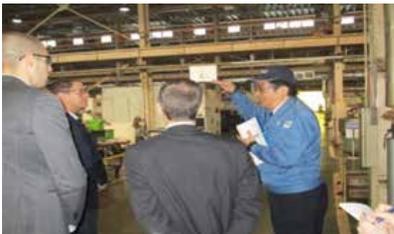


### Point

- How did a provincial manufacturing company enter the automotive and aerospace industries, culminating in the development of a satellite?
- Including industrial and regional cooperation, what is necessary for provincial SMEs' to develop in the future?

### Expert's advice

- Nakashimada Engineering Works began processing bamboo for Japanese umbrellas long ago, and it has now moved into the cutting-edge aerospace sector. Its narrative is that of the quintessential, Japanese manufacturer.
- The history of this company that began in 1911 as an equipment manufacturer for Japanese umbrellas and then became a satellite manufacturer in the present day is extremely romantic. The story is simply beautiful. METI should produce a commercial for the company.



# Nakayama Kichishoen

[Themes: green tea, expansion into overseas markets]

## Description

Established as a product dealer of Yame in 1865 (the first year of Keio). As a core business of green tea sales, we mainly operate wholesale to Japanese tea retailers. In addition, it sells to various sectors, such as gift shops, funeral related businesses, sales to mass merchandisers, direct sales to consumers, mainly through mail order sales.

In 2014, the company acquired the certification of the halal manufacturing plant for the first time in the tea industry and aimed for overseas expansion.



## Point

- This long-established company with over 150 years of history has obtained Halal certification to enter the Muslim market and this business is venturing into overseas expansion. Differentiating itself with its Halal certified green tea for the Muslim community and high-end Gyokuro (shaded green tea) for the affluent community push the boundaries of the potential for Yame tea as well as all Japanese tea.

## Expert's advice

- This company's eagerness to take on new challenges is wonderful, going so far as to obtaining Halal and HACCP certifications when so many Japanese tea producers are giving up. I see potential in such things as Halal matcha tea stands.
- When we visited Nakayama Kichishoen, we should have been taken to see the tea plantations as well and shown the correct way to brew gyokuro tea. That is tourism.



Wrap-up Meeting