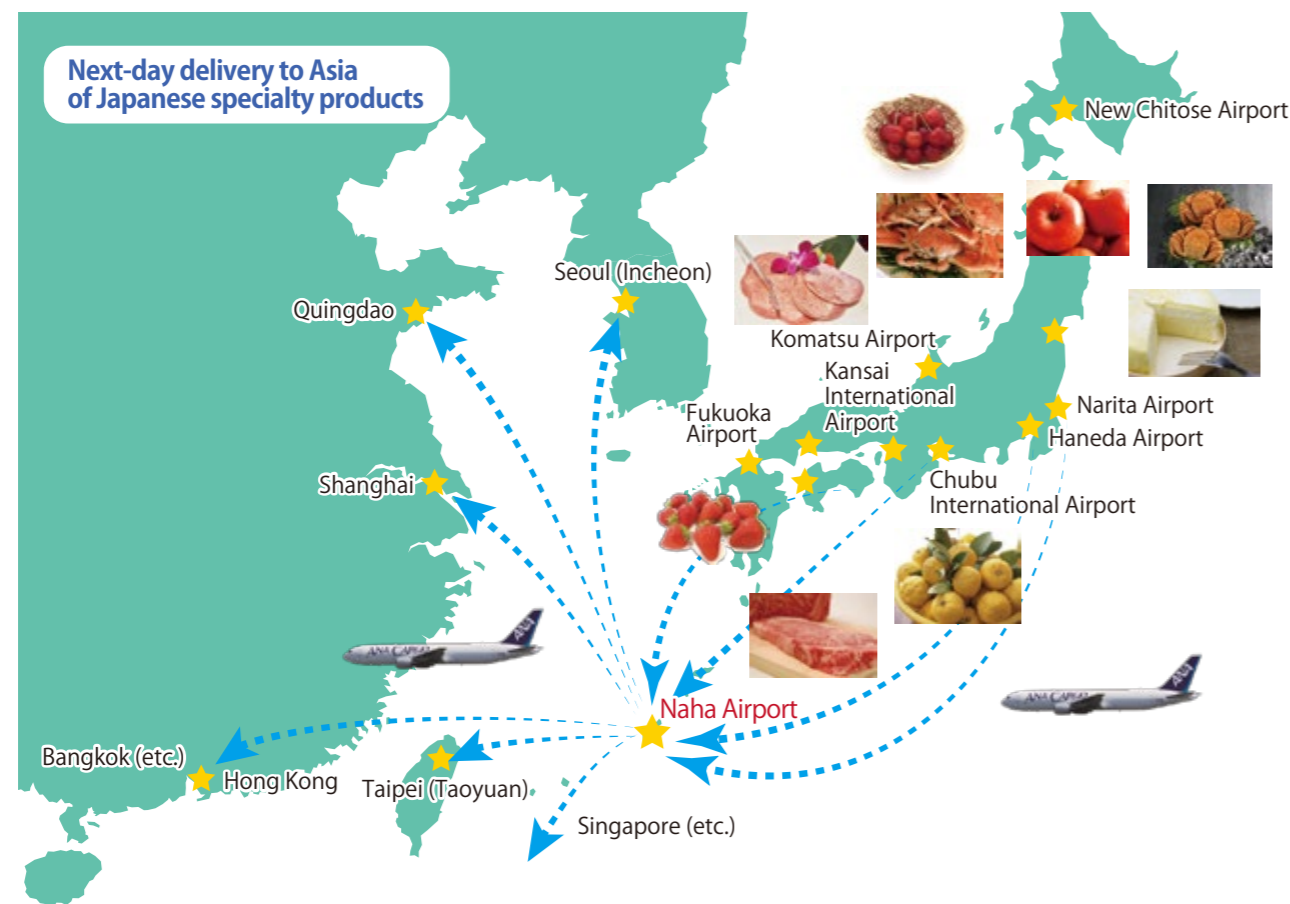


Okinawa Prefecture is working to become Japan's number one logistical hub for specialty goods and is collaborating with various regions. By utilizing the Okinawa International Logistics Hub, specialty goods will pass through Okinawa and be exported swiftly to Asia.

Becoming Japan's Logistical Hub for Specialty Goods

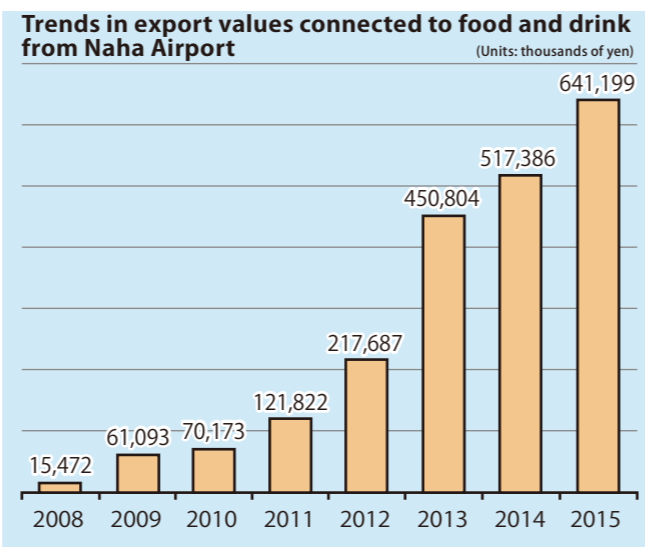
Deliver Fresh Japanese Specialty Products Overseas

The rapidly developing Asian economies are also showing a diversification in food needs. The demand for delicious and safe Japanese food products has increased along with the growing demand for imported food. The Okinawa International Logistics Hub adds increased value to Japanese specialty products by delivering Fresh Food quickly and efficiently.



Okinawa International Logistics Hub Bolstered by Air Cargo—Annual Growth of the Transportation of Agriculture, Fisheries, and Goods

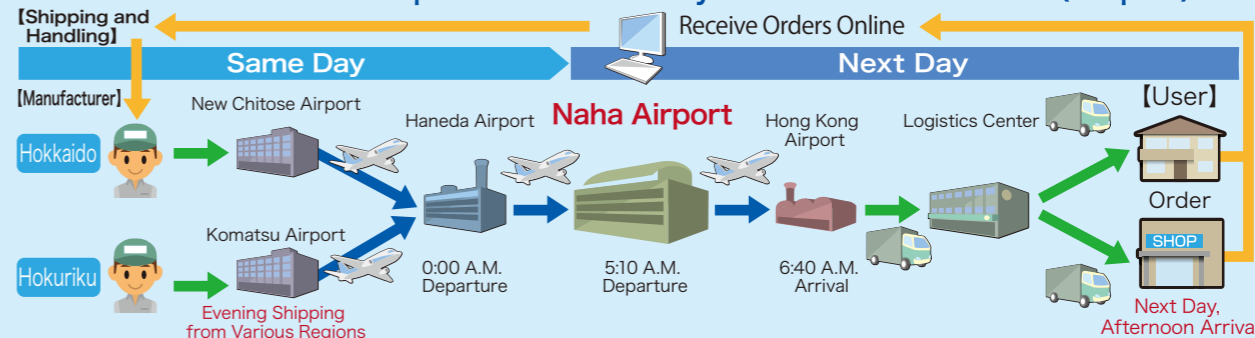
Since the start of the International Logistics Hub program in October, 2009, the value of food exports at Naha Airport has been rising annually. Of note, the export volume of strawberries in 2014 was roughly 16 tons, an increase of nearly 16 times the volume of the year prior. Strategies implemented by Japan and municipalities throughout the nation have driven up the volume of agriculture, fishery, and goods transported by air. As the Okinawa International Logistics Hub gains a reputation for being able to deliver Fresh Food to Asia, the volume of foods passing through Okinawa is expected to grow in the future.



Expanding Possibilities as a Specialty Goods Logistics Hub

Expanded Sales Routes through E-commerce and the Okinawa International Logistics Hub

Model for Goods Made in Japan Ordered Directly from the Manufacturer (Graphic)



Using various regions' specialty goods to create unique combinations!

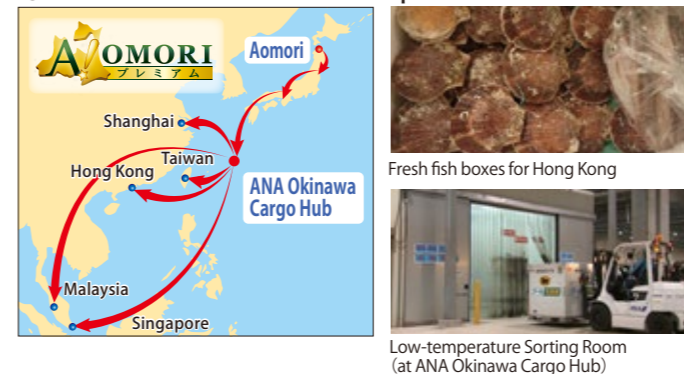


Combining Various region's specialty goods and utilizing the Okinawa International Logistics Hub for delivery, high value-added products can be delivered to dinner tables all throughout Asia.

Usage example with Aomori Prefecture's "A!Premium"

Aomori Prefecture has developed a new logistics service "A!Premium" for both domestic and overseas transport in collaboration with Yamato Transport Co. Using the Okinawa International Logistics Hub for overseas transport, the program has made, at the shortest, next-day shipping possible from Aomori. The program has been commended by Aomori suppliers as a new method for exporting, and its exports have been making progress, centering primarily around perishable items. Foods including fresh fish and live scallops have particularly received favorable feedback for their freshness and taste from upscale Japanese restaurant chains in Hong Kong. This has also led to fairs being held and the foods becoming staple products, and it has received a tremendous response from local consumers. In Okinawa, we will continue to work hard and strengthen cooperation in order to promote the export of Japanese agricultural and fishery products even further by making effective use of the Okinawa International Logistics Hub, such as by holding an "A!Premium" export business conference in concert with Aomori.

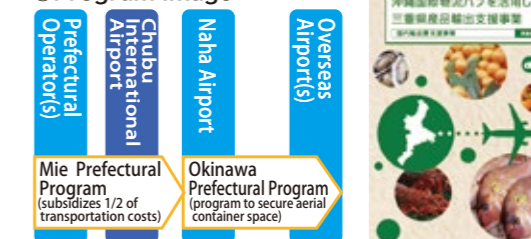
"A!Premium" International Transport Services



Usage example with Mie Prefecture's "Prefectural Commodity Export Support Program"

Since November 2015, Mie Prefecture has begun an operation to support domestic transportation costs for international exports of commodities from the prefecture, using the Okinawa International Logistics Hub. The operation covers part of the domestic transport costs from Mie to Naha Airport for organizations that export using the Okinawa International Logistics Hub. Leveraging Okinawa Prefecture's "Program to Secure Aerial Container Space" to promote the reduction of transportation costs from Naha Airport, the operation is intended to spur on the development of Mie Prefecture's commodities to the Asian market, promote international expansion from small and medium-size business in the prefecture, and promote the growth of distribution channels. Taking advantage of this operation and the benefit of its short lead time, growth is expected in commodities from Mie such as fishery products like live Ise prawn and Japanese seabream, as well as fresh agricultural products.

Program Image



※For more information about "A!Premium," please see: <http://www.a-pre.jp/>

Okinawa Prefecture provides support for business matchmaking to companies within the prefecture, Naha Airport's ample domestic and international network of airlines allows for business and

businesses and municipalities from other prefectures, and even international companies. Furthermore, municipalities from all over Japan to expand their international sales routes by passing through Okinawa.

Japan's Largest Matchmaking/Individual Negotiations Fair-"The Great Okinawa Trade Fair"

Buyers from Around the World and Japanese Food Suppliers Gather in Okinawa

In Okinawa Prefecture, the "2nd Great Okinawa Trade Fair" - Japan's largest international food business conference - was held (November 2015) as an individual matching conference for the purpose of expanding overseas distribution channels for specialty products and more from all over Japan using the Okinawa International Logistics Hub. 182 buyers participated, forming a bridge with the 200 Japanese suppliers, and the event provided assistance that led to opening up new markets for participating companies.



○Results of 2015 •Participating Businesses: 182 Buyers (116 International Retailers and 66 Domestic Retailers) / 200 Suppliers (142 businesses from other prefectures and 58 prefectural businesses) •No. of Individual Negotiations (Two Days): 1,929 •No. of Open Negotiations (Two Days): 344

Jointly Operated by the Government and People to Provide Meticulous Support

Not limited to only negotiations, "The Great Okinawa Trade Fair" provides knowledge regarding logistics, transportation, customs, quarantine inspections, and law, etc. as well as follow-ups to negotiations. The organization provides comprehensive support towards expanding sales routes.



International Markets Opened by "The Great Okinawa Trade Fair"

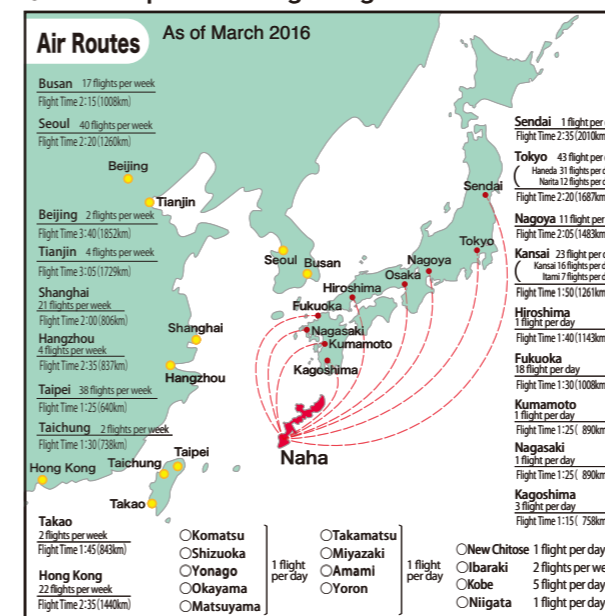
The event's slogan was: "Line up fresh Japanese products within 24 hours in Hong Kong supermarkets." The event led to cultivation of international distribution channels, including a Hong Kong importer, who was focusing its vibrant future on the Okinawa International Logistics Hub, and a Kyoto fruits producer, who was seeking out connections with overseas buyers to sell its products overseas, forming an e-commerce venture that began with their meeting at the "Great Okinawa Trade Fair." In the near future, producers are expected to collaborate with other producers and export their products through the Okinawa International Logistics Hub.

Extensive Domestic and International Flight Network

Traveling to 27 cities, we are ranked fourth domestically and have also expanded our overseas network

Naha Airport's domestic flight network is ranked 4th best in Japan, connecting 27 cities throughout the country. It also offers an international flight network centered on East Asia, with access to Taipei, Seoul, Shanghai, Hong Kong, Beijing and other major cities. These networks are expected to expand even further upon the completion of a second runway, which is currently under construction (planned to open in March, 2020).

○Naha Airport Passenger Flight Network



Second only to Fukuoka for number of domestic flight routes

The fact that Naha Airport currently has only one runway but still ranks second best for number of domestic flight routes is an impressive accomplishment.

Airport	Operating Hours	No. of Routes	Flights day
Haneda	24/7	51	1,132
Kansai International	24/7	29	254
New Chitose	24/7	29	184
Naha	24/7	27	163
Fukuoka	24/7	27	191
Itami	7:00a.m.~9:00p.m.	26	185
Kagoshima	7:30a.m.~9:30p.m.	17	82
Chubu International	24/7	19	78

Source: The All Japan Airport Terminals Association "Overview of Japanese Terminals 2014"

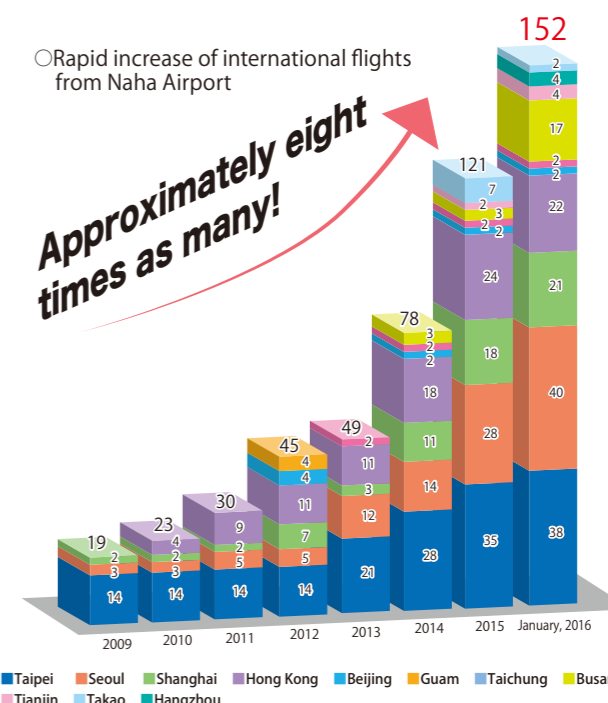
Taking advantage of the rapidly increasing number of international passenger flights

The number of international passenger flights to Naha Airport has grown 8 times larger over the past seven years. These passenger airplanes are also being used to transport cargo. The number of routes and delivery capabilities are expected to expand when the new international terminal is complete.

○Naha Airport's New International Passenger Terminal completed in Feb. 2014



Copyright Cinema Okinawa



Historical port services and facilities at Naha Port and the International Container Terminal are continuously being improved in order to become a hub for maritime logistics from Naha to East Asia and the world. Gantry cranes have been added to Naha Port and other facilities are being

continuously being improved in order to become a hub for maritime logistics from Naha to East Asia and the world. Gantry cranes have been added to Naha Port and other facilities are being improved to increase foreign cargo trade.

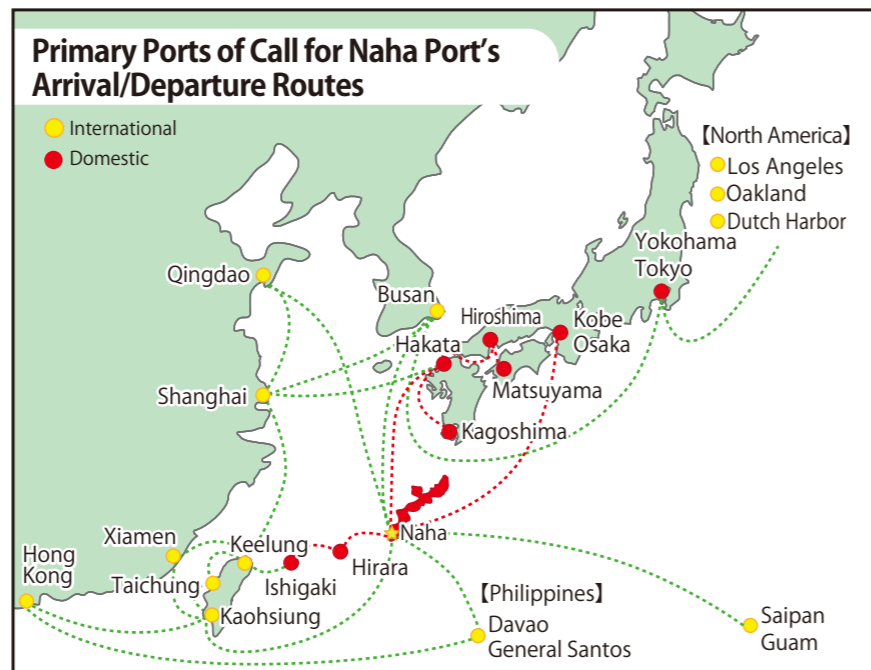
The International Logistics Port Bay—Harnessing our Geographical Advantages

Improving the Functions of the International Logistics Bay at Naha Port

Naha port has come to support Okinawa Prefecture's socio-economics as the base for Okinawa Prefecture's distribution of goods and people and as a gateway to the ocean. It's currently aiming to form a distribution base through the installment of an international container terminal, the expansion of international maritime container routes, and the establishment of an integrated distribution center."

Constructing the Comprehensive Logistics Center Near to the International Container Terminal

The Naha Port International Container Terminal is in a favorable position just 10 minutes from Naha Airport by car, and in the optimal position for a distribution model that combines both maritime and air transportation. Furthermore, the construction of a large and sophisticated "integrated distribution center" near to the terminal is also progressing, and it will be possible for this center to attract companies that can generate more added value through its enhancement of international and domestic distribution and distribution processes. It is also expected that a genuine coastal distribution industry will form.



As of March 2016

- Increasing the Number of Gantry Cranes
⇒ No. 3 Available from July 2014
No. 4 Available from May 2015



Gantry Crane Construction Project (No. 3 & No. 4)

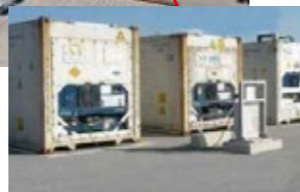
Reefer Power Construction Project

Planned Construction Site for Stage 3 of the Comprehensive Logistics Center Construction Project (2.2ha)

Planned Construction Site for Stage 2 of the Comprehensive Logistics Center Construction Project (3.0ha)

Planned Construction Site for Stage 1 of the Comprehensive Logistics Center Construction Project (2.6ha)

- Installing Reef Power Facilities (Add 40 power sources: 60→100)
⇒ Completed in 2013



- Construction of Naha Port's Integrated Distribution Center
⇒ The construction site for Stage 1 is scheduled for completion in 2017



Marine Shipping Routes that Take Advantage of the Proximity to Asia

The geographical advantage of Naha Port and its proximity to Asia has allowed for regularly scheduled, reliable international and domestic shipping routes. A new international shipping route has been mapped involving Taiwan, which allows exports to be sent from Naha to various countries, and the trend towards expanding the marine logistics has been growing.

Naha Port's Regularly Scheduled Shipping Routes for International Trade

Region	Shipping Company	Port of Call ※Shipping schedules to ports in () are not regular	Type of Ship	Total Tonnage (International Tonnage)	Container Capacity (TEU)	Number of Shipments
North America	APL	Los Angeles - Auckland - Dutch Harbor - Yokohama - Busan - Naha - Qingdao - Shanghai - Busan - Los Angeles (San Pedro) - Auckland	Full Container	64,502	5,108	1 per Week
China Taiwan	HASCO	Shanghai - Keelung - Taichung - Kaohsiung - Naha - Shanghai	Full Container	9,954	1,118	1 per Week
	Nansei Kaiun Co., Ltd.	Naha - Hirara - Ishigaki - Keelung - Xiamen - Taichung - Naha	General Container Ship	3,409	180	1 per Week
Taiwan	RKK Line Co., Ltd.	Hakata - Kagoshima - Naha - Hirara - Ishigaki - Kaohsiung - Naha - Kagoshima - Hakata	Ro-Ro Ship	22,600	320 (+ 245 Vehicles)	1 per Week
	Ehime Ocean Line Co., Ltd.	Kaohsiung - Keelung - Naha - Shibushi - Moji - Mitajirinkanoseki - Matsuyama - Hiroshima - Oita - Naha - Keelung - Kaohsiung	Full Container	5,403	560	1 per Week
Southeast Asia	MARIANA EXPRESS LINES	Hong Kong - Nansha - Kaohsiung - Naha - Guam - Saipan - (Yap) Koror - Cebu - General Santos - Davao - Hong Kong	Full Container	16,162	449	1 per Week
Oceania	FRESH CARRIERS	Davao (Philippines) - Naha - (Hakata) - (Kobe) - Davao (Philippines)	Refrigerated Container	9,340	128	1 per two weeks

※As of March 2016

Working Towards Strengthening International Logistics Functionality

At Naha Port, the "Naha Port Project to Increase Volume of Export Cargo" is aiming towards "Commissioning International ↔ Naha Shipping Routes to Improve maritime Services." This project is conducting pilot tests for new exports by container load and for consignment of increasing cargo exports. By evaluating the costs, the project is investigating how to improve delivery systems and reduce logistical costs.

○Pilot Test for Consignment Exporters



Partial financial aid is provided to reduce shipping costs.

As part of the pilot test, this department (Naha Port Authority) provides partial financial aid to reduce shipping costs. This aid is available to businesses that are exporting container cargo from Naha for the first time. For those already exporting from Naha, increased container cargo exports and less-than -container-load cargo exports compared with the previous year are also eligible for aid.

[Contact] Naha Port Authority, Development Department, Planning Section 098-868-4544

Naha Port as the Hub for Increasing the Delivery of Export/Import Containers

RKK Line and MOL Japan are working together to establish new international shipping routes

RKK Line Co., Ltd., Okinawa Prefecture's largest marine business, and Mitsui O.S.K. Lines began working together in December 2014 to increase the delivery of exports and imports of containers at Naha Port. RKK Line's Taiwan shipping route and Mitsui O.S.K. Lines' global container shipping network connected Taiwan and Kaohsiung, which allowed for shipping services from Kaohsiung to various countries throughout the globe.



Nansei Kaiun Working Towards Revitalizing the Taiwan Shipping Route and Providing New Services

In the summer of 2014 Nansei Kaiun Co., Ltd. opened a new shipping route that connect Okinawa to Taiwan and Kaohsiung. Newly built ships were brought in to handle the increasing cargo load. Transshipment (reloading) services with Kaohsiung as a relay hub were commissioned through working with Wan Hai Lines Ltd., a major shipping company in Taiwan. Wan Hai Lines connect Taiwan with major ports around the world. As a result, import and exports are expected to increase through utilizing these routes and connections.



Japan's Only Special International Logistics Zone (International Transport Concentration Zone)

Okinawa Prefecture effectively utilizes Japan's only Special International Logistics Zone and is in the process of enhancing its logistical infrastructure and attracting businesses.

International Transport Concentration Zone

Okinawa's International Transport Concentration Zone (Special International Transport Concentration Zone) is the only approved special zone of its kind that is available to the warehouse and packaging industry as well as the manufacturing, machinery repairs, non-brick-and-mortar retailers, and airplane maintenance industries, among others. In 2014, authority of the special zone was transferred from the national ministry to the governor of Okinawa Prefecture. Okinawa Prefecture then submitted its "Plan for Attracting Industries to the International Logistics Hub" to the Japanese government on June 18th, 2014 and expanded the size of the Zone for Concentration of International Logistics Industry.

Naha, Urasoe, Tomigusuku, Ginowan, Itoman Area

[All Areas of Naha City, Urasoe City, Tomigusuku City, Ginowan City, and Itoman City]

Making Okinawa their central hub for economic, industry, and trade, air and marine shipping industries are drawn to Okinawa's proximity to Naha Airport / Naha Port and the connections via major roads.



27km from Naha Airport
(45-min. drive)



Tax Incentives

The nine designated industries in the International Logistics Hub (manufacturing industry, special machinery repair industry, packaging industry, special non-brick-and-mortar retailing industry, warehouse industry, airplane maintenance industry, land-based cargo transportation industry, special rental real estate industry, wholesale industry) are eligible for special tax breaks. Income tax breaks, which are the largest tax breaks available to businesses, are limited to businesses that have invested in the special zone and have guaranteed employment. Furthermore, the businesses must be in one of the six industries (manufacturing industry, special machinery repair industry, packaging industry, special non-brick-and-mortar retailing industry, warehouse industry, airplane maintenance industry) that are expected to contribute largely to trade.

National Taxes

Companies can annually choose to receive either tax breaks on income or investments, or accelerate depreciation.

Income Tax Break System

Business that are deemed to have established a new business within the Int'l Trans. Conc.Zone will be eligible to receive a 40% tax break on corporate income taxes for the first ten years.

Investment Tax Break

A portion of the acquisition price of machinery and equipment exceeding 1 million JPY and buildings and additional facilities exceeding 10 million JPY will be exempt from corporate taxes.

Accelerated Depreciation

Machinery and equipment exceeding 1 million JPY and buildings and additional facilities exceeding 10 million JPY are eligible for accelerated depreciation.

Customs Taxes

Reduced Customs Taxes and Fees for Permits for Customs (Bonded) Area.

Choice in Customs Tax

Companies can choose whether customs on products "imported" to Japan, which were manufactured/processed from raw materials brought in as foreign cargo, are taxed based on the tax rate for the raw materials or the tax rate for the finished product.

Reduced Fees for Permits for Customs (Bonded) Area

Permits for bonded warehouses, bonded factories, bonded exhibitions, and the entire bonded area can be reduced by 50%.

Regional Taxes

Corporate taxes and real estate taxes can be reduced.

Corporate Tax Break

Businesses will be eligible to receive a partial corporate tax break for five years for investments on machinery, equipment, buildings, and additional facilities exceeding 10 million yen.

Real Estate Tax Break

Businesses will be eligible to receive a partial real estate tax break for investments on machinery, equipment, buildings, and additional facilities exceeding 10 million yen.

Tax Break on Fixed Assets

Businesses will be eligible to receive a partial fixed asset tax break for five years for investments on machinery and equipment exceeding 1 million yen and buildings and additional facilities exceeding 10 million yen.

※Please ask for more details regarding tax breaks.

Companies that develop businesses in Okinawa are eligible to receive various forms of aid from the nation and prefecture. Based on Okinawa Prefecture's long-term objectives, the logistical infrastructure centered on Naha Airport and Naha Port is being maintained progressively.

Vigorously Supporting Companies to Come to Okinawa

Ample Aid Systems through Various Subsidies and Aid

Providing Assistance to Business Activities On Top of Tax Breaks within the Special International Logistics Zone.

1 Subsidies for Investments Sunk to Acquire Fixed Assets

Aid is available for expenses related to investments sunk to acquire fixed assets required for operations such as building factories and warehouses.

- Subsidy Amount:** Maximum of 1,000,000,000 JPY. Limited to 10% of cost of land & buildings and 400,000JPY per new employee.
- Eligible Expenses:** Land, buildings, and related additional facilities, structures, machinery and equipment
- Eligibility Requirements:** Hire more than 20 new employees and acquire (rent) land larger than 5,000㎡.
- Eligible Industries:** Manufacturing Industry, Pioneering Technology Manufacturing Industry, Information and Communications Industry, International Air Transportation Industry ※Eligibility requirements may differ per industry.

Contact: Industrial Site Promotion Division, Department of Commerce, Industry, and Labor, Okinawa Prefectural Government 098-866-2770

2 Financial Aid for the Concentration of International Logistics Industry

Financial aid is available to provide assistance towards initial startup costs for businesses in one of the new International Logistics Hub Industries (9 industries including the manufacturing industry and special machinery repair industry, etc.) and locating to the Zone for Concentration of International Logistics Industry.

- Subsidy Amount:** Maximum of 100,000,000 JPY
- Eligible Expenses:** Facility Investments

Contact: Industrial Site Promotion Division, Department of Commerce, Industry, and Labor, Okinawa Prefectural Government 098-866-2770

3 Grants to Promote Employing Young Okinawa Workers

Grants are available towards the cost of employment for businesses that invest over three million JPY in facilities and equipment to establish operations in Okinawa Prefecture, and employ three or more persons under 35 who reside in Okinawa Prefecture.

- Grant Amount:** 1/4 of income calculated according to the Ministry of Health, Labour, and Welfare (1/3 for Small to Medium Sized Enterprises) Financial aid is limited to 1,200,000 JPY per year per employee.
- Aid Duration:** 1 Year (however, businesses who are deemed to provide stable employment may be eligible for two years)

Contact: Okinawa Financial Aid Center 098-868-1606

4 Grant to Develop Regional Employment

Businesses may be eligible to receive grants should they establish operations and facilities in areas listed on the "Promotion of Job Opportunities in Certain Regions" or "Regions for Rejuvenation of Employment and Depopulation" and employ three or more workers residing in Okinawa that are introduced via HelloWork. The grant will be determined by the number of employees the business hires and the size of investment for operations.

- Grant Amount:** 500,000 to 8,000,000 JPY per year
- Duration:** Maximum of 3 years (paid once a year for three years) ※For the first year of operations, startup businesses will be eligible with two hires.

Contact: Okinawa Financial Aid Center 098-868-1606

5 Financial Aid for Shipping Costs to Attract and Retain Businesses

Businesses (manufacturing industry) within the Zone for Concentration of International Logistics Industry (former Uruma area) and manufacturing products within the special zone can receive financial aid for the cost of shipping in raw materials from abroad and other prefectures and shipping the finished goods to other prefectures.

- Aid Amount:** Limitations on annual amount received per company

Contact: Industrial Site Promotion Division, Department of Commerce, Industry, and Labor, Okinawa Prefectural Government 098-866-2770

6 Airline Container Space Project

The prefecture charters container space on airlines and provides an amount equivalent to transportation costs within the scope of the budget to vendors exporting prefectural commodities.

※However, the user must pay for fuel surcharges, customs, cargo handling fees, and other various export expenses.
 ※Minimum lot size must exceed a mixed cargo load of 300kg. Containers are secured on the spot the day the cargo is gathered.
 ※As a rule, over 50% of cumulative monthly total weights must be Okinawan products.

Contact: Asian Economic Strategy Division, Department of Commerce, Industry, and Labor, Okinawa Prefectural Government 098-866-2340

Project for the Creation of Information and Communication Hubs in Asia

○Okinawa International Information and Communications Infrastructure Diagram



--- Existing communication line provided by Okinawa GIX and private communication providers
 — Communication line established by Okinawa International IT Infrastructure
Contact: Information Industry Promotion Division, Department of Commerce and Labor Industry, Okinawa 098-866-2503

- Project Effects (Advantages)**
 - High-speed (broadband), high-capacity, and low cost communication networks**
Communication networks capable of directly connecting to Asia from Okinawa.
 - Low delay (most direct route) communication networks**
Low delay communication networks that directly connect to Asia from Japan.
 - Communication network environment that makes it possible for redundant configuration**
Communication network environment that emphasizes redundant configuration through the utilization of GIX line and domestic communication lines available in Kyushu.
- Potential Business Models**
 - Remote backup services**
Services supporting corporate data management utilizing the benefits of Okinawa and its focus on disaster restoration (DR) and business continuity plans (BCP).
 - Asia Operation Services**
Services supporting improvement of operational efficiency for Japanese-affiliated companies in Asia through the installation of business management servers at the data center in Okinawa.
 - Content Delivery Services**
Services supporting the delivery of movies, moving pictures, games, and other large capacity data.

Constructing a Coordinated and Collaborating Logistics Hub

Centered on Naha Airport, plans are implemented to attract businesses and maintain an optimal logistics environment. Naha Airport and Naha Port Container Terminal, which are the nodes of logistics, are only a ten-minute drive apart. Plans have been implemented for the region to become a hub for air and marine logistics. These plans to maintain the logistics environment include equipping the Airport Cargo Terminal, designating the Zone for Concentration of International Logistics Industry, and equipping the cargo center within the zone. Construction of the second runway is underway and the number of flights arriving/departing is expected to increase in the future.



Naha Airport Cargo Terminal with Customs Functions

ANA's massive cargo bay operates 24-hours a day and can accommodate international and domestic cargo. The facility includes a customs-processing zone and domestic/international cargo can be reloaded rapidly. Up to ten cargo planes can park in front of the cargo bay at any given time and cargo delivered from major Asian cities can reach their final destinations efficiently through our unique "Hub and Spoke Network".

International Logistics Center—Improving Rapid Logistics

Adjacent to Naha Airport, Fast, Close, and only 1-min. by Car

The International Logistics Center was built adjacent to Naha Airport in order to establish the International Logistics Hub. Centers for spare parts, repairs, and inventory for e-commerce products targeting Asia are being attracted by the potential of utilizing the functions available at the Okinawa International Logistics Hub.

Steadily Progressing Construction of Naha Airport's Second Runway

Planned for completion in 2020, the runway will be 2,700 meters long and 1.3km off the coast. Once completed, air traffic is expected to grow from the 135,000 landings/departures per year to 185,000 landings/departures per year. Consequently, the speed of transport via airplanes is expected to increase significantly.