

Kyushu Economic Internationalization Data 2016



< Summary Version >

December 2016

Kyushu Bureau of Economy, Trade and Industry

Kyushu Economic Internationalization Data 2016 (Highlights)

Asian Degree

- Kyushu's exposure to Asia was higher than the national average in five categories ("Export Value," "Businesses Expanding Overseas," "Foreign Entrants/Visitors," "International Air Routes," and "Sister city relationships"), indicating its strong economic ties with Asian countries, but not in "Import Value".

International Trade

- With regard to trade value in 2015, Kyushu exported 5,956.6 billion JPY (up 3.2% YOY) showing YOY growth for the third straight year, and imported 5,678.8 billion JPY (down 16.6% YOY – the first YOY decline in six years). Kyushu's exports to Mexico and Hong Kong increased, while its imports from Saudi Arabia and Qatar decreased.
- Highlights of 2015 include the robust export growth, **reaching a record high**, due to brisk exports of electronic parts such as semiconductors, etc.. On the other hand, imports decreased significantly due to lower petroleum prices in response to resource market crashes. As a result, **the trade balance became positive for the first time in five years.**

Outward/Inward Investments

- A total of 974 Kyushu-based businesses expanded overseas by 2015. These included 33 newcomers (up 3.1% from the previous year) in 2015. Looking at the destinations of those businesses, Asian countries accounted for just under 80% of the total (757 businesses), with China (359) and ASEAN nations (228) as key drivers.
- The number of foreign affiliates entering the Kyushu market was 440 as of 2014, mainly in Fukuoka Prefecture (303). Nationalities of parent companies of these affiliates included the USA (199), Germany (59), France (35), Switzerland (22), and South Korea (22).

Interpersonal Exchange with Foreign Countries

- In 2015, 2.05 million foreigners entered Japan via Kyushu (up 38.4% year over year), **exceeding 2 million for the first time.** By nationality, visitors from South Korea accounted for 59.4% (the largest group), followed by Taiwan and China. Kyushu receives relatively high percentages of Asian visitors, and nearly 30% of the South Koreans who visited Japan per year enter via Kyushu.
- In 2015, Kyushu received a total of 17,365 foreign students (down 2.6% from the previous year), accounting for 11.4% of Japan's total figure. In 2015, 769 foreign students were hired by firms located in Kyushu, up from the previous year, while accounting for only 4.9% of Japan's total.

Topic: Impact of the Kumamoto Earthquakes

- Concerning the impact of the 2016 mid-April Kumamoto earthquakes on Kyushu's exports, a significant decline was observed in each export commodity as well as in total exports (down 12.9% year over year) during the month of April. After May 2016, the export of motor vehicles turned positive, while that of cycles with engines remained low due to the negative impact of the earthquakes.
- The April 2016 Kumamoto Earthquakes had a significant impact on the number of accommodated guests to Kyushu from April to June, resulting in a YOY decline for each month. In particular, a significant decrease was seen in foreign guests. Thanks to the subsidization program (Kyushu Restoration Discount) designed to assist tourist-focused businesses in Kyushu by offering discounts to travelers, and to efforts by local governments and associated organizations to attract more tourists, the number of tourists (both domestic and foreign) staying in Kyushu recovered to pre-earthquake levels. **In Kumamoto, however, the figures continue to be lower than the previous year.**

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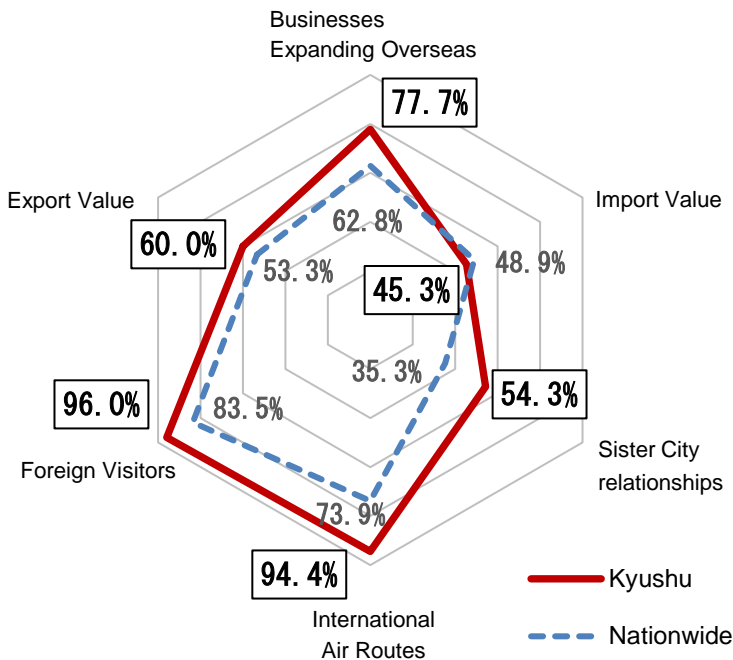
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Characteristics of Kyushu (Economic Exchange with Asian Countries)

In order to evaluate the depth of economic exchanges between Kyushu and the nations of the Asian region, the percentage of Kyushu's economic engagement in the Asian region is defined as Kyushu's "Asian degree," with a focus on six (6) categories: "Export Value," "Import Value," "Businesses Expanding Overseas," "Foreign Visitors," "International Air Routes," and "Sister City relationships."

When Kyushu's Asian degree is compared with that of Japan's nationwide Asian degree for the year 2015, Kyushu shows a higher percentage in each of the five categories (except "Import Value"), suggesting that **Kyushu has strong economic ties throughout the Asian region.**

Comparison of Kyushu and Nationwide Asian Degree



Category	Unit	Kyushu (2015)			Nationwide (2015)		
		Asia	Global	Asian degree	Asia	Global	Asian degree
Businesses Expanding Overseas	#	757	974	77.7%	18,300	29,125	62.8%
Import Value	100M yen	25,738	56,788	45.3%	383,585	784,055	48.9%
Sister city relationships	#	100	184	54.3%	597	1,692	35.3%
International Air Routes	#	34	36	94.4%	263	356	73.9%
Foreign Visitors	#	1,962,587	2,045,117	96.0%	16,446,943	19,688,247	83.5%
Export Value	100M yen	35,740	59,566	60.0%	403,287	756,139	53.3%

Note: The figures in "Import Value," "Foreign Visitors" and "Export Value" are based on the single-year data for 2015; those in "Businesses Expanding Overseas" and "Sister city relationships" are the cumulative values up to 2015; and the figure in "International Air Routes" is based on data confirmed as of 2015.

Source: Prepared by Kyushu Bureau of Economy, Trade and Industry, "Trade Statistics of Japan" (Ministry of Finance), "2015 Kyushu/Yamaguchi Local Business Expanding Overseas" of Kyushu Economic Research Center (Public Interest Incorporated Foundation), "2016 Complete List of Japanese Businesses Expanding Overseas (Country-specific Edition)" of Toyo Keizai Inc., "Annual Report on Statistics on Legal Migrants" of Ministry of Justice, "JTB Timetable March 2016 Edition" of JTB Publishing, Inc., and the website of the Council of Local Authorities for International Relations (General Incorporated Foundation).

Kyushu Trade (Summary)

○With regard to the value of trade in 2015, Kyushu exported 5,956.6 billion JPY (up 3.2% YOY) showing YOY growth for the third straight year, and imported 5,678.8 billion JPY (down 16.6% YOY; the first YOY decline in six years). Kyushu's exports to Mexico and Hong Kong increased by 1.0%¹⁾ and 0.9%¹⁾ respectively in terms of contribution degree, while its imports from Saudi Arabia and Qatar decreased by 3.2%¹⁾ and 2.4%¹⁾ respectively in terms of contribution degree.

○The balance of trade was 277.8 billion yen, the first surplus in 5 years.

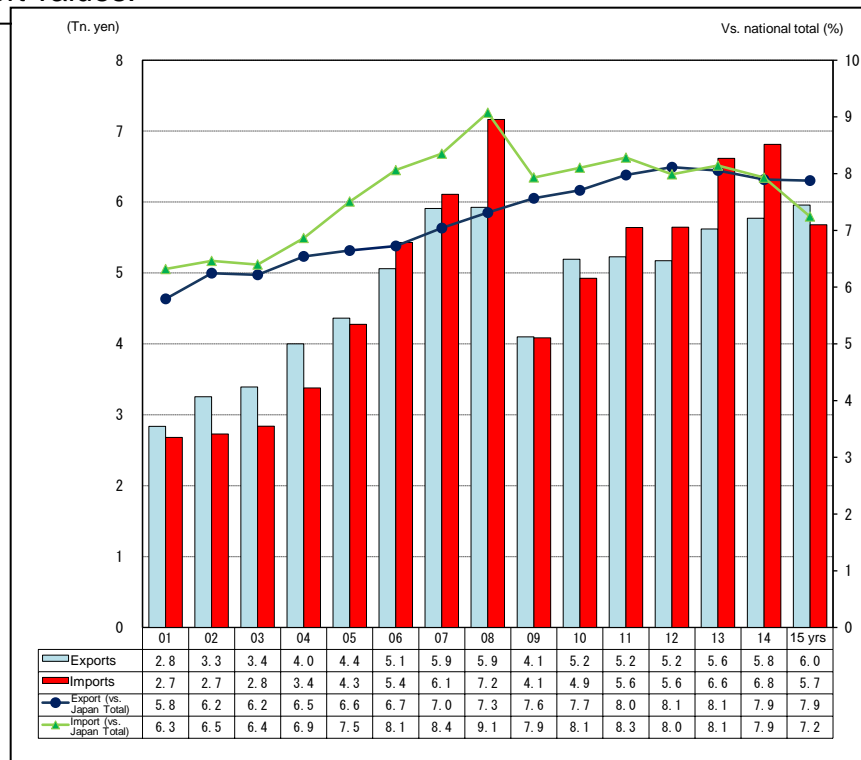
○The share of Kyushu in the nationwide trading value is: 7.9% in exports (the same level as in the previous year) and 7.2% in imports (down from the previous year's 7.9%) due to a decline in the value of imports.

★ **Kyushu posted a record-high export figure in 2015**, exceeding even that of 2008, a particularly strong year in export value. On the other hand, Kyushu's imports decreased significantly, **resulting in a positive balance of trade**.

★ **Decreased import value of mineral fuels**: The year 2015 saw a significant decrease in the import values of petroleum and petroleum gas (liquefied natural/petroleum gas). Although higher volumes of petroleum were imported than in the previous year, the global decline in petroleum prices pushed down the import values.

Note¹⁾: Contribution degree (Percentage of the value change of the partner (or commodity) to total value of the same term in the preceding year.)

Kyushu Trading Value vs. Global/Nationwide Trading Value

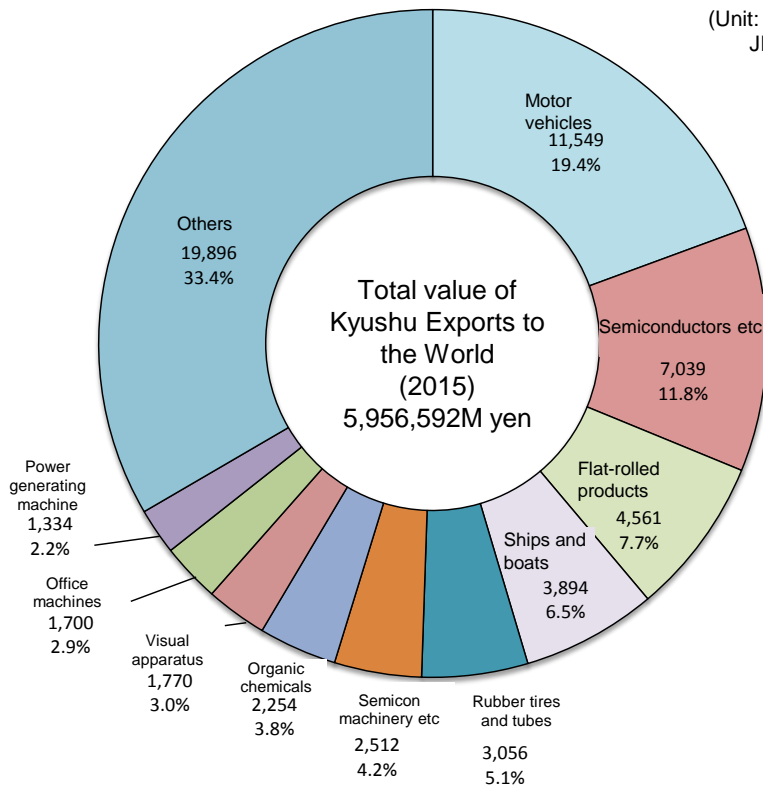


Trade Trends of Kyushu (by commodity)

- The five major commodities Kyushu exports to the world are, in order of export value: Motor vehicles, semiconductors etc, flat-rolled products, ships and boats, and rubber tires and tubes, accounting for nearly 50% of all exports. Among these, semiconductors etc contributed most to the export results (up 17.5% from the previous year), with significant growth for Hong Kong.
- The commodities Kyushu imports include petroleum, petroleum gas, and mineral fuels (such as coal), all of which account for 30% or more, followed by raw materials (e.g. ore of nonferrous) and electronic parts (semiconductors, etc.). The major factor in the decrease in imports was petroleum, from Saudi Arabia, etc. The major factor in the increase in imports was electronic parts such as semiconductors, particularly from Taiwan.

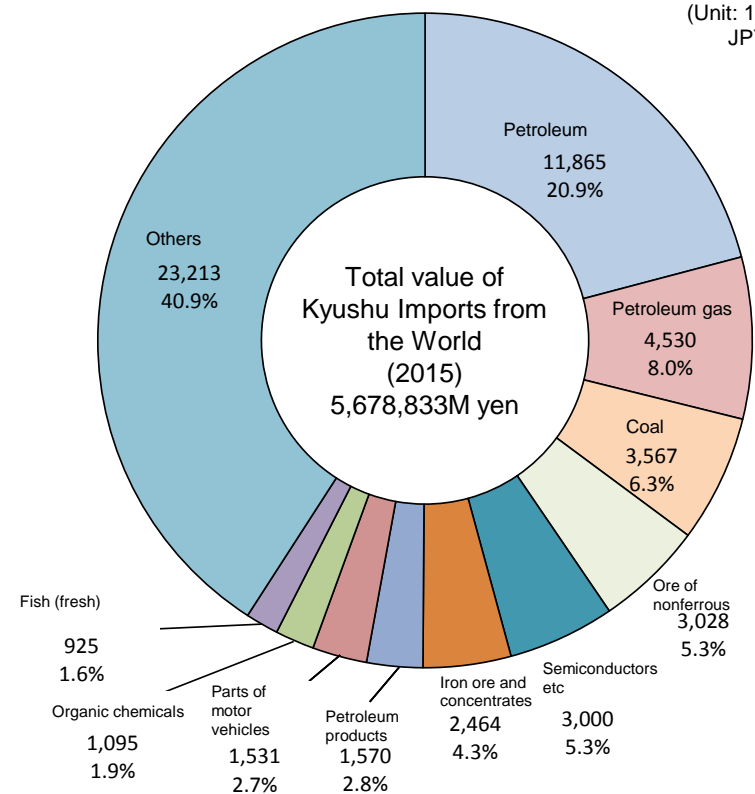
Kyushu Exports to the World (by commodity)

(Unit: 100 million JPY, %)



Kyushu Imports from the World (by commodity)

(Unit: 100 million JPY, %)

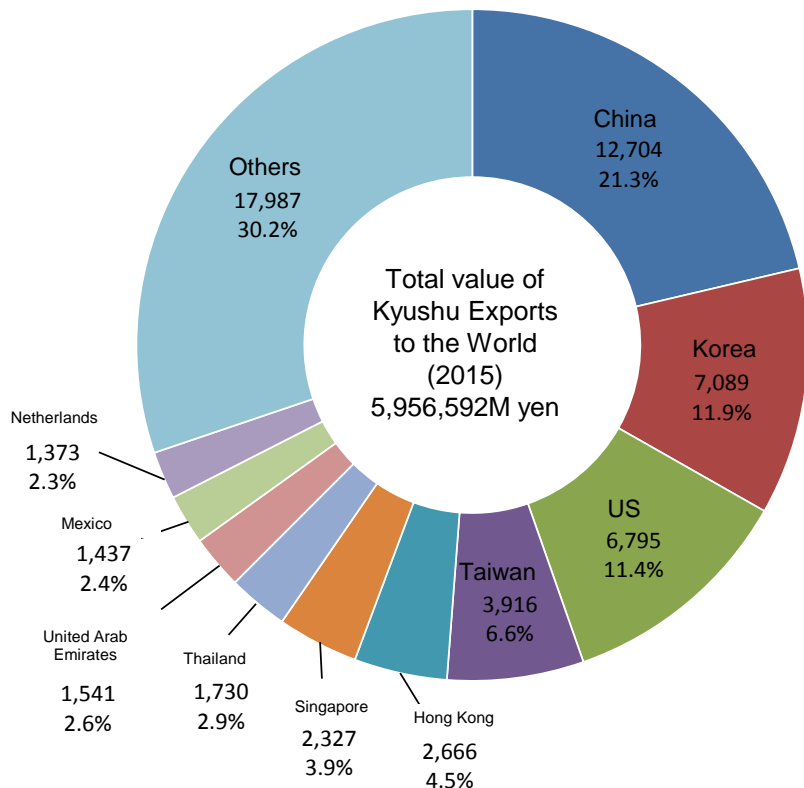


Trade Trends of Kyushu (by partner)

- Kyushu's biggest trading partner was China, followed by the USA and South Korea (in terms of total trade value).
- Kyushu's 2015 export results indicate that China was the biggest export partner thanks to strong sales of power generating machine, etc., followed by South Korea and the USA.
- Kyushu's 2015 import results indicate that China was the biggest import partner, followed by Australia, Saudi Arabia, and the UAE, all resource-rich countries.

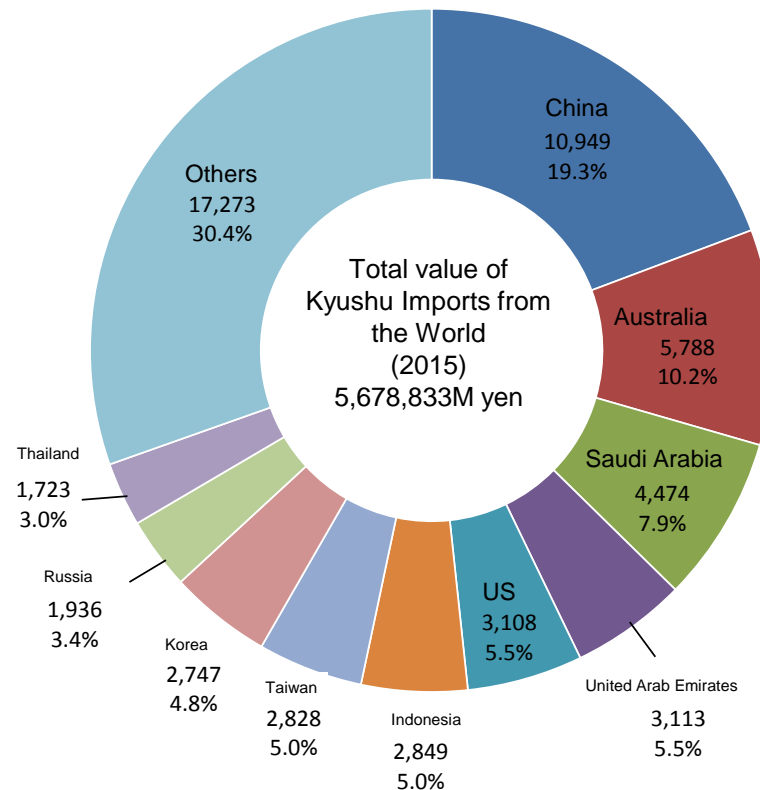
Kyushu's Export Partners (Countries/Regions)

(Unit: 100 million JPY, %)



Kyushu's Import Partners (Countries/Regions)

(Unit: 100 million JPY, %)

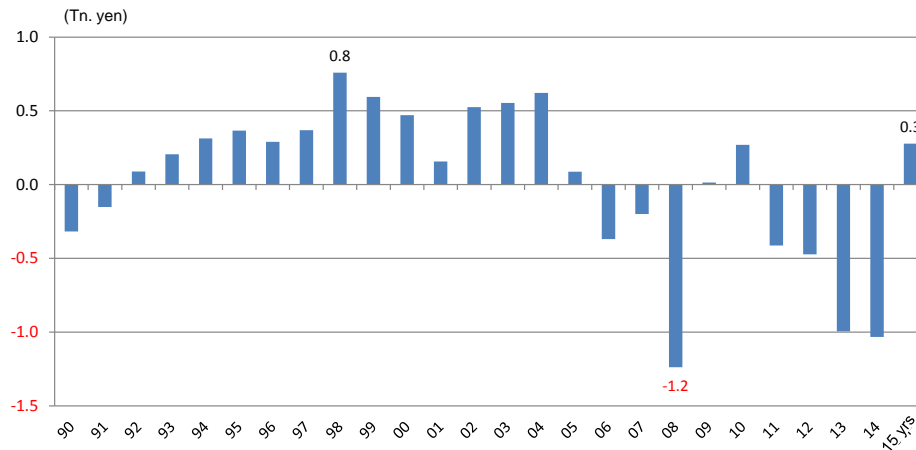


Source: Trade Statistics of Japan (Ministry of Finance)

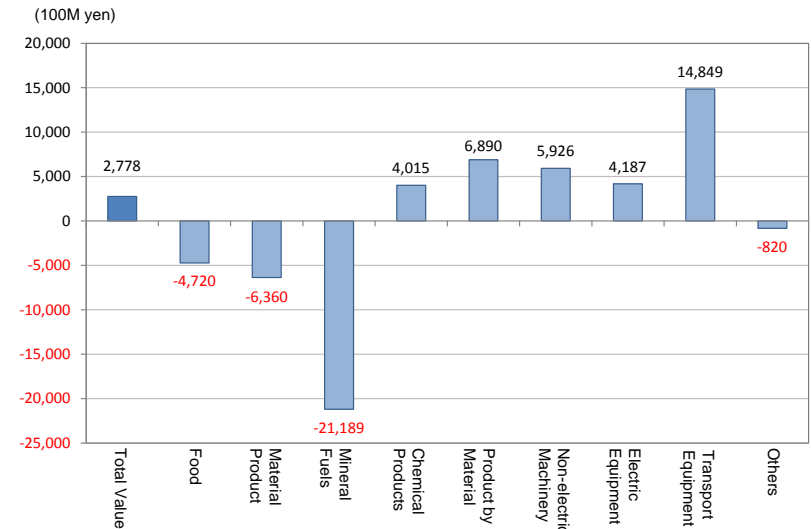
Kyushu Balance of Trade

- Kyushu's trade balance reached a surplus of 277.8 billion yen, which marked **the first surplus since the year of 2010.** (Japan posted a trade deficit for the 5th year in a row.)
- Addressing the Kyushu balance of trade from individual commodities (major commodities), Kyushu posted a positive balance (more exports than imports) as the exports of transport equipment including motor vehicles exceeded imports, and the import surplus of mineral fuels shrank from the previous year.

Kyushu Balance of Trade (Trends)



Kyushu's Balance of Trade (by major commodity) (2015)



Kyushu's Balance of Trade (by partner) (2015)

(Unit: 100 million JPY)

Partner Country/Region	Trade Surplus	Partner Country/Region	Trade Deficits
South Korea	4,341	Australia	▲ 4,955
US	3,687	Saudi Arabia	▲ 3,580
Hong Kong	2,568	Indonesia	▲ 1,963
Singapore	1,963	Russia	▲ 1,583
China	1,755	United Arab Emirates	▲ 1,571

Source: Trade Statistics of Japan (Ministry of Finance)

Kyushu Balance of Trade (2015) +277.8 billion yen

2015 Kyushu Trade Trends (Highlight 1)

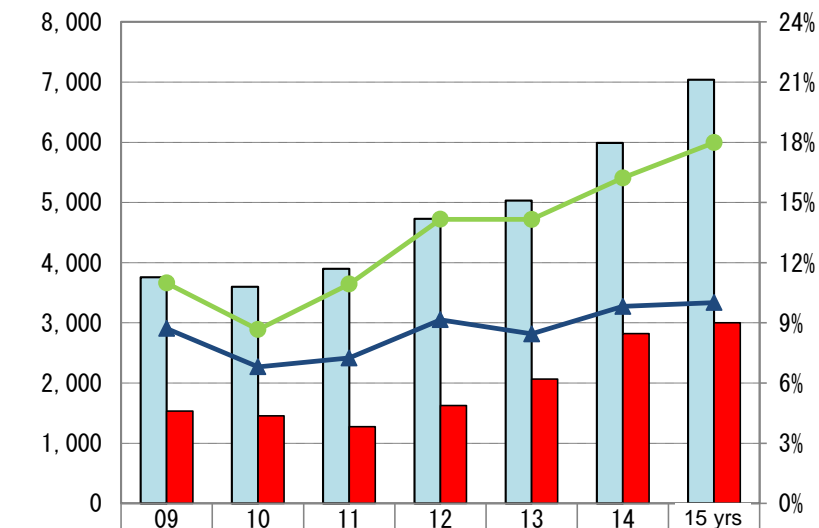
○ Electronic parts (semiconductors, etc.) contributed most (up 1.8%¹⁾) to the 2015 Kyushu export results. Kyushu's export value in 2015 was 703.9 billion yen, a significant growth of 17.5% from the previous year. By export destination, South Korea came in first, followed by Hong Kong and China.

○ In terms of contribution degree, Hong Kong contributed most, followed by Vietnam and South Korea in 2015.

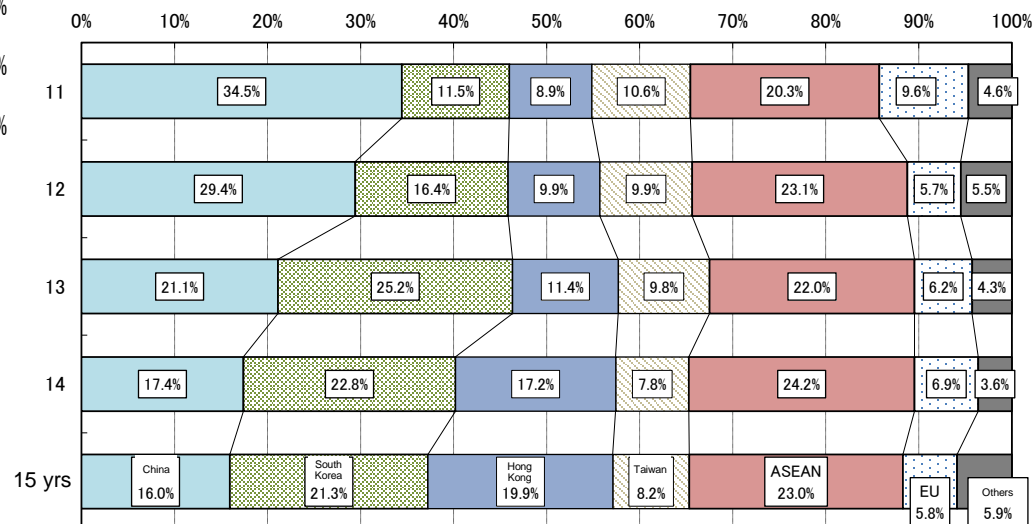
Note: ¹⁾ Contribution degree

Trends in Trading Value of Kyushu Electronic Parts (Semiconductors, etc.)

(100M yen) vs. Japan Total (%)



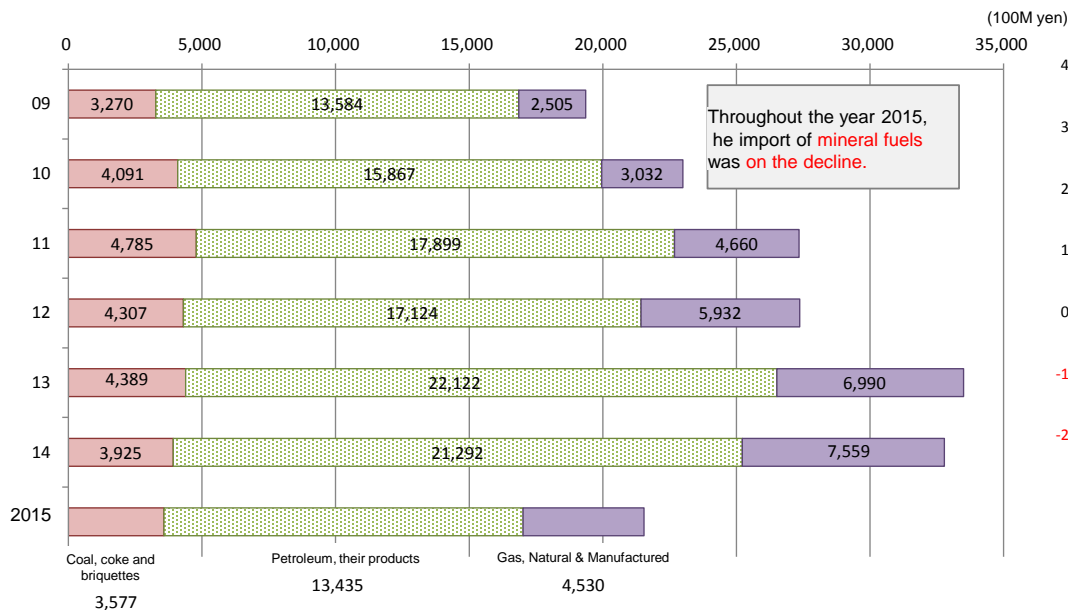
Kyushu's Major Export Partners (Countries/Regions) for Electronic Parts (Semiconductors, etc.)



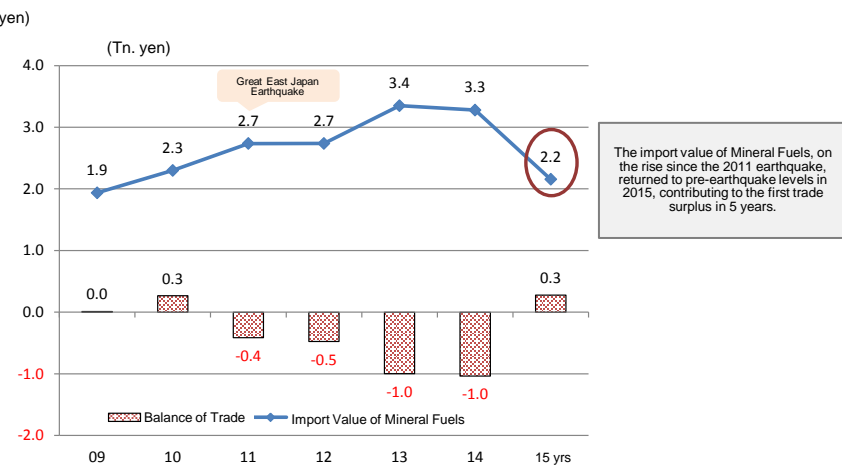
2015 Kyushu Trade Trends (Highlight 2-1)

- Since the 2011 Great East Japan Earthquake, domestic demand for mineral fuels has been on the rise for use in thermal power plants. Even in Kyushu, the import value of mineral fuels increased, keeping Kyushu's balance of trade in the red for years.
- In 2015, Kyushu imported 2,154.1 billion yen of mineral fuels, a significant decline of 34.3% from the previous year. As a result, the trade balance became positive for the first time in five years. By commodity, the import value of coal, coke and briquettes, petroleum, their products, and gas, natural & manufactured was lower than that of the previous year.

Trends in Kyushu Imports of Mineral Fuels & Balance of Trade



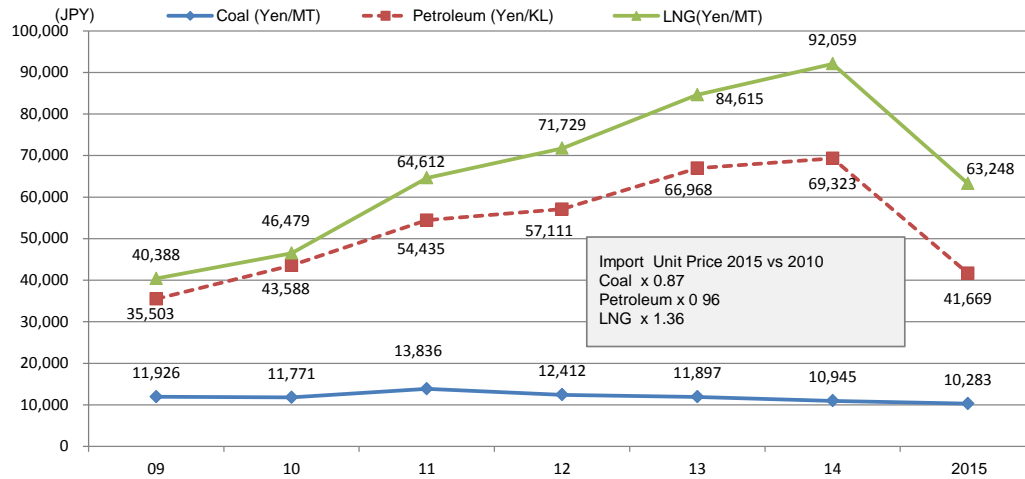
Trends in Kyushu Imports of Mineral Fuels & Balance of Trade



2015 Kyushu Trade Trends (Highlight 2-2)

- As for mineral fuels, the import unit price of coal remained almost flat. With regard to petroleum and LNG, the import unit price continued to rise through 2014, but dropped sharply in 2015, reflecting the global resource market crashes.
- Under these circumstances, the import value significantly decreased by 36.8% from the previous year to 1,186.5 billion yen, while the import volume of petroleum slightly increased in 2015. The import value of LNG also decreased by 40.2% from the previous year to 359.6 billion yen, in 2015. The petroleum market dropped sharply from 2014 to 2015.

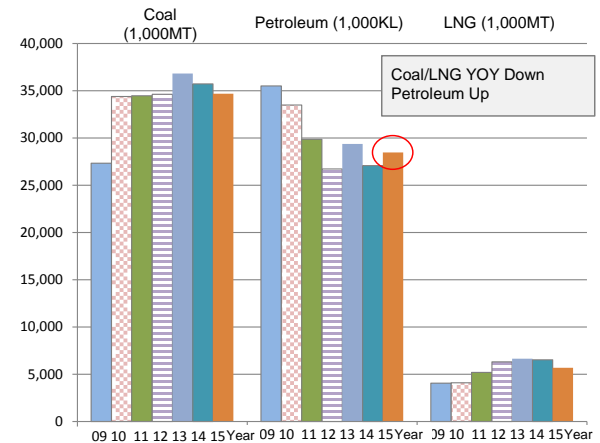
Changes in Unit Price of Major Mineral Fuels Imported by Kyushu



Note: Each import unit price is determined by dividing the relevant year's total import value by the relevant year's total import volume.

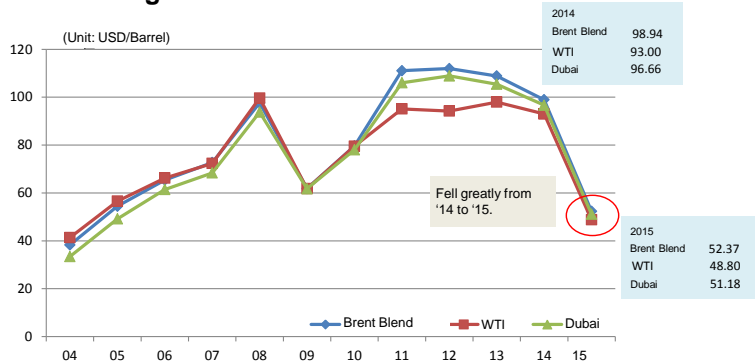
Import Unit Price 2015 vs 2010
 Coal x 0.87
 Petroleum x 0.96
 LNG x 1.36

Changes in Volume of Major Mineral Fuels Imported by Kyushu



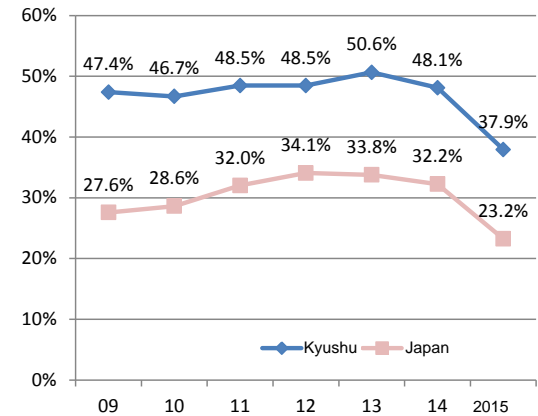
Coal/LNG YOY Down
 Petroleum Up

Changes in Petroleum Prices on Petroleum Market



Fell greatly from '14 to '15.

Percentages of Mineral Fuels in Kyushu & Japan Total Import Values



Source: "Monthly Overseas Economic Data" (Cabinet Office)

Source: Trade Statistics of Japan (Ministry of Finance)

Kyushu Businesses Expanding Overseas (1)

- A total of 974 Kyushu-based businesses expanded overseas as of 2015. Among these, 33 were newcomers, up 3.1% (increased by one business) from the previous year. As of 2015, a total of 29,125 Japan-based businesses expanded overseas, including 435 newcomers.
- Looking at the destinations of Kyushu-based businesses expanding overseas, Asian countries accounted for just under 80% of the total (757 businesses), with China (359) and ASEAN nations (228) as key drivers. Looking at the nationwide data, the Asian region accounts for 60% of the destinations selected by Japanese businesses, indicating that Kyushu's exposure to the Asian region is greater than that of Japan as a whole.

Countries/Regions Selected by Kyushu-based Businesses for Overseas Expansion

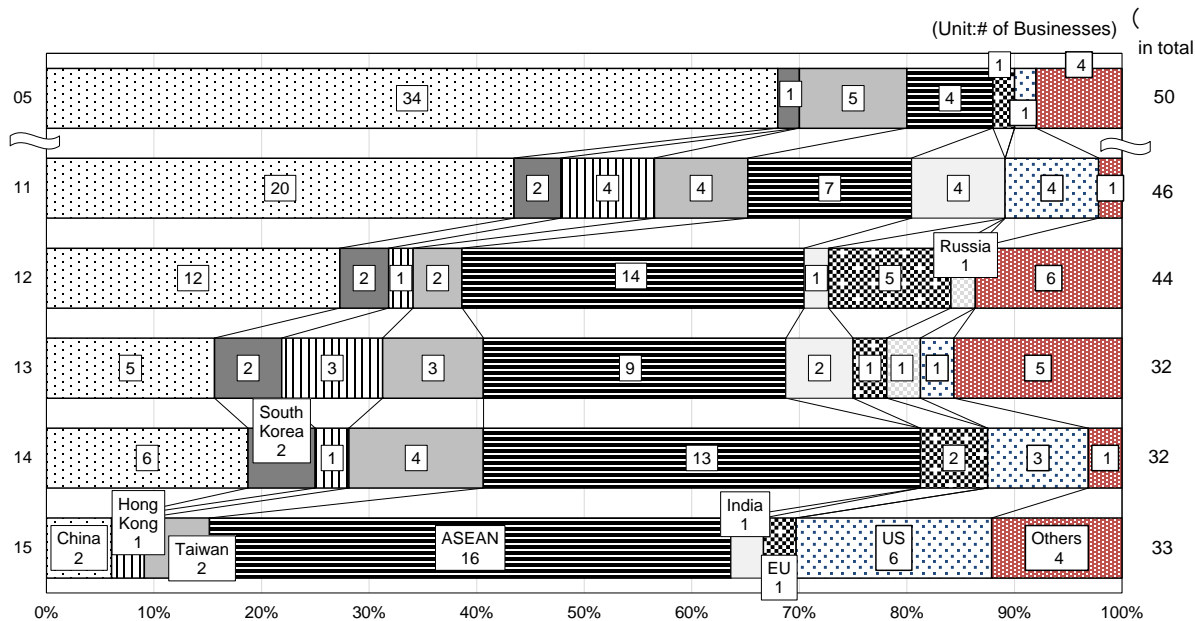
(Unit: # of Businesses, %)

	Kyushu												Total Kyushu	Japan As of 2015		
	10		11		12		13		14		15			Unknown	Coverage-based	Share (%)
	Share (%)	Share (%)	Share (%)	Share (%)	Share (%)	Share (%)	Share (%)	Share (%)								
Global Total	56	100.0	46	100.0	44	100.0	32	100.0	32	100.0	33	100.0	38	974	29,125	100.0
Asia	48	85.7	41	89.1	33	75.0	24	75.0	26	81.3	23	69.7	25	757	18,300	62.8
China	30	53.6	20	43.5	12	27.3	5	15.6	6	18.8	2	6.1	9	359	6,825	23.4
North Korea	3	5.4	2	4.3	2	4.5	2	6.3	2	6.3	-	-	1	46	922	3.2
Hong Kong	2	3.6	4	8.7	1	2.3	3	9.4	1	3.1	1	3.0	1	39	1,298	4.5
Taiwan	3	5.4	4	8.7	2	4.5	3	9.4	4	12.5	2	6.1	5	57	1,055	3.6
ASEAN	8	14.3	7	15.2	14	31.8	9	28.1	13	40.6	16	48.5	8	228	7,351	25.2
India	2	3.6	4	8.7	1	2.3	2	6.3	-	-	1	3.0	1	24	751	2.6
Other Asian countries	-	0.0	-	0.0	1	2.3	-	0.0	-	0.0	1	3.0	-	4	98	0.3
EU	2	3.6	-	-	5	11.4	1	3.1	2	6.3	1	3.0	7	68	3,763	12.9
Russia	-	-	-	-	1	2.3	1	3.1	-	-	-	-	1	4	186	0.6
US	5	8.9	4	8.7	-	-	1	3.1	3	9.4	6	18.2	3	99	3,720	12.8
Australia	-	-	-	-	-	-	1	3.1	-	-	-	-	1	5	558	1.9
Other	1	1.8	1	2.2	5	11.4	4	12.5	1	3.1	3	9.1	1	41	2,598	8.9

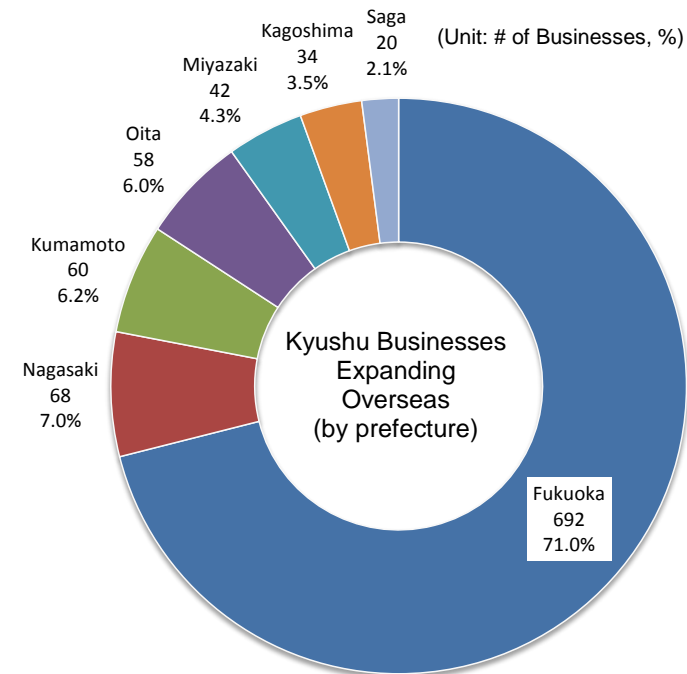
Kyushu Businesses Expanding Overseas (2)

- China used to be the number one destination for Kyushu-based businesses until around 2011. These days, however, ASEAN nations are more popular among Kyushu-based businesses, with nearly 50% making inroads into ASEAN nations in 2015.
- By year, the number of Kyushu-based businesses expanding overseas peaked (56 businesses) in 2004, and has been gradually decreasing since then, although still with 30 to 40 newcomers each year.
- By prefecture, Fukuoka-based businesses account for 70% of the total, followed by Nagasaki and Kumamoto.

Changes in Destinations (based on the number of newcomers each year)



Kyushu Businesses Expanding Overseas (by prefecture) (Cumulative 2015 Data)

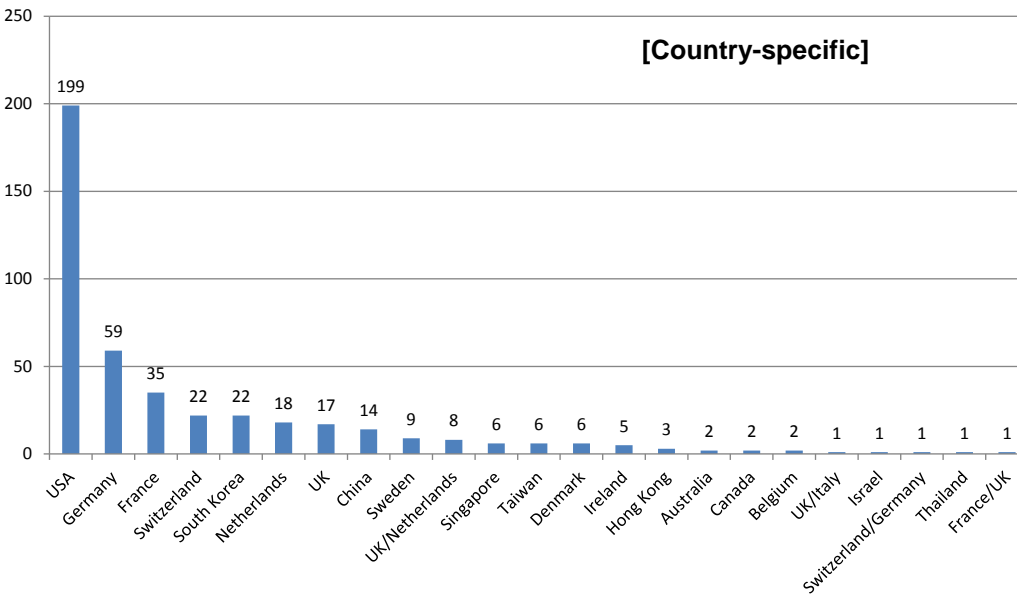


Source: Prepared by Kyushu Bureau of Economy, Trade and Industry based on "2015 Kyushu/Yamaguchi Local Business Expanding Overseas" of Kyushu Economic Research Center (Public Interest Incorporated Foundation)

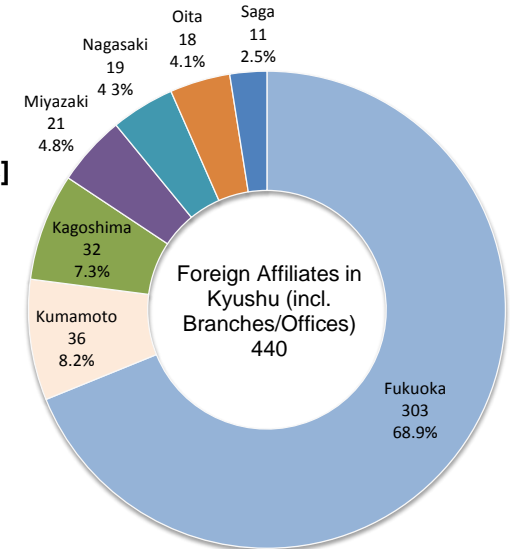
Foreign Affiliates Operating in Kyushu

- 440 foreign affiliates (including branches, etc.) had entered the Kyushu market as of 2014, largely in Fukuoka Prefecture (303), followed by Kumamoto and Kagoshima.
- Nationalities of the parent companies of these affiliates (including branches, etc.) were the USA (199), Germany (59), France (35), Switzerland (22), and South Korea (22).
- An increasing number of foreign affiliates have been entering Kyushu from the USA, Europe, and South Korea in recent years (since 2010).

Foreign Affiliates in Kyushu (incl. Branches/Offices) (2014) <440 in total>



[Prefecture-specific]



[Foreign Affiliates Operating in Kyushu (after 2010) →]

Pref.	Founded (Foreign Capital accepted)	Parent Nationality	Type of office	Core Product/Service
Fukuoka	2010	South Korea	Head Office	Planning/Manufacture/Internet Sale of Sporting Goods
Fukuoka	2010	USA	Branch	Investment Management
Fukuoka	2010	USA	Branch Office	Asset Management
Fukuoka	2010	South Korea	Head Office	Research/Development of Semiconductors/Robots
Fukuoka	2011	South Korea	Branch	Manufacture/Sale of Cable TV Receivers
Fukuoka	2011	Denmark	Head Office	Import/Sale of Medical Equipment
Fukuoka	2012	USA	Office	Import/Export, Sale, Development of GIS Software & related services (Maintenance, Training, Consulting, Publication)
Fukuoka	2012	USA	Office	Manufacture/Sale of Survey Instruments
Fukuoka	2012	South Korea	Branch	Import/Sale of Solar Power Generating Modules
Fukuoka	2012	Switzerland	Service Station	Food Processing Facilities (Milling, etc.)
Saga	2012	USA	Fulfillment Center	Support of Online Store Operations
Fukuoka	2013	Netherlands	Branch	International Air Travelers
Fukuoka	2013	UK/Netherlands	Branch Office	Manufacture/Sale of Grease, Heat Treating Oils, Rust-Preventive Oils, Metal Working Fluids, etc.
Oita	2013	USA	Packaging Center	Semiconductor Packaging Technology Development
Fukuoka	2014	China	Head Office	Provision of Cloud Marketing System

Source: Prepared by Kyushu Bureau of Economy, Trade and Industry based on "2015 Foreign affiliates in Kyushu/Yamaguchi" of Kyushu Economic Research Center (Public Interest Incorporated Foundation)

Foreign Visitors Entering Japan via Kyushu

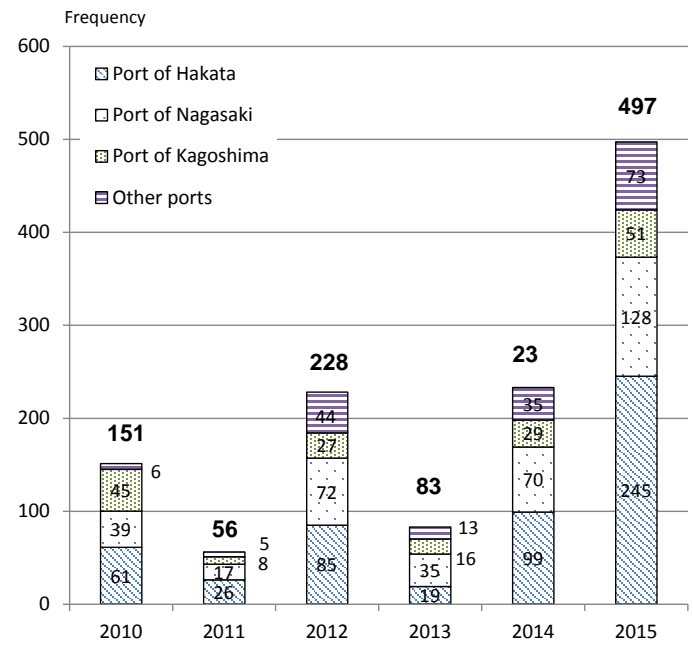
- In 2015, 2.05 million foreigners entered Japan via Kyushu (up 38.4% YOY), **exceeding 2 million for the first time**. By nationality, visitors from South Korea accounted for 59.4% (the largest group), followed by Taiwan (13.6%) and China (9.4%). Kyushu receives relatively high percentages of Asian visitors, and nearly 30% of South Koreans who visit Japan per year enter via Kyushu.
- The number of cruise ships stopping over at Kyushu ports has been increasing recently, resulting in a figure that has more than doubled from 233 in 2014 to 497 in 2015. In 2015, Port of Hakata, in particular, became the number one port in Japan in terms of the number of cruise ships (followed by Port of Nagasaki).

Trends in Foreign Visitors (via Kyushu vs. All Japan)

(Unit: persons)

	Kyushu				Japan						
	Entrants 2015	Share (%)	Growth (%)	vs. Japan Total (%)	Entrants 2014	Share (%)	Entrants 2015	Share (%)	Growth (%)	Entrants 2014	Share (%)
Total	2,045,117	100.0	38.4	10.4	1,477,223	100.0	19,688,247	100.0	39.1	14,150,185	100.0
Asia	1,962,587	96.0	40.9	11.9	1,393,280	94.3	16,446,943	83.5	44.0	11,419,147	80.7
South Korea	1,215,372	59.4	42.0	28.6	855,802	57.9	4,252,389	21.6	41.0	3,016,112	21.3
China	191,397	9.4	34.6	4.3	142,174	9.6	4,497,238	22.8	77.3	2,536,571	17.9
Taiwan	278,618	13.6	31.5	7.8	211,846	14.3	3,576,210	18.2	24.9	2,864,287	20.2
Hong Kong	141,789	6.9	70.6	9.6	83,133	5.6	1,473,141	7.5	63.2	902,480	6.4
Vietnam	12,454	0.6	50.4	6.3	8,282	0.6	197,270	1.0	45.4	135,686	1.0
Thailand	60,849	3.0	41.3	7.4	43,068	2.9	822,037	4.2	20.6	681,743	4.8
Philippines	15,500	0.8	25.8	4.0	12,320	0.8	388,896	2.0	27.6	304,871	2.2
Indonesia	4,448	0.2	-0.5	2.1	4,470	0.3	210,412	1.1	28.1	164,246	1.2
India	2,196	0.1	35.2	2.0	1,624	0.1	108,635	0.6	14.1	95,236	0.7
Malaysia	7,306	0.4	14.2	2.4	6,396	0.4	309,168	1.6	21.6	254,232	1.8
Others	32,658	1.6	35.1	5.3	24,165	1.6	611,547	3.1	31.9	463,683	3.3
Europe	34,778	1.7	13.4	2.6	30,669	2.1	1,312,880	6.7	18.6	1,106,801	7.8
Africa	870	0.0	7.1	2.4	812	0.1	36,005	0.2	10.0	32,737	0.2
North America	33,365	1.6	-14.6	2.5	39,072	2.6	1,343,018	6.8	17.1	1,146,674	8.1
USA	23,346	1.1	-24.3	2.2	30,857	2.1	1,062,716	5.4	15.4	920,802	6.5
Other NA	10,019	0.5	22.0	3.6	8,215	0.6	280,302	1.4	24.1	225,872	1.6
Latin America	834	0.0	2.5	0.7	814	0.1	115,609	0.6	24.6	92,819	0.7
Oceania	12,643	0.6	0.7	2.9	12,554	0.8	432,825	2.2	23.2	351,206	2.5
Australia	10,802	0.5	-0.6	2.9	10,868	0.7	378,196	1.9	24.1	304,780	2.2
Other Oceania	1,841	0.1	9.2	3.4	1,686	0.1	54,629	0.3	17.7	46,426	0.3
Stateless	40	0.002	81.8	4.1	22	0.001	967	0.00	20.7	801	0.01

Foreign Cruise Ships Stopping Over At Kyushu



↑ Source: November Issue of "Kyushu Cruise Report" (Kyushu Regional Development Bureau)

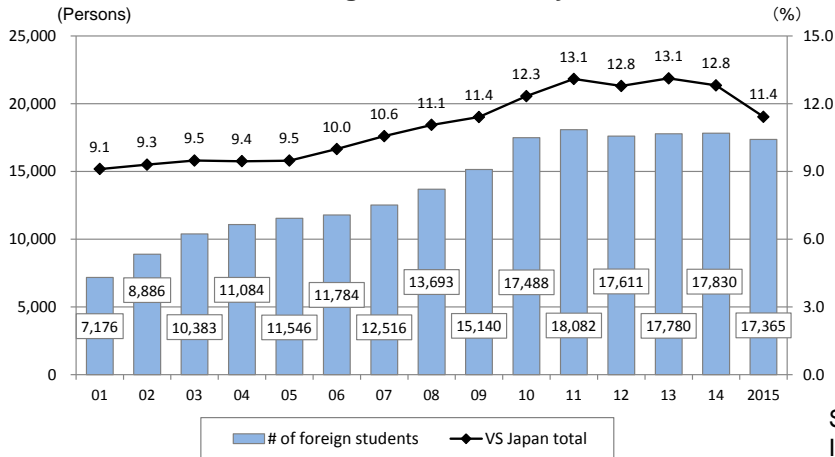
← Note: Excluding visitors using cruise ships; or "Landing Permission for Cruise Ship Tourists" (Article 14.2 of the Immigration Control and Refugee Recognition Act)

Source: Statistical Survey on Legal Migrants (Ministry of Justice)

Foreign Students in Kyushu

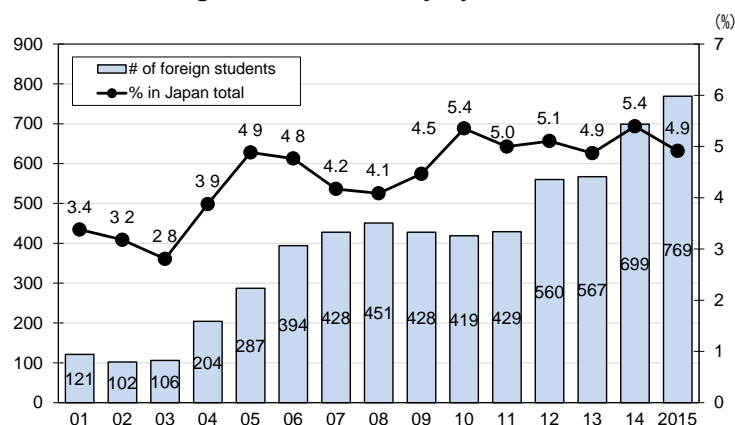
- In 2015, Kyushu received a total of 17,365 foreign students (down 2.6% from the previous year), accounting for 11.4% of Japan's total. By nationality, Chinese students accounted for 45.4%, followed by Vietnamese (15.5%) and Nepalese (10.0%), revealing that 90% of all foreign students are from the Asian region.
- Across Japan, 15,657 foreign students were hired by Japanese businesses in 2015. The traditionally top-ranked job was "Interpreter/Translator," but the year 2015 saw a new development in which this perennial top job was replaced by that of "Sales/Marketing."
- In 2015, 769 foreign students were hired by firms located in Kyushu, up from the previous year, while accounting for only 4.9% of Japan's total.

Trends of Foreign Students in Kyushu



Source: "2015 Survey on International Students Residing in Japan" - Japan Student Services Organization (Independent Administrative Institution)

Number of Foreign Students Hired by Kyushu-based Businesses



Source: "2015 Foreign Students Hired by Japanese Businesses" of Ministry of Justice Immigration Bureau

Nationality-specific Foreign Students Accepted by Kyushu

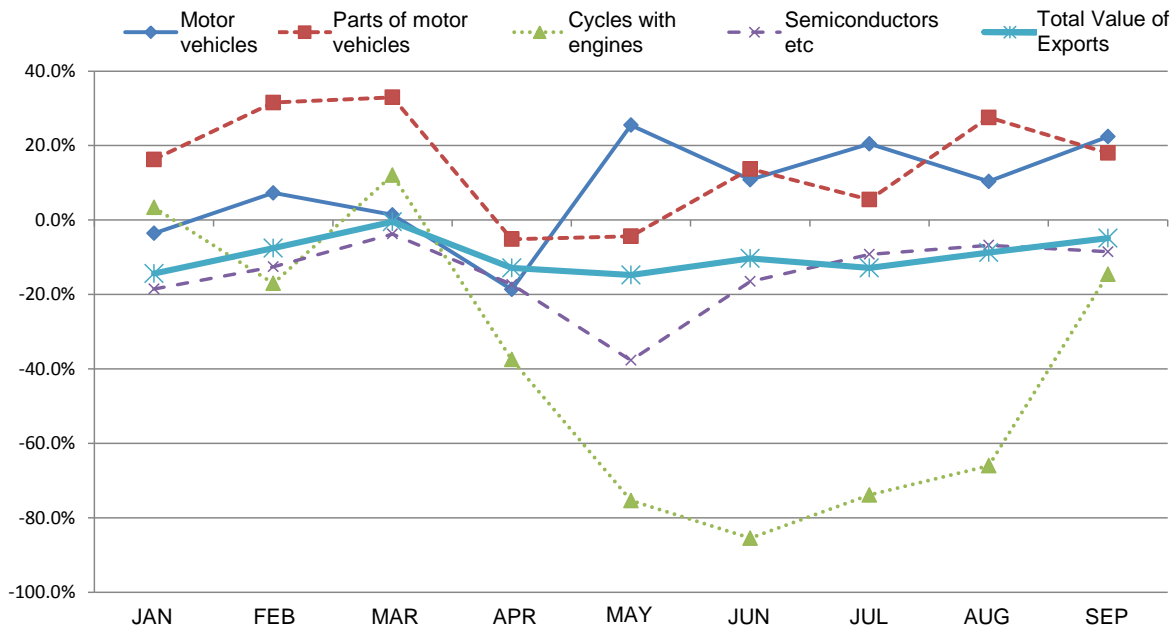
(Unit: persons, %)

Country/Region	Kyushu			Nationwide	
	Number of students	Percentage	vs. Japan Total	Number of students	Percentage
Asia	16,152	93.0%	11.6%	138,930	91.4%
China	7,883	45.4%	10.5%	74,921	49.3%
Vietnam	2,685	15.5%	13.3%	20,131	13.2%
Nepal	1,729	10.0%	19.9%	8,691	5.7%
South Korea	1,571	9.0%	11.7%	13,397	8.8%
Indonesia	542	3.1%	18.1%	2,995	2.0%
Thailand	400	2.3%	13.8%	2,904	1.9%
Taiwan	325	1.9%	5.8%	5,610	3.7%
Bangladesh	208	1.2%	20.5%	1,015	0.7%
Malaysia	165	1.0%	6.7%	2,460	1.6%
Other Asian countries	644	3.7%	9.5%	6,806	4.5%
Middle East	111	0.6%	7.3%	1,520	1.0%
Africa	234	1.3%	16.2%	1,447	1.0%
Oceania	68	0.4%	11.7%	581	0.4%
North America	224	1.3%	8.9%	2,521	1.7%
South/Central America	91	0.5%	7.2%	1,257	0.8%
Europe	485	2.8%	8.4%	5,804	3.8%
Other (Stateless)				2	0.0%
Total	17,365	100.0%	11.4%	152,062	100.0%

Source: Data from "International Students Survey - May 1, 2015" of Japan Student Services Organization (Independent Administrative Institution)

Topic (1) : Impact of the Kumamoto Earthquakes (Export Trends)

- Concerning the impact of the 2016 mid-April Kumamoto earthquakes on Kyushu's exports, a significant decline was observed in each export commodity as well as in total exports (down 12.9% YOY) during the month of April.
- The aftermath of the earthquakes persisted in May, negatively affecting the export values of parts of motor vehicles, cycles with engines and semiconductors; all were lower than the same month of the previous year. The negative gap expanded beyond April levels in cycles with engines and semiconductors thereafter. In clear contrast to these commodities, motor vehicles showed a significant YOY export growth of 25.5%.
- After June, the exports started a recovery trend, while the export of cycles with engines remained depressed until September due to production bases that were severely affected by the earthquakes.



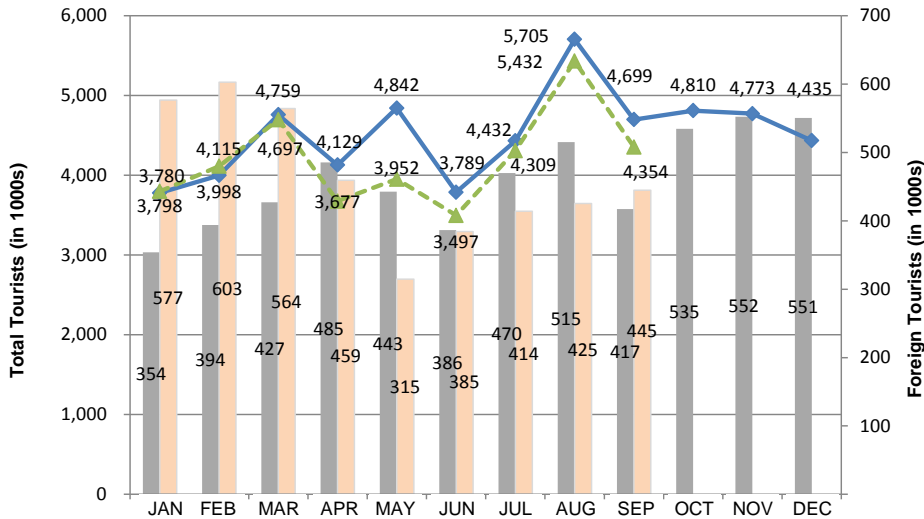
YOY Trends in Kyushu Exports Value (Total/each commodity) (Jan. – Sep. 2016)

Source: Trade Statistics of Japan (Ministry of Finance)

Category	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Motor vehicles	-3.6%	7.3%	1.4%	-18.7%	25.5%	10.8%	20.5%	10.4%	22.4%
Parts of motor vehicles	16.3%	31.6%	33.0%	-5.1%	-4.4%	13.7%	5.5%	27.6%	18.0%
Cycles with engines	3.4%	-17.0%	12.1%	-37.5%	-75.4%	-85.5%	-73.9%	-66.0%	-14.6%
Semiconductors etc	-18.5%	-12.5%	-3.8%	-17.3%	-37.7%	-16.5%	-9.2%	-6.8%	-8.5%
Total Value of Exports	-14.4%	-7.5%	-0.5%	-12.9%	-14.8%	-10.3%	-12.9%	-8.7%	-4.8%

Topic (2): Impact of the Kumamoto Earthquakes (Tourism)

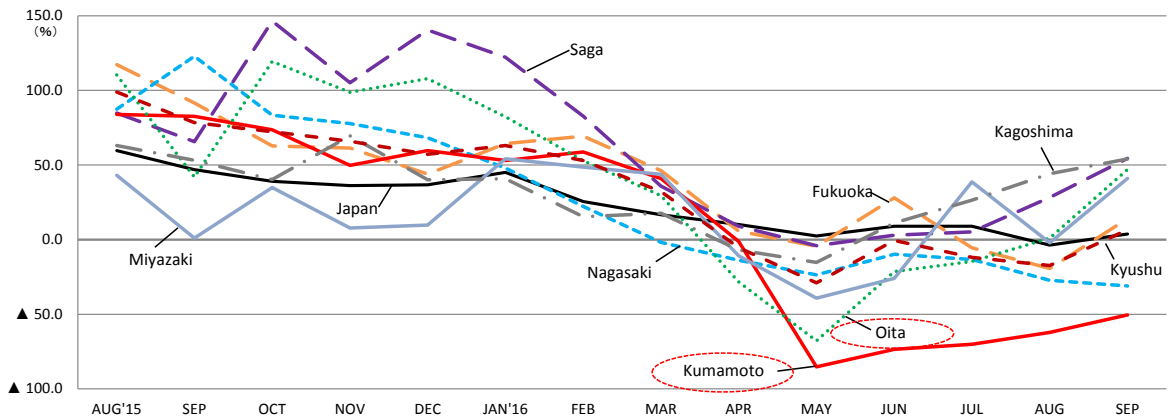
- The April 2016 Kumamoto Earthquakes had a significant impact on the number of accommodation guests in Kyushu from April to June, resulting in a YOY decline each month. In particular, a significant decrease was seen in foreign visitors staying in Kyushu.
- Thanks to the subsidization program (Kyushu Restoration Discount) designed to assist tourism businesses in Kyushu with discounts for travelers, and to efforts by the local governments and associated organizations to attract more tourists, the number of tourists staying in Kyushu has been recovering to pre-earthquake levels. The number of foreign tourists staying in Kyushu has also recovered to pre-earthquake levels.
- At the prefectural level, Kumamoto and Oita (having been most affected by the 2016 earthquakes) suffered a significant drop in the number of visitors, but Oita has recovered to pre-earthquake levels during the year. **The number of foreign visitors in Kumamoto, however, remains well below the previous year's level.**



← Trends in Total Foreign Tourists Staying in Kyushu (Jan. 2015 - Sep. 2016)

- Foreigners (2015)
- Foreigners (2016)
- Total Tourists(2015)
- Total Tourists(2016)

↓ Total Foreign Tourists per Prefecture of Kyushu YOY Trends (Aug. 2015 - Sep. 2016)



Source: "Accommodation Survey"- Japan Tourism Agency