

Cool Japan Initiative

December 2014

Cool Japan Initiative

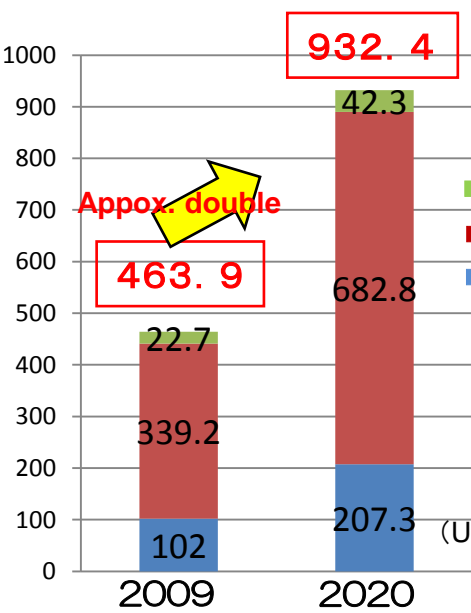
Severe economic environment. (i. e. Decrease in domestic demand)

➔ Change the appeal of Japanese culture, lifestyle and clothing food and housing and contents (anime, drama and music) into additional value (Commercialization of the Japanese appeal) in addition to the traditional industry such as cars, home electronics and devices,

➔ **Achieve Japanese economic growth (vitalization of the Japanese enterprises / Job creation) by capturing vibrant overseas demand.**

The role of METI: Linking “Cool Japan Initiative” to private business and spreading them out to the world.

The global market scale of the creative industries



Images



➔ **Gain momentum of Japanese enterprises which embody “Cool Japan” via developing and expanding demand overseas.**

The source: Cool Japan relevant market by AT Kearney

1. Present condition of the Creative industry

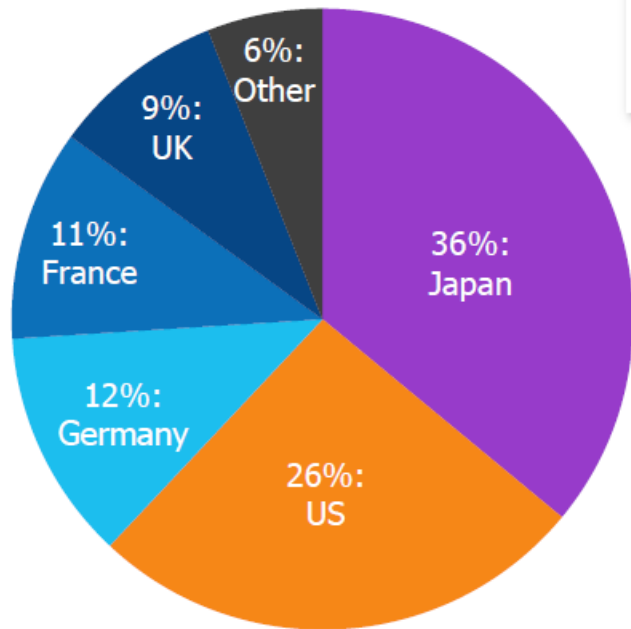
① Evaluation of Japan

Japan was evaluated as the most creative country in the world. Tokyo was evaluated as the most creative city in the world.

More people abroad evaluated them as “creative” than the interior

Note: Survey of 1000 people over 18 years old of US, UK, Germany, France and Japan Survey of 5000 people

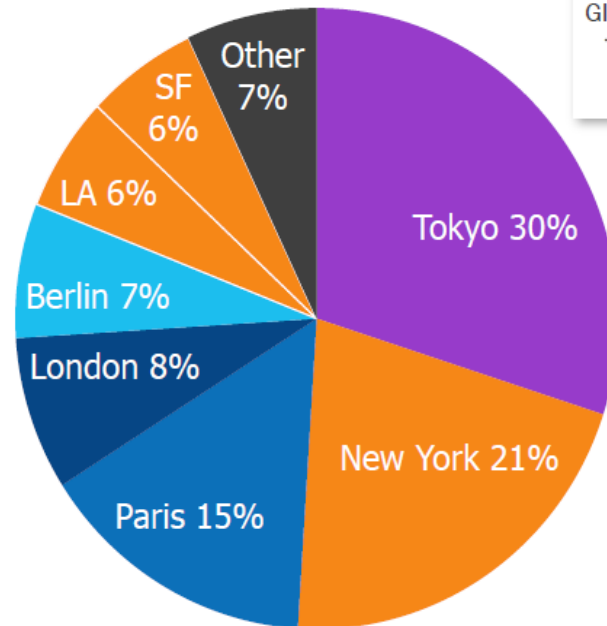
Japan is the most creative country in the world



Globally, 36% say that **JAPAN** is the most creative country



Tokyo is the most creative city in the world



Globally, 30% say that **TOKYO** is the most creative city

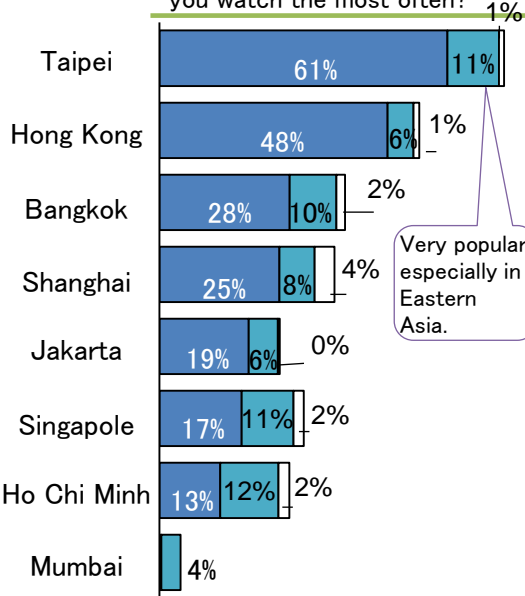
Seen from \ Creative country	Japan	U.S.	Germany	French	UK	Others
U.S.	34%	47%	5%	5%	1%	8%
French	37%	20%	8%	25%	5%	5%
U.K.	40%	10%	6%	3%	35%	6%
Germany	40%	15%	27%	7%	3%	8%
Japan	26%	39%	12%	16%	3%	4%

The source : state of create study (April 2012 Adobe)

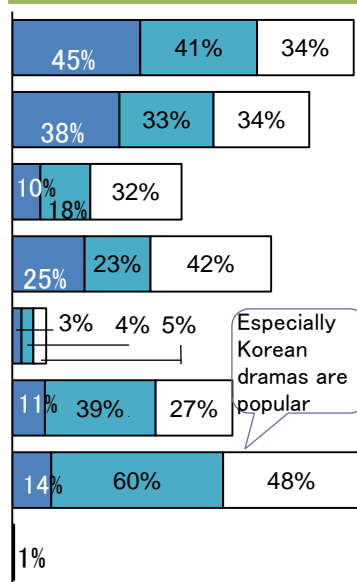
② The potential of the Japanese contents

The popularity of contents of Japan, Korea, US and Europe in major cities in Asia

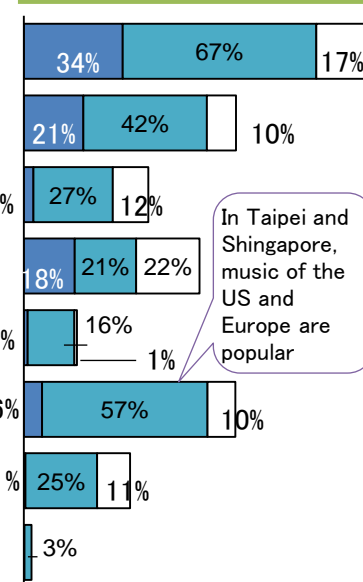
Which country's animation or manga do you watch the most often?



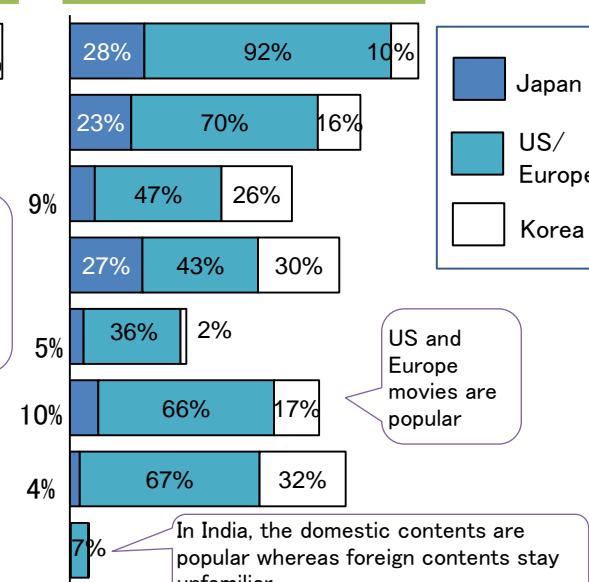
Which country's drama do you like the best?



Which country's music do you listen the most often?



Which country's movie do you like the best?



Reference:Hakuhodo Global HABIT survey Jul.2011 (Sample survey: 15-54years old MF6591(MA))

The events for Japanese content in US/Europe

【JAPAN EXPO】

JAPAN EXPO visitors that French private organization hosts every year had 230 thousand visitors in the 14th event in 2013. Japanese Pop culture (mainly contents) was exhibited and received good fame.

【Anime Expo】

A large event of Japanese anime and manga hosted by private organization since 1992 in Los Angeles. In 2013, 6 thousand visitors came to the event (gross 160 thousand visitors) reaching a new record. In North America, although the sales of manga and anime are decreasing the potential market is growing.

Hollywood movies originally made in Japan

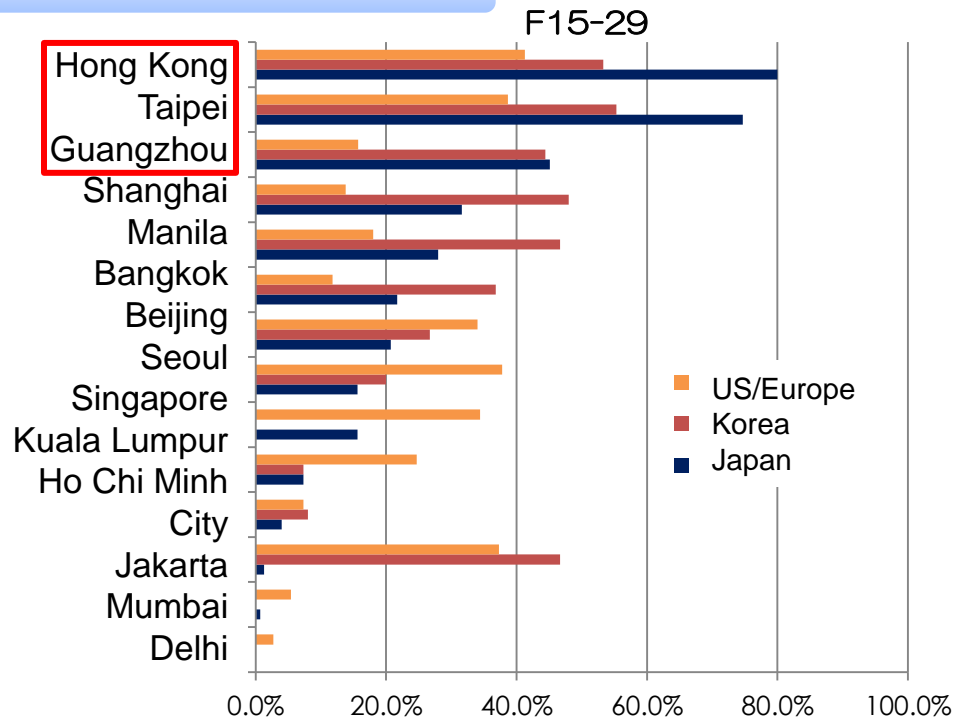
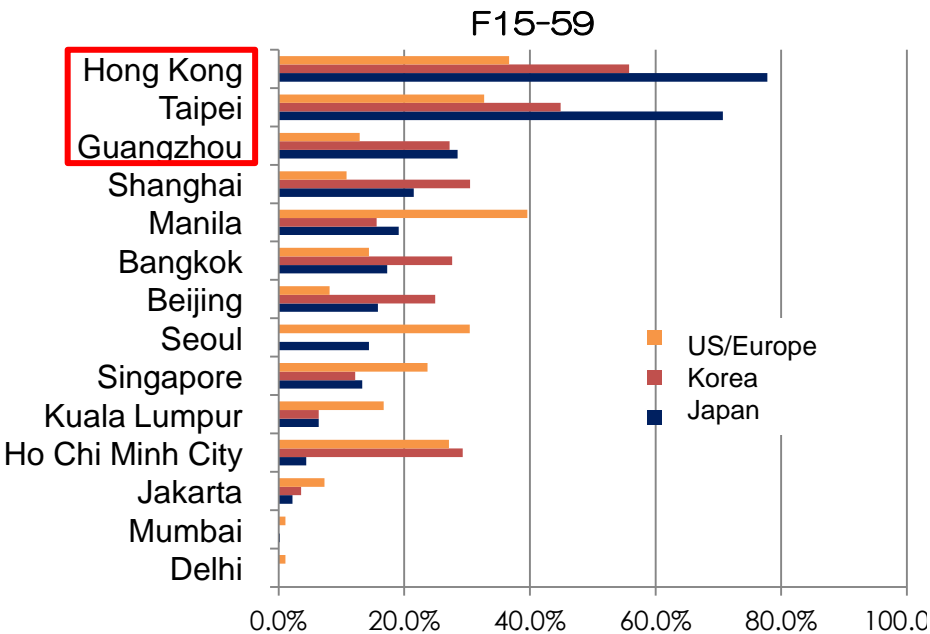
Title	Original	Theatre	Box-office sales (\$100thousand)	Release
Godzilla ㄨ	Godzilla	3,310	136.3	1998
The Ring	The Ring	2,927	129.1	2002
The Grudge	The Grudge	3,348	110.3	2004
Shall We Dance	"Shall We Dance"	2,542	57.8	2004
Eight Below	Eight Below	3,122	81.6	2006
One Missed Call	One Missed Call	2,240	26.8	2008
	Yomigaeri	—	—	TBD
	Death Note	—	—	TBD
	MONSTER	—	—	TBD

※Office earner of original Japanese movie "Godzilla 2000" 2111theatres/\$1000thousand
Reference: "Japanese movie global business" HP: from Box office Mojo

③ Fashion/Makeup

Japan is popular, especially in Hong Kong, Taiwan and China in the attitude survey “Which country influences you the most in fashion and makeup”. On the other hand, Korean is more influential than Japan among the young generation (15-29yrs old) in Southeast Asia(Ho Chi Minh City etc).

Countries which have influence in fashion/cosmetics



In China, Japanese fashion magazines are popular
5 Japanese fashion magazines rank in China's most popular 10 fashion magazine.

Sample : F15-29
Sample (MF15-59) 8646s (Each city 500-900)
Survey period : End of May-Beginning of Aug.2011

Reference : HakuHodo GLOBAL HABIT

④ Evaluation of the Japanese food

- Restaurant in Japan is highly esteemed among experts around the world: the most restaurant with stars of Michelin in the world.
- Not only Japanese dishes, but also French and Italian cooked by Japanese chef are also highly esteemed.

Y2013 TOKYO Michelin Guide

☆☆☆

27 restaurants

☆☆

110 restaurants

☆

428 restaurants



Y2013 KYOTO/OSAKA/KOBE Michelin Guide

☆☆☆ 23/27 Japanese Food restaurants (※)

454/565 Japanese Food restaurants (※)

※ Japanese Food: Tavern, Eel, Oden, Sukiyaki, Vegetarian food, Sushi, Soba-noodle, Teppanyaki, Tempura(deep-fried), Yakitori (Grilled-Chicken) etc.

Ranking of cities based on the number of the Michelin star winning restaurants.

1st Kyoto/Osaka/Kobe/Nara (300 restaurants) 2nd Tokyo/Yokohama/Shonan (293 restaurants)

3rd Paris (64 restaurants)

4th New York (62 restaurants)

■ Evaluation from overseas
of the Japanese Chefs

Michelin Guide France 2013

☆☆☆

1 restaurants

☆☆

12 restaurants

Japanese chefs have received high praise in the world of French cuisine.
It demonstrates Japanese good dietary sense deriving to food culture .

⑤ Tourism

■ Japan won 2 categories in ranking of an attractive sightseeing city carried out by the major newspapers in U.K.

① Long Haul country: **1st Japan**

② City category: **1st Japan**

■ Ranking by the US major travel magazine;

→ Asia city category: **1st Kyoto, 7th Tokyo**

Guardian Travel Awards <u>Favourite Long Haul Country</u>	
1位	Japan
2位	Maldives
3位	Peru
4位	New Zealand
5位	Vietnam

Guardian Travel Awards <u>Favourite Overseas City</u>	
1位	Tokyo
2位	Sydney
3位	Cape Town
4位	San Francisco
5位	New York

Condé Nast Traveler 2011 Cities in Asia	
1位	Kyoto
2位	Bangkok
3位	Hong Kong
4位	Chiang Mai
5位	Ubud
6位	Singapore
7位	Tokyo
8位	Luang Prabang
9位	Thimphu
10位	Shanghai

The source : ※1 「Guardian Travel Awards 2011」
※2 「Condé Nast Traveler 2011」

⑥ Trade in Creative industries

■ Import excess in creative industries except for game.

Trade volume in Creative industry

Unit : hundred million yen

	Game	Makeup	Fashion (Textile)	Movie	Music	Book	Magazine	Copyright	Tourism	Total
Export (receipt)	2,930	1,292	376	46	22	73	43	1,317	8,752	14,851
Import (Payment)	21	1,674	18,516	408	240	217	72	7,007	21,716	49,871
Balance Of payments	2,909	△382	△18,140	△362	△218	△144	△29	△5,690	△12,963	△35,019

※Source

Game • Movie • Music • Book • Magazine : Foreign trade statistics (products only, excluding online)
Music2005, others: 2011

Copyright • Tourism : Bank of Japan Balance of Payment statistics 2011
Fashion : Fiber Hand book2009

2. Cool Japan Policy

Cool Japan Initiative

<Current Status>

Japan's creative industry such as content, fashion, animation has been gaining popularity worldwide. However, those Japanese industries cannot fully transform the attractiveness into business.

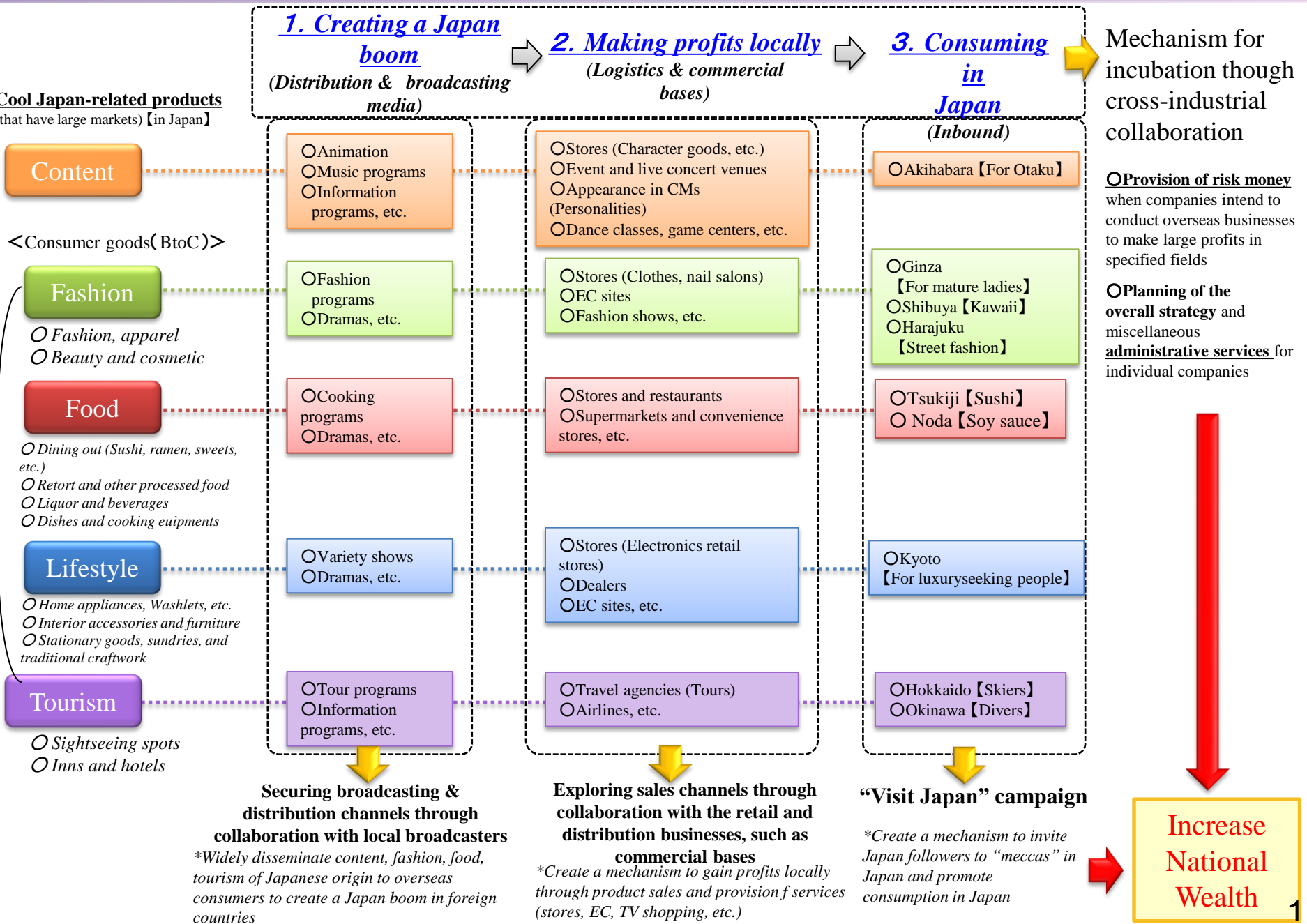
- The bottlenecks are a lack of:
- funding risk money by banks and investors
 - successful experience overseas
 - overseas bases for launching businesses mainly for SMEs, etc.

<Support for Overseas Expansion>



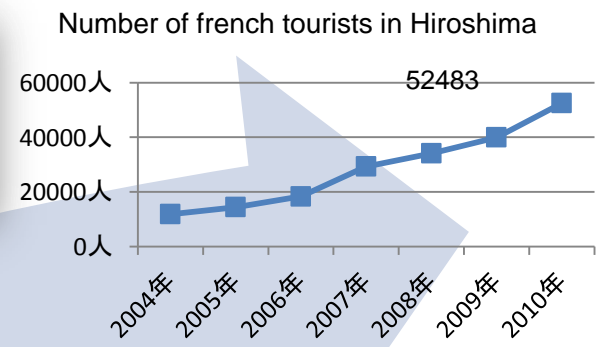
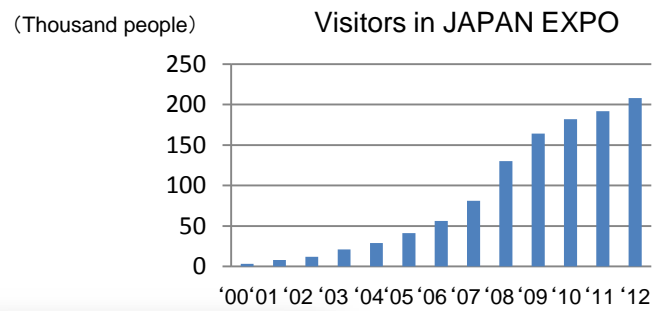
Overseas expansion of Japanese content	Increasing overseas base for launching business	Increasing foreign tourists
<p>(1)The support for Localization and Promotion of contents</p> <ul style="list-style-type: none"> • J-LOP <p>(2)Promoting information transmission overseas</p> <ul style="list-style-type: none"> • Co Festa • Project of inviting Influencers 	<p>(1)Product development and collaborating with partners</p> <ul style="list-style-type: none"> • Promotion collaboration between enterprises and producers • Cool Japan Matching Grand Prix <p>(2)Business matching with local companies</p> <p>(3)Test Marketing</p> <p>(4)Providing risk money</p> <ul style="list-style-type: none"> • Cool Japan Fund 	<p>○Promoting information transmission overseas</p>

(Ref.1) Overall Image of the Cool Japan Initiative to Make Large Profits



(Ref.2) Overall Image of the Cool Japan Initiative to Make Large Profits

- A video production company in Hiroshima, TSS production, started to broadcast the program “Japan Motion” in 2009 which promotes the appeal of Chugoku district on France cable TV “NO LIFE”
 - ※6.5 million households subscribes, available to 12 million people.
- The appeal of Hiroshima and other local region is spread out by this program and the event Japan Expo. As a result, the business performance of local companies and visitors to Hiroshima has increased and marked an effect.



Toulouse Game Show 2012

3. Consumption in Japan

2. Making profits overseas

1. Japan boom overseas

Foreign tourists favorite tour spot Top 5 (2012)

Ranking	Tour Spot
No.1	Miyajima (Hiroshima)
No.2	Hiroshima Peace Memorial Museum (Hiroshima)
No.3	Kinkakuji (Kyoto)
No.4	Asakusa Temple (Tokyo)
No.5	Himeji Castle (Hyogo)



Feature : Hiroshima style okonomiyaki

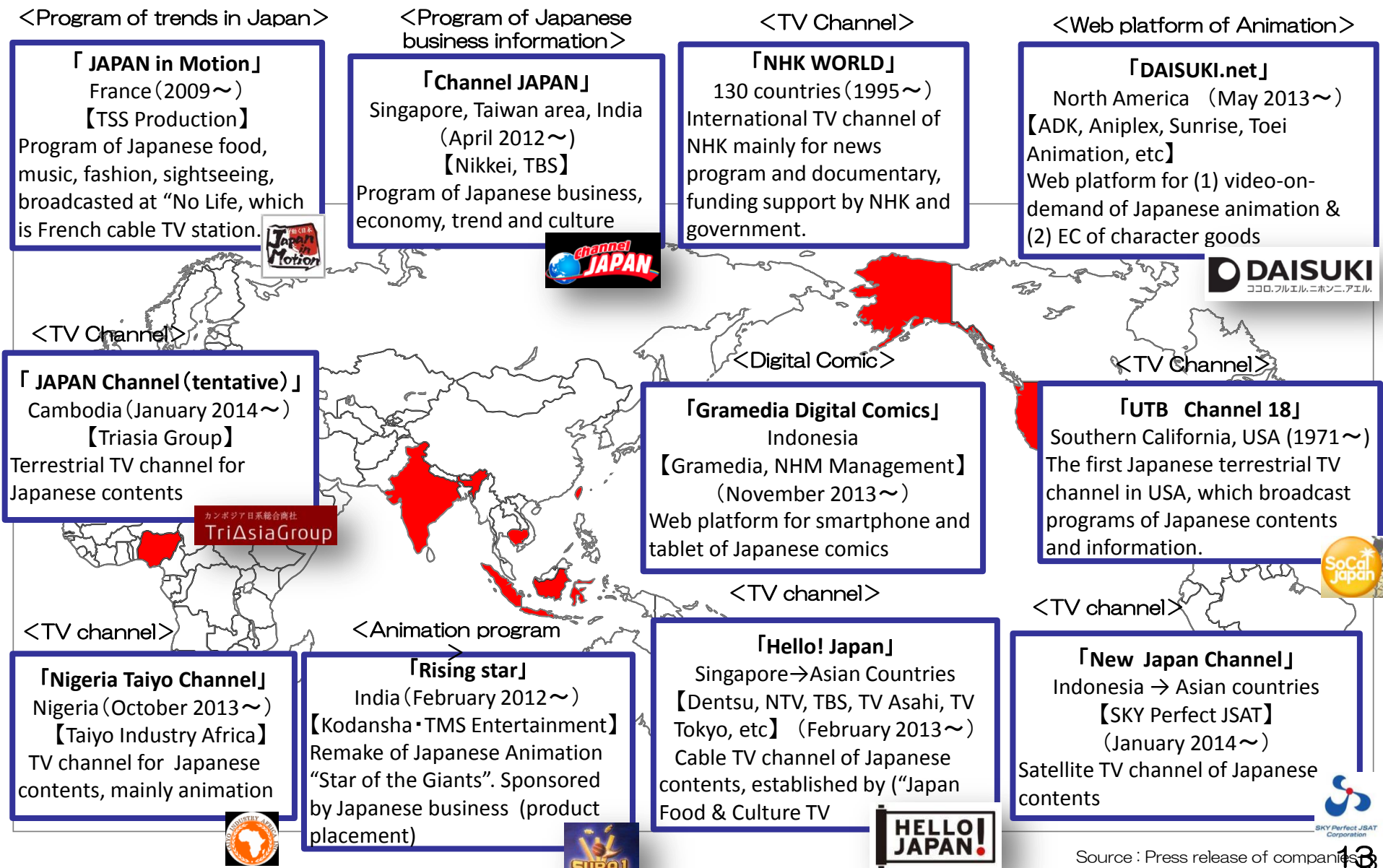


First store of Hiroshima style okonomiyaki in Paris



(Ref. 3) Establishing “Japan channel”

Japanese companies are now establishing “Japan Channel” which broadcast/deliver programs about Japanese animation, entertainment, culture, and lifestyle, overseas, especially in Asian countries.



1-(1) J-LOP: The support for Localization and Promotion of contents

The Japanese government decided to start the support for the localization and promotion of Contents.

Budget: US\$155 million

15,500 million yen

Localization Support

Budget: about US\$ 95 million

9,500 million yen

- **Candidate** Contents holder, etc.
- **Objects** Film
TV program
Game
Digital comic
etc..
- **Grant rate** Up to 50% of localization cost

Promotion Support

Budget: about US\$ 60 million

6,000 million yen

- **Candidate** Contents holder, etc.
- **Objects** Film
Music
TV program
Game
Digital comic
Digital book etc..
- **Grant rate** Up to 50% of localization cost

Current Results (as of the end of February 2014)

- The total number of applications: 2,564
- The total number of approvals : 1,570
- Approved organizations (localization) : 147
- Approved organizations (promotion) : 239

1-(1) J-LOP: The support for Localization and Promotion of contents

Localization Support

animation



digital comic



Television channel



J-LOP : <http://j-lop.jp/en/>

Promotion Support

JAPAN EXPO



Festival de Cannes



Examples of support for companies holding an event promoting Japanese content

Tokyo Girls Collection at ASIA STYLE COLLECTION in Singapore



Support is provided only for events which is approved to be effective to disseminate Japanese pop culture

Examples of support for companies participating overseas trade fairs

- Asian Film Market (Korea)
- China International Licensing Show (China)
- Anime Festival Asia (Singapore)
- Asia Television Forum (Singapore)



1-(2) Promoting information transmission overseas

- CoFesta (Japan International Contents Festival) is the largest comprehensive contents festival in Japan. Eighteen events connected with the content industry including games, animation, comics (manga), characters, broadcast, music and films, and content-related industrial events like fashion and design are held in cooperation with each other.
- Content industry works together to promote its contents overseas with powerful public relations.



Achievement at CoFesta

	[All Events]	[TIFFCOM]
CoFesta2007 Official event (18), Partner event (6)	Attendance: 0.80 million	Contracts: US\$15million
CoFesta2008 Official event (15), Partner event (10), Original event (11)	Attendance: 0.82 million	Contracts: US\$19million
CoFesta2009 Official event (18), Partner event (16), Original event (6)	Attendance: 1.00 million	Contracts: US\$45million
CoFesta2010 Official event (17), Partner event (9), Original event (2)	Attendance: 1.30 million	Contracts: US\$38million
CoFesta2011 Official event (18), Partner event (14), Original event (2)	Attendance: 2.30 million	Contracts: US\$45million
CoFesta2012 Official event (18), Partner event (11) < as of December 2012 >	Attendance: 1.80 million	Contracts: US\$52million

CoFesta Overseas Access

Japan Expo (Paris)

- The biggest Japanese pop-culture event in the world
- July 1 – 4, 2010
- 160,000 attendees, 63 items exhibited

Japan Expo



CoFesta in Shanghai

- June 12 – 23, 2010
- 70,000 attendees

CoFesta in Brazil

- Independent event in Sao Paulo
- March 11 – 14, 2010
- 3,000 attendees, 70 items exhibited

CoFesta in Brazil



Anime Festival Asia 2009 (Singapore)

- The biggest Japanese animation and pop-culture event in SE Asia
- November 21 – 22, 2009
- 50,000 attendees 21 items exhibited

MANGA Festival in Singapore

- A comic event by 10 Japanese MANGA publishers
- February 15 – 17, 2013
- 3,000 attendees

1-(2) Promoting information transmission overseas

Project of inviting Influencers & foreign students studying

in Japan Tokyo, Japan

This project promotes information transmission overseas. The Japanese government invited influencers to creative events.

(Examples of influencers)

- Frame Magazine, editor-in-chief
- ELLE (Paris), editor
- Fashion blogger
- Yahoo Taiwan, editor



Inviting influencers



Influencers convey attractiveness of Japan to overseas



Inviting Influencers & foreign student studying in Japan

(1) Creative Tokyo Events

“Creative Tokyo” aims to promote information transmission overseas, reviving the Tokyo brand, stimulating consumption, and attracting more tourists to Tokyo.



• HARAJUKU KAWAii!! FES 2013



• Tokyo Midtown DESIGN Touch



• Mercedes-Benz Fashion Week



• TOKYO DESIGNERS WEEK

(2) CoFesta Events

“CoFesta” aims at being the world's largest contents festival which creates new capability and spreads it overseas widely.

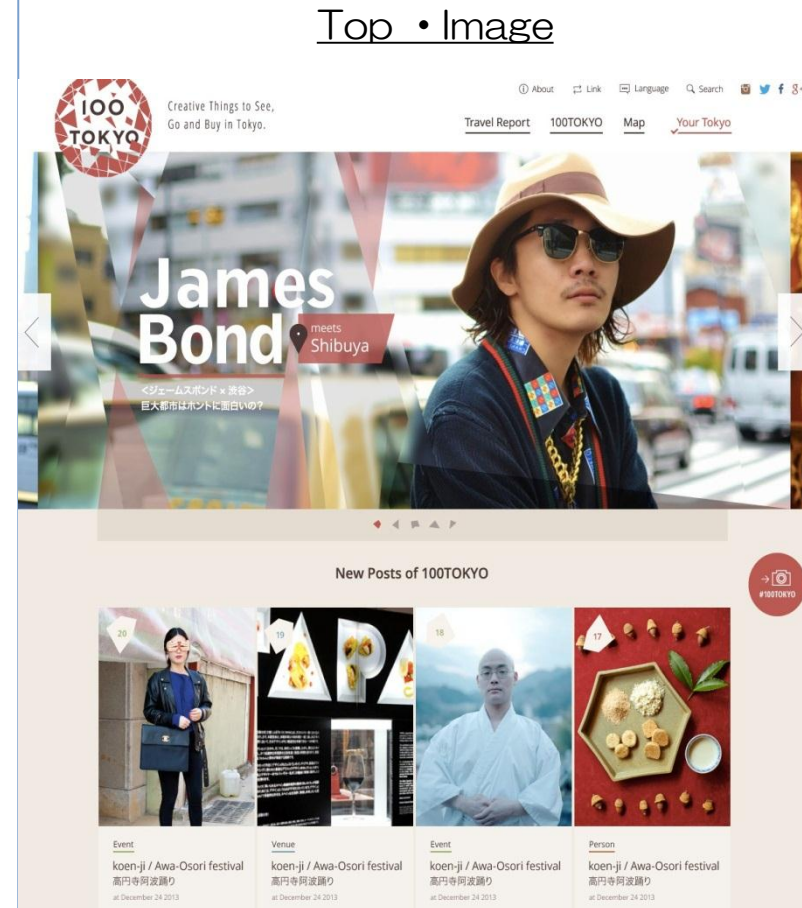
Japan Content Showcase 2013



1-(2) Promoting information transmission overseas

『100 TOKYO』

- 100 Tokyo is a web-site introducing the most charming and unique facets of Japan's capital city.
- Canvassing Tokyo locals, it has carefully selected inspirational stuffs for design, fashion, technology, art, food, architecture and sightseeing that will shape your perception of our city in thrilling new ways.
- The goal is to vitalize Japanese economy from creative viewpoint by uncovering Tokyo's unique appeal and unknown Japan's value, motivating foreigners to travel to Tokyo and improving the quality of consumption during the stay.
- Release date : March 20 2014
- Main language : English



URL: <http://100tokyo.jp>

2-(1) Product development and collaborating with partners

Promotion collaboration between enterprises and producers such as creators and designers

Local enterprises dealing with crafts, tourism, manufacturing, contents and food **×** Producers like creators and designers **➔** Encouraging local enterprises to take on the challenge of overseas markets by promoting collaboration among them

Asahi shuzo dassai **×** Mr. Maruwaka, famous designer



Ohmiya Ktoghuku **×** Mr. Nishihori, famous designer



Cool Japan Matching Grand Prix

The Japanese government holds matching sessions to support collaboration with companies of different business categories.

< 1st Event Outline >

- ◆ Date: July 4 and 5, 2013
- ◆ Participation: presenters

【effect】

Tie up with a Japanese company exporting anime to Nigeria and a Japanese stationery company to export stationery there.

81 people (estimate) / visitors 670 people (estimate)

< 2st Event Outline >

- ◆ Date: October 30, 2013
- ◆ Participation: Presenters 71 people (estimate) / visitors 539 people (estimate)

【effect】

The number of exchanged business cards was approximately 2,500.

< 3st Event Outline >

- ◆ Date: February 27 and 28, 2014
- ◆ Participation: Presenters 83 people (estimate) / visitors 664 people (estimate)

【effect】

The number of exchanged business cards was approximately 3,694.

Access to Nico Nico Doga: 205,123 views

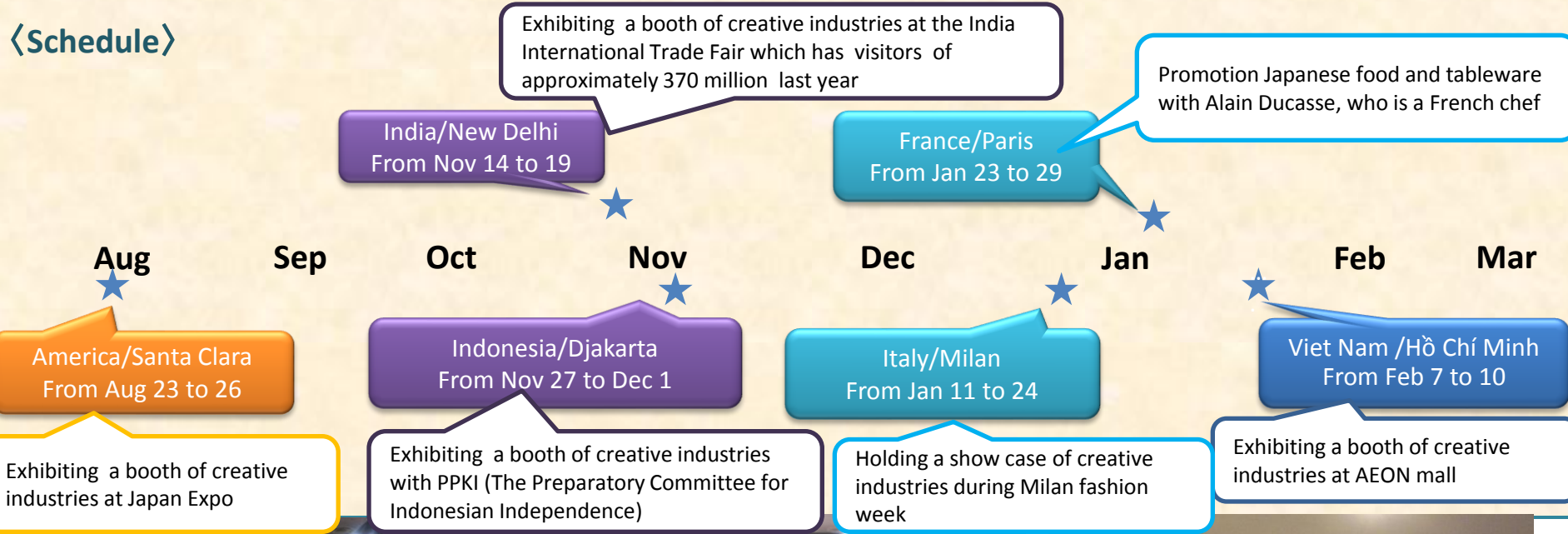


2-(2) Business matching with local companies

Cool Japan World Trial

The Cool Japan World Trial aims at developing business overseas through providing exhibitions of creative industries as well as a business matching with local companies in the United States, India, Indonesia, France, Italy, and Viet Nam.

<Schedule>

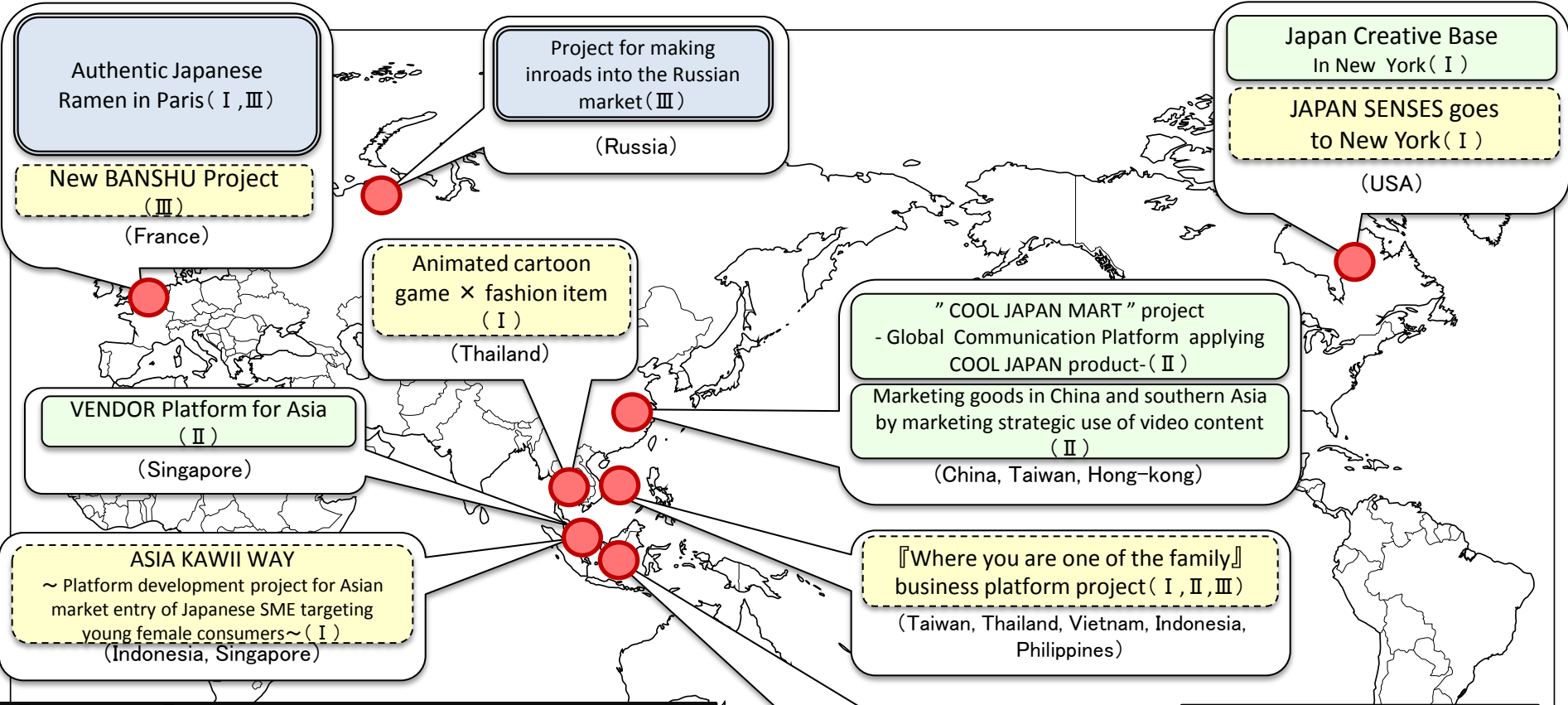


2-(3) Test Marketing

Cool Japan Promotion Project ~supporting development of foreign market~

Supporting to explode Japanese attractive goods and services(e.g. animation & comics, fashion, food, local products) on a worldwide scale by Japanese SMEs which play an important role in developing overseas market, facilitating interactions with local companies to sell them this field.

in 2013



【Category】
 I : collaborating between manufacturers and distributors
 II : utilization of contents
 III : developing new products by producers

Japan halal food project (III)
 Development of Japanese eComic by smart phone (II)
 (Indonesia)

【Field】
 Fashion
 Contents
 Food

2-(4) Cool Japan Fund : Resolving Bottlenecks for Cool Japan Businesses

Bottlenecks for Cool Japan businesses

Insufficient finance provided by banks and investor

- ✓ Japanese companies hesitate to invest overseas due to a lack of experience and earning models in overseas market.
- ✓ Banks and investors are cautious about providing risk money.

Lack of overseas base for launching businesses

- ✓ Difficulty in securing business space in overseas commercial centers.
- ✓ Insufficient information and know-how.
- ✓ Lack of the appeal to overseas consumers.

Resolving bottlenecks

- Helping Japanese companies secure commercial space to launch its business in overseas market.
- Supporting B to B service enterprises' which will support overseas business projects.
- Providing specialized support for Cool Japan Initiative fields
Providing business exploration, deal-making and management support (hands-on support for enterprises' overseas expansion)

- ✓ To promote the Cool Japan Initiative, Japanese Government sets up a fund providing risk money, named 'Cool Japan Fund' which cannot be offered by private sector alone.
- ✓ The fund supports companies investing overseas to explode Japanese attractive goods and services on a worldwide scale.

2-(4) Cool Japan Fund : Scheme of the Cool Japan Fund

Japanese Government


<FY25>
50 billion yen

<FY26>
30 billion yen

Private-sector

- Banks, securities companies
- Manufacturers, distributors, real estate-related entities, etc.

Investment



30 billion yen
(as of 2013 Nov.)

Investment



8.5 billion yen
(as of April 2014)

Cool Japan Fund

- Support companies investing overseas, especially cultural area
- Support Project development and management

Duration of the fund: 20 years

Investment



Investment



Private companies

Investment ↓

Project entity A

Investment ↑

Private funds

Private companies

Investment ↓

Project entity B

Loan ↑

Banks

⋮

2-(4) Cool Japan Fund : Examples of Projects

Media space projects

- Broadcasting and distribution of Japanese contents and the sale of relevant goods

Japan channel



Broadcasting and transmission



(c) BAKUGAN PROJECT

**TV broadcasting, distribution, etc.
+ Sale of goods, etc.**

Sale of goods



(c) BAKUGAN PROJECT

Toys, etc.

Idol-oriented documentary film
Source: NEW PEOPLE



Cosmetics, etc.

Regional resource projects

- Overseas marketing of products with regional characteristics



Nambu ironware
Popular in China

Physical space projects

- Cooperating with commercial facilities to integrally provide goods and services

Japan Mall

Japan Street

Japan gourmet

Interior shop



Food

Housing

Clothing

Apparel shop

Nail salon



Kumano cosmetic brushes
Also used by famous people overseas

2-(4) Cool Japan Fund : Outline of the Investment Guideline

- The final investment decision is objectively conducted at the ‘Investment Committee’, in accordance with the ‘Investment Guideline’.
- The ‘Investment Guideline’ is provided by the Government.

The outline of the ‘Investment Guideline’.

(1) Contribution to the Cool Japan Initiative

- Exploding Japanese attractive goods and services
- Become a driving force for Japan’s economic growth

(2) Profitability

- Profitability of the investment project
- Appropriate management system
- Joint capital investment by private sector
- Clear ‘Exit’ strategy

(3) Economic effect and Impact

- Enterprise partnership among various industries
- Opening up a new market / Significant increase of market share
- Providing business platform for SME etc,

2-(4) The mission of the Cool Japan Fund

- The fund carries its business following the three missions below.
 - ① Expansion of the Overseas Market and the Creation of Successful Business Models
 - ② Hands-on Support and the Development of Human Resources.
 - ③ Enhancement of the Japanese Brand through Efforts to Open Up and Expand Cool Japan Business Ventures.
- It supports private-sector business through investment and hands-on support according to the following strategy.

① Platform development

- ✓ Developing business platforms for Japanese goods and services in overseas markets.

② Supply-chain development

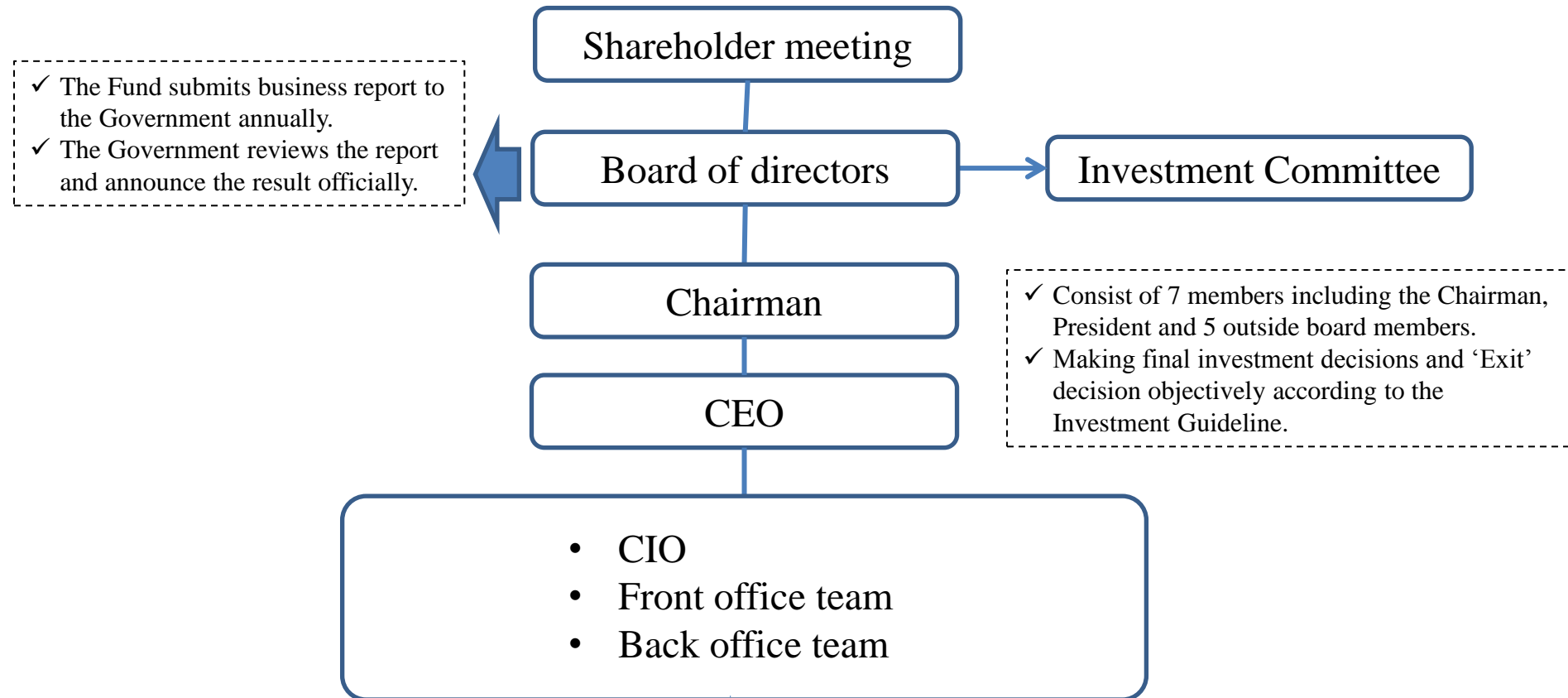
- ✓ Building distribution networks for Japanese goods and services in overseas markets.

③ Support of regional companies

- ✓ The enterprises which promotes 'To the world from a district'.

2-(4) Cool Japan Fund : Management system

- Cool Japan Fund Inc. is a corporation established on ‘Companies Act’.
- The final investment decision is made by the ‘Investment Committee’, in accordance to the ‘Investment Guideline’.



2-(4) Cool Japan Fund : Board Members

Chairman



Kazunobu Iijima

Experience

- 2012 President - The Sankei Building Co., Ltd.
- 2008 Executive Director – Fuji Media Holdings, Inc.
- 2001 Executive Officer - Fuji Television Network, Inc.
- 2000 President & CEO - Satellite Service Co., Ltd.
(Formerly SKY Perfect JSAT Corporation)
- 1997 Fuji Television Network, Inc.
- 1972 Mitsubishi Corporation

Education

- 1972 WASEDA University(Tokyo, Japan) BA in Education

CEO



Nobuyuki Ota

Experience

- 2011 Managing Executive Officer - Matsuya Department Stores
- 2006 Director - Japan Fashion Week
- 2000 President & CEO - ISSEY MIYAKE Inc.
- 1995 Adviser - Matsuya Department Stores
- 1985 Secretary general – Council of Fashion Designers Tokyo
- 1977 Fashion Journalist

Education

- 1977 MEIJI University (Tokyo, Japan) BA in Economics

2-(4) Cool Japan Fund : Board Members

CIO

Koichiro Yoshizaki

Experience

- 2009 Managing Partner - Founded Growth Initiative Inc.
- 2005 Carlyle Asia Growth Partners - The Carlyle Group,
- 1998 MKS Partners (Formerly Schroder Ventures)
- 1995 AT&T
- 1990 Mitsubishi Trust and Banking Corporation

Education

- 1990 AOYAMA GAKUIN University (Tokyo, Japan) BA in International Politics and Economics
- 1998 HOSEI Business School, MBA

Outside director

- Shoei Utsuda Chairman of the Board of Directors - MITSUI & CO., LTD
- Yusuke Kawamura Vice chairman - Daiwa Institute of Research Group
- Takeo Takasu Chairman of board of directors - NAMCO BANDAI Holdings, Inc. (as before)
- Izumi Hayashi Partner & Lawyer - Eidai Kyodo Law Office /
- Takashi Muraoka Partner & Managing Director - Industrial Growth Platform, Inc. (IGPI) Inc.

Auditor

- Toshio Kinoshita Director - The Japanese Institute of Certified Public Accountants