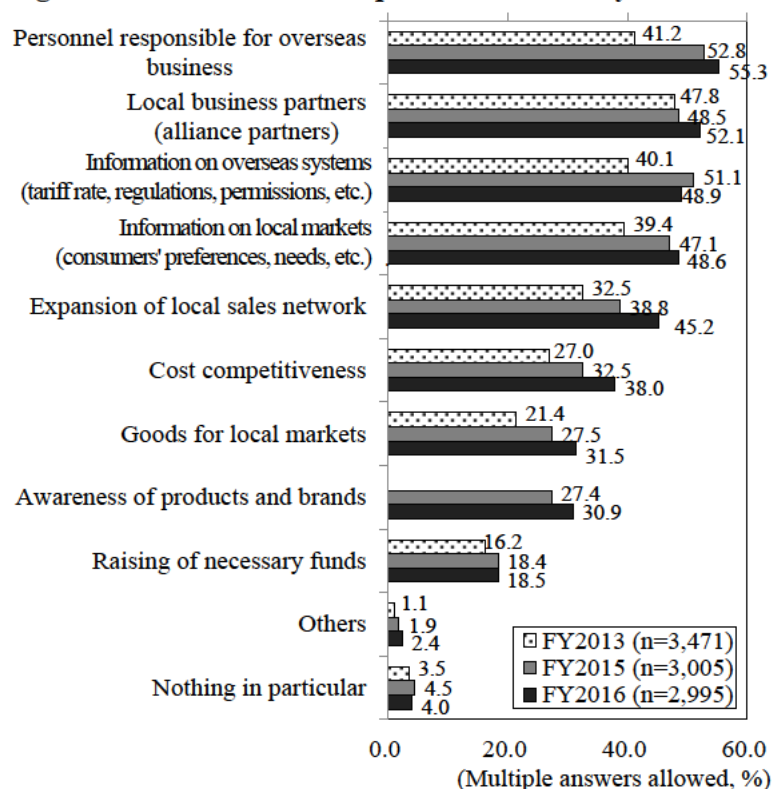


Section 2 Consortium for New Export Nation

1. Establishment of Consortium for New Export Nation

Japanese second-tiers and SMEs are engaging in various businesses, and they face a variety of challenges when seeking overseas business expansion. According to a questionnaire survey conducted by JETRO, many companies cited a variety of challenges, including “information on local markets,” “local business partners” (developing new sales channels), “personnel responsible for overseas business” (securing human resources), “raising of necessary funds” (securing finance and handling risks), and “information on overseas systems” (adapting to local regulations and standards) (Figure III-3-2-1).

Figure III-3-2-1 Results of questionnaire survey on issues regarding overseas business



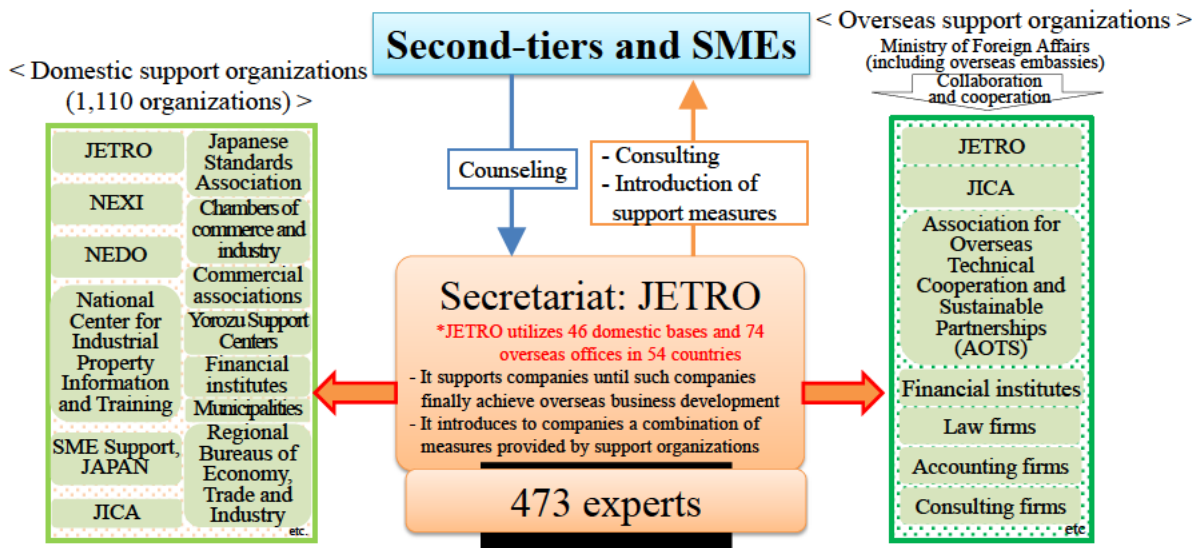
Notes:

1. The parameter is the total number of the respondent companies that participated in the survey.
2. No option for “Recognition of products/brands” was provided in the FY2013 survey.

Source: *FY2016 Survey on the International Operations of Japanese Firms* (JETRO)

Therefore, when supporting overseas business expansion by second-tiers and SMEs, it is necessary to provide comprehensive, meticulous support in activities ranging from information gathering and planning to development of new sales channels with the cooperation of experts in accordance with the needs of individual companies. Against this background, the Consortium for New Export Nation was established on February 26, 2016 (Figure III-3-2-2).

Figure III-3-2-2 Overview of the Consortium for New Export Nation



2. Status of support provided by the Consortium for New Export Nation

Since its establishment, the Consortium for New Export Nation has issued membership certificates to 7,088 companies in a great variety of industries, including not only manufacturing of industrial products but also production of agricultural, forestry and fishery products and provision of services, has assigned experts, and has started to provide support (as for the industries eligible for support, see Figure III-3-2-3). Nationwide, a total of 1,110 support organizations (as for the composition of support organizations, see Figure III-3-2-4) are participating in the consortium. The consortium plans to continue efforts to increase the number of member organizations and further enhance the menu of support measures. It has secured 473 experts in a broad range of fields in order to respond to various challenges faced by second-tiers and SMEs.

Figure III-3-2-3 Industries eligible for support (as of March 31, 2018)

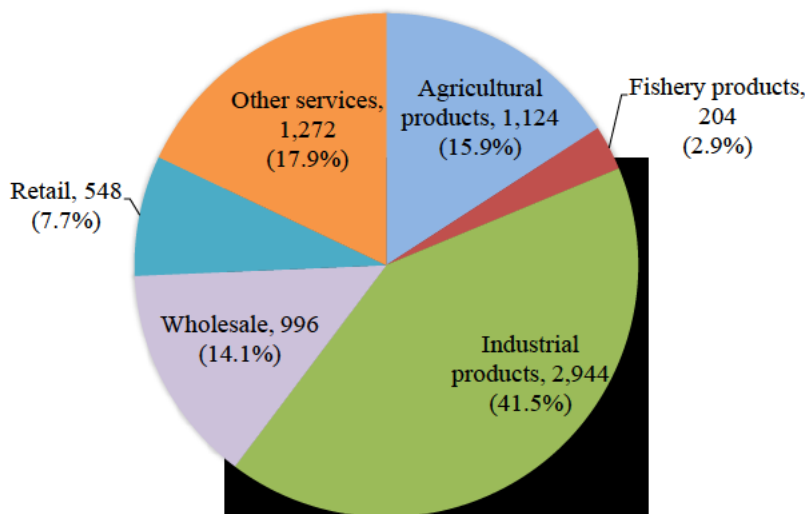


Table III-3-2-4 Composition of support organizations (as of March 31, 2018)

Support organizations	Number of organizations
1. Government/governmental organizations, etc.	42
2. Municipalities	372
3. Regional support organizations, etc.	135
4. Chambers of commerce and industry/commercial associations	286
5. Regional banks	100
6. Shinkin banks	143
7. Other financial institutes (city banks, leasing companies, damage insurance companies, etc.)	32
Total	1,110

3. Support initiatives by the Consortium for New Export Nation

The Consortium for New Export Nation, in cooperation with support organizations, is implementing the following support activities with respect to major challenges related to the overseas business expansion of second-tiers and SMEs, such as “developing new sales channels,” “securing human resources,” “securing finance and handling risks,” and “adapting to local regulations and standards.”

(1) Developing new sales channels

The Consortium for New Export Nation is providing hands-on assistance for companies’ export and establishment of local business operations in accordance with the needs of companies eligible for support, with experts providing appropriate support in all stages of overseas business, including market research, formulation of business plans, selection of buyers, on-site business negotiations, adaptation to standards and certification systems and opening of overseas stores.

(2) Securing human resources

The Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS), a support organization, is providing support by accepting foreign trainees into Japan and dispatching experts abroad in order to train foreign personnel responsible for business operations in foreign markets where Japanese companies operate. In addition, JETRO provides opportunities for seminars for companies in order to support the recruitment of highly skilled foreign personnel and foreign students by companies aiming for overseas business expansion.

(3) Support for securing finance and handling risks

Nippon Export and Investment Insurance (NEXI), Japan Bank for International Cooperation (JBIC), and Japan Finance Corporation (JFC), as support organizations, are responding to companies’ various financial needs. NEXI is providing trade insurance, which covers trade-related losses, such as those caused by failure to receive payments for traded goods, and in addition, JBIC and JFC are providing support for overseas business expansion, with the former providing loans denominated in local currencies (e.g., baht and rupiah) and the latter providing loans intended specifically for the purpose

overseas business expansion and business restructuring.

(4) Adapting to local regulations and standards

Experts are providing information and advice concerning the procedures for acquiring international certifications in order to resolve challenges faced by companies eligible for support with respect to local import regulations and the acquisition of international certifications and FDA necessary for overseas business expansion, including UL and the CE mark.