

Comprehensive centers providing one-stop services to Japanese and foreign companies wishing to start businesses in Hyogo-Kobe

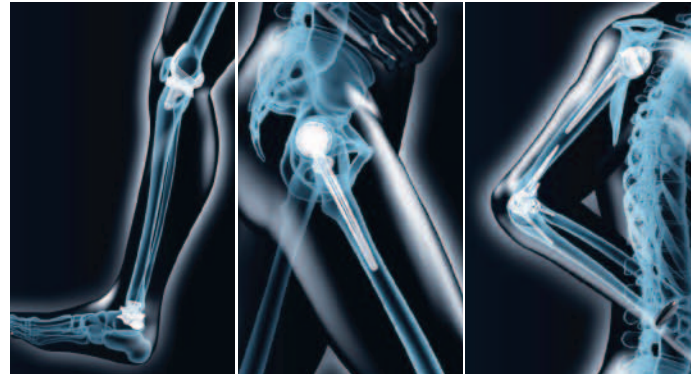
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Selecting Kobe Because of its Abundant Medical-related Infrastructure and Human Resources

Tornier Japan K.K.

Tornier, the originally France-based prosthesis provider for orthopedic surgeons to treat joint disorders of the hip, knee, shoulder, ankle and other parts, established its Japanese affiliate, Tornier Japan K.K. in Kobe City in April 2012. Mr. Serge CH Nguyen, General Manager of Tornier Japan, was one of the speakers at the HYOGO-KOBE Foreign Investment Promotion Seminar held in Tokyo in October 2014, and he spoke to us about the aims of Tornier's Japan market entry and the reasons for selecting Kobe as the starting point.



Japan as the world's No. 2 market after the U.S.

With a history of over 60 years, Tornier is a global manufacturer of medical devices for orthopedic treatment of musculoskeletal injuries and disorders of the shoulder, elbow, hand, wrist, foot, ankle, and more. It currently conducts business operations in more than 35 countries, and went public on NASDAQ in the U.S. in 2011.

From the 1970s, the company had distributed its products through agencies in the Japanese market, and Tornier Japan was established as its direct office with the aim of boosting sales in Japan. "Japan is the world's second largest orthopedic market after the U.S.," Mr. Nguyen said, continuing, "but there are difficult obstacles we need to overcome before obtaining approval for medical devices from Japan's Ministry of Health, Labour, and Welfare. Those obstacles have resulted in limiting the number of products we have been able to market, and that is why we decided to focus on the approval application process and sales promotion to create a full-scale market in Japan for our products."

Enjoying Benefits Particular to the Biomedical Innovation Cluster

As for the reasons for the company's establishment in Kobe, he said, "One of the major reasons was that there were many famous orthopedic surgeons in Kobe, in Hyogo Prefecture, and in Kansai." Additionally, the company felt that the accumulation of various infrastructures in the Kobe Biomedical Innovation Cluster would greatly serve to support Tornier Japan's business development. "For example," Mr. Nguyen explained, "Kobe not only has advanced transportation systems needed to rapidly deliver our medical devices to doctors, but also several companies set up to clean medical devices. The available pool of experienced workers in the medical industry in Kobe was also a major factor in our selecting the city."

Realizing Kobe's Excellent Access to the Rest of Japan and Beyond

Although Tokyo was also a candidate under consideration for the location of the first direct office in Japan, the company concluded that Kobe was much more beneficial financially because of the cheaper costs of company establishment

and maintenance as well as the rent subsidy granted by Hyogo Prefecture/Kobe City. "The easy access from Kobe Airport and Shin-Kobe Shinkansen Station, both of which are located near our office, to Tokyo and other major cities and the not-so-far distance to Kansai International Airport, where our foreign staff enter Japan, are very helpful to us," Mr. Nguyen said.

The company received significant support from Hyogo Prefecture/Kobe City for legal and other procedures in its establishment, and as Mr. Nguyen stated, "That allowed us to quickly complete the start-up process and immediately start our primary tasks including approval applications. For two years now since our establishment, we have been successfully growing our business." It was apparent that he seemed to be finding the company's business in Japan very fruitful.



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Enhancing Ocean Freight Service Based at Kobe Port, a Key Japan Hub for European Shipping

DHL Global Forwarding Japan K.K.

In April 2014, DHL Global Forwarding Japan K.K., a logistics provider with a global network, selected Kobe for its new Kansai office. Mr. Kenichi Nishimoto, Senior Manager in West Air Freight, Transactional Operations, Operations at the company, was one of the speakers at the HYOGO-KOBE Foreign Investment Promotion Seminar held in Tokyo in October 2014, and he talked with us about the aims of their new office in Kobe and the outlook of the company's business development.



Expanding a Worldwide Network

As a member of the world leading international freight service provider Deutsche Post DHL group (headquartered in Germany), DHL Global Forwarding offers various logistics services including air, ocean and land freight solutions, multimodal transportation that combines these three solutions, and customs brokerage. Its Tokyo-headquartered Japanese affiliate, established in 1987, has 11 offices/facilities in the country.

Mr. Nishimoto said, "We have sales specialists in various sectors, local stations, and trade lanes to provide our customers with thorough transportation services suitable to the characteristics of their businesses, while we also have a vast network covering Europe, the Americas, Africa and other regions throughout the world. That is our advantage."

Providing Seamless Services with the Customs Brokerage License

After years of establishing offices and branches nationwide, DHL Global Forwarding Japan decided to upgrade its

Kansai branch then located in Osaka to a Kansai office in April 2014, and determined to reconsider the best location. According to Mr. Nishimoto, the alternatives were Osaka and Kobe. "With the aim of further enhancing ocean freight services, we resolved to rank the Port of Kobe, a Japanese hub of European shipping, that is, our specialty, as one of our main bases, and to locate the Kansai office in Kobe too," he explained. In May 2014, the company also acquired the license from Kobe Customs to provide customs clearance services at the Port of Kobe, which has enabled the company to offer seamless services without outsourcing customs brokerage services from partner enterprises like before.

Smoothly Recruiting Language-Skilled Staff

As for the advantage from establishing an operation base in Kobe, Mr. Nishimoto explained, "Hyogo Prefecture/Kobe City offers a wide variety of support programs for foreign and foreign-affiliated companies based in the area. Prefectural or city officials frequently visit us to provide thorough support." DHL Global Forwarding Japan's Kansai office, its main station in western Japan—controlling offices/

branches in Nagoya, at Chubu Centrair International Airport, in Kyoto, at Kansai International Airport, in Fukuoka, and Okinawa—has staff of 60 people working in operations, customer service, commercial, and capacity management sections. "While we were recruiting experienced and well-informed bilingual foreign trade clerks, fit for our business, as temporary workers, we had many more people introduced to us in Kobe than we had had in Osaka," he said.

Targeting the Kobe Biomedical Innovation Cluster, a complex of medical-related industries, DHL Global Forwarding Japan is intent on promoting its "Thermonet," temperature-controlled transportation service for pharmaceuticals, to create a new market.



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