

## Annual Report Based on Article 11 of the Small and Medium-sized Enterprise Basic Act (Statutory White Paper)

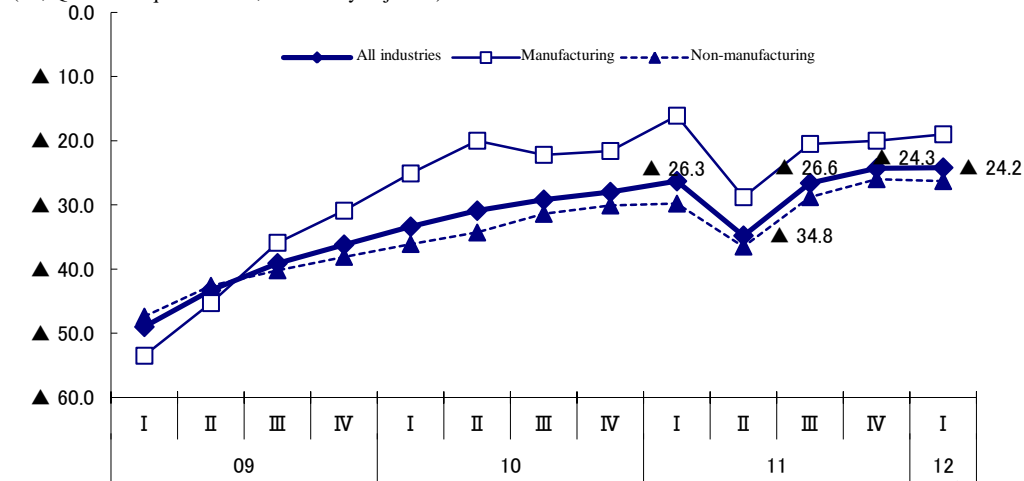
Japan's SMEs will play a significant role toward the recovery from the great earthquake and display their potential to do this through overseas business expansion and the utilization of women, thus help Japan to step forward to overcome difficulties such as the appreciation of the yen and the decrease in population.

### Trends among SMEs in FY2011

Business conditions in SMEs have been improving since the Great East Japan Earthquake, but have been flat recently due to concerns about the influence of the strong yen, an increase in imported material and fuel prices and electricity charges, and electricity supply-demand constrains.

#### Changes in Business Conditions DI of SMEs

(DI; Quarter-to-quarter basis; Seasonally adjusted)

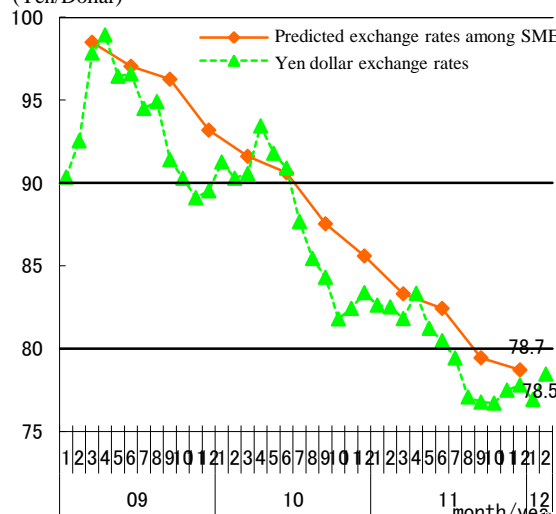


Source: "Survey of Monthly Business Conditions of Small and Medium Enterprises" by the Organization for Small & Medium Enterprises and Regional Innovation, per.iod/year  
(Notes) 1. Survey was conducted by management instructors of commerce and industry associations and chambers of commerce and industry nationwide, and personnel of the National Federation of Small Business Associations.  
2. The business condition DI is a figure obtained by subtracting the percentage of enterprises that answered "business conditions have worsened" compared to the previous quarter from the percentage of enterprises that answered "business conditions have improved."

In 2011, the yen remained at a higher level than enterprises' assumed exchange rates, which affected not only export-oriented enterprises but also domestic-oriented enterprises, strongly requiring cost reduction.

#### Changes in Predicted Exchange Rates among SMEs

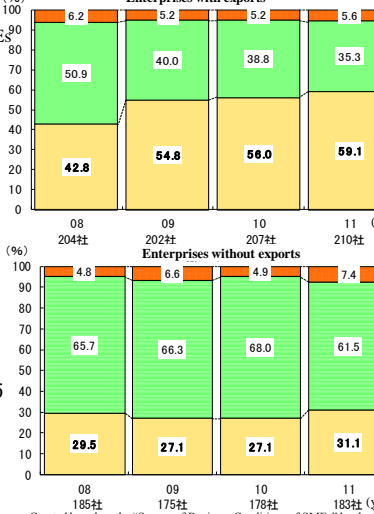
(Yen/Dollar)



Source: The website of the Bank of Japan, Tankan by the Bank of Japan  
(Notes) 1. SMEs refer to enterprises whose capital ranges between 20 million yen or more but less than 100 million yen.  
2. Exchange rates are monthly averages released by the Bank of Japan.

#### Influence of Yen's Appreciation

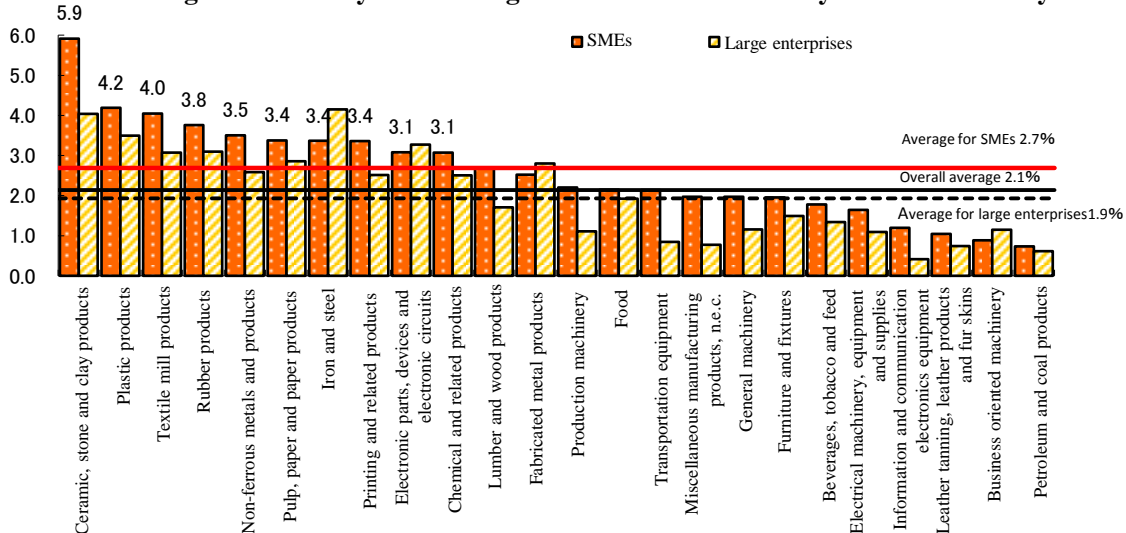
(%)



Source: Created based on the "Survey of Business Conditions of SMEs" by the Japan Finance Corporation  
(Notes) 1. Excluding enterprises that responded that they received no influence due to their business type.  
2. Enterprises with exports are the sum of those directly or indirectly engaged in export businesses.  
3. Contribution ratios and the numbers of responding enterprises are the annual averages.

The rise of electricity charges is likely to affect earnings of SMEs mainly in electric energy consuming industries.

#### Percentage of Electricity Cost among Overall Material Cost by Size and Industry



Source: Recompiled from the "2009 Census of Manufactures" by the Ministry of Economy, Trade and Industry  
(Notes) 1. The overall material cost consists of fuel cost, electricity cost, consignment production cost, outsourcing cost for manufacturing, and cost for purchasing commodities resold.  
2. SMEs refer to those with up to 300 employees, while large enterprises refer to those with over 300 employees. Note that only establishments with 30 or more employees are listed in the survey.

### Recovery from the great earthquake and SMEs' role

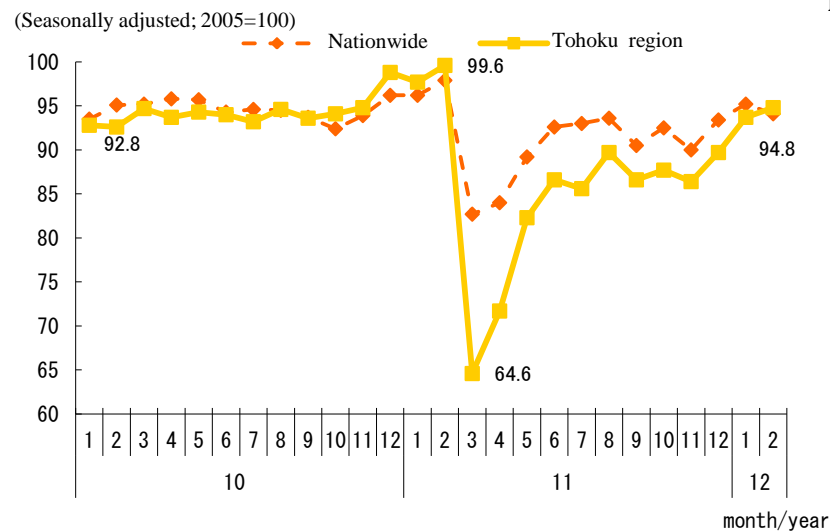
In the process of the recovery and restoration from the earthquake and affected areas' further development, SMEs are expected to play a significant role by displaying their potential to respond to orders for small lots and requests for a short delivery period and to ascertain local needs.

#### (i) Impact on supply chains and development utilizing industrial clusters

Industrial production of the Tohoku region dropped sharply due to the impact of the earthquake, but has been recovering gradually mainly in the automobile industry, etc.

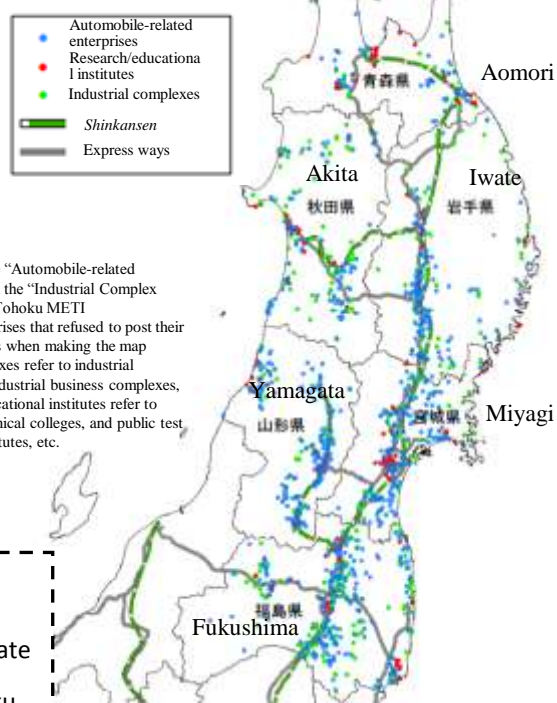
With efforts by local governments, industrial clusters have been built up in the automobile and medical equipment industries. SMEs are expected to display their potential to lead the development of regional economy as a traction.

#### Changes in Indices of Industrial Production in Tohoku Region



Source: "Indices of Industrial Production" by METI and "Trends of Industrial Production" by Tohoku METI

#### Distribution of Automobile-related Enterprises, etc. in Tohoku Region

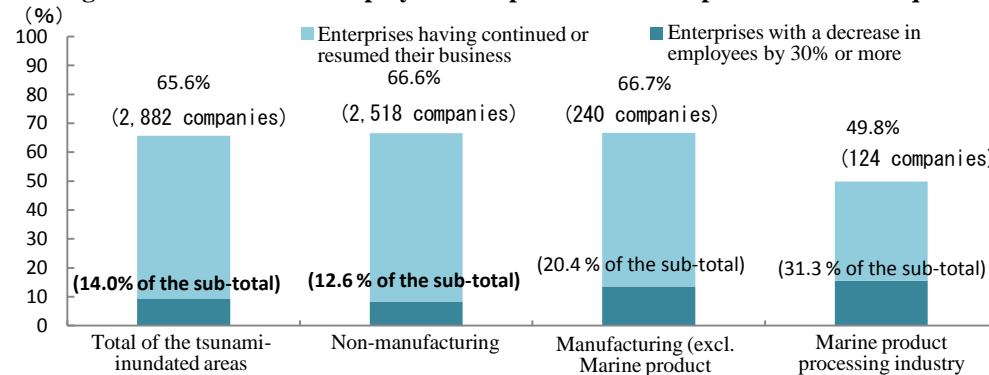


Source: Created based on the "Automobile-related Enterprise Map" and the "Industrial Complex Search System" by Tohoku METI  
(Notes) 1. Excluding enterprises that refused to post their corporate outlines when making the map  
2. Industrial complexes refer to industrial complexes and industrial business complexes, and research/educational institutes refer to universities, technical colleges, and public test and research institutes, etc.

#### (ii) Conditions of the tsunami-inundated areas and expected roles of SMEs

The ratio of the enterprises that have resumed their business accounted for less than 70% in tsunami inundated areas. Especially, regarding marine products processing industry that cluster on the coastal areas, resumption of their business seem to be delayed and the number of employees had decreased largely.

#### Enterprises Having Continued or Resumed Their Business by Type of Business and Changes in the Number of Employees Compared with That prior to the Earthquake



Source: "Survey on the Conditions of SMEs affected by the Great East Japan Earthquake" (January 2012), which was conducted by Teikoku Data Bank, Ltd. as consigned by the SME Agency.  
(Notes) 1. A telephone survey was conducted, targeting enterprises in the TDB's database whose headquarters were located in areas hit by the tsunami after the earthquake (excluding the restricted areas) as of December 2010. Enterprises that had abolished business prior to the earthquake and those providing no responses to the telephone survey were excluded from the parameter.  
2. Percentages regarding changes in employee numbers were calculated using, as the parameter, the number of enterprises that responded that they had continued or resumed their business and also provided responses for questions concerning changes in employee numbers.

**Developments for establishing Toyota Motor East Japan, Inc.**  
Three subsidiaries of Toyota Motor Corporation concluded a basic agreement to establish an integrated new company, Toyota Motor East Japan, Inc. in July 2012. At the moment, the new company will place the great importance on the creation of a management system that can generate profits even with producing compact vehicles, enhancement of technological capabilities, monozukuri (manufacturing) integrating local communities through newly establishing the Tohoku Local Procurement Promotion Center, and mid- and long-term human resources development through establishing the Toyota East Japan Technical Skills Academy.

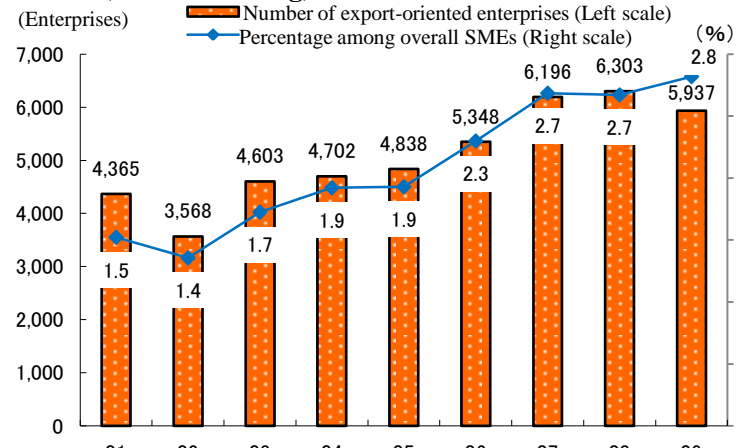
Under severe circumstances remaining, many SMEs and local groups have been working toward restoration.  
→ Introducing examples of affected enterprises which are striving to revive by utilizing support measures, such as subsidies for groups and offering temporary factories. It is expected that community-based SMEs will play a significant role in reviving the affected areas including community development work.

# SMEs incorporating overseas demand by utilizing their strength in domestic business

While domestic demand stagnates and emerging Asian countries have been expanding their markets, there are many cases which Japanese SMEs have successfully explored overseas markets and revitalized domestic business by making the most of their technological capabilities and marketing capacity, as well as their strength in backup services and ability to flexibly respond to local needs. However, overseas business expansion involves various problems and risks, and it is necessary to scrutinize them and utilize available support measures when planning to expand business overseas.

Due to various difficulties in securing funds and sales channels and obtaining local information, SMEs expanding their business overseas account for only a small portion of overall SMEs, but the portion has been on a rise on a mid- and long-term basis.

## Changes in Numbers and Percentages of Export-oriented SMEs (Manufacturing)

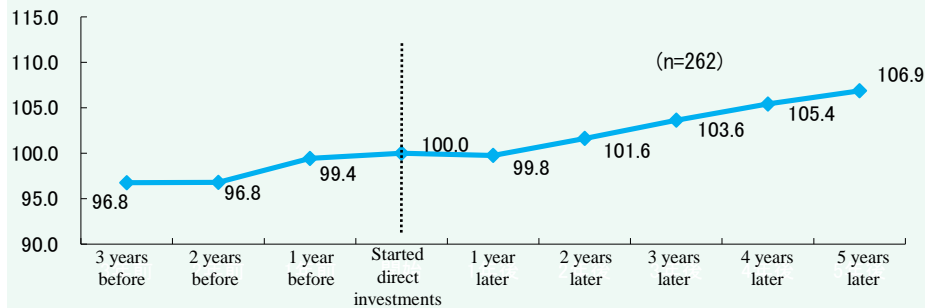


Source: Recompiled from the "Census of Manufacturers" by METI  
(Notes) 1. The statistics by the unit of establishments with four or more employees were recompiled by the unit of enterprises.  
2. According to the 2009 Census of Manufacturers, the number of SMEs that have a manufacturing establishment(s) with four or more employees was about 210,000.

Enterprises that started direct investments between FY1998 and FY2004 have tended to increase domestic employment, which suggests that overseas business expansion revitalized their domestic businesses.

## Number of Domestic Employees of SMEs Starting Direct Investments (Started between FY1998 and FY2004)

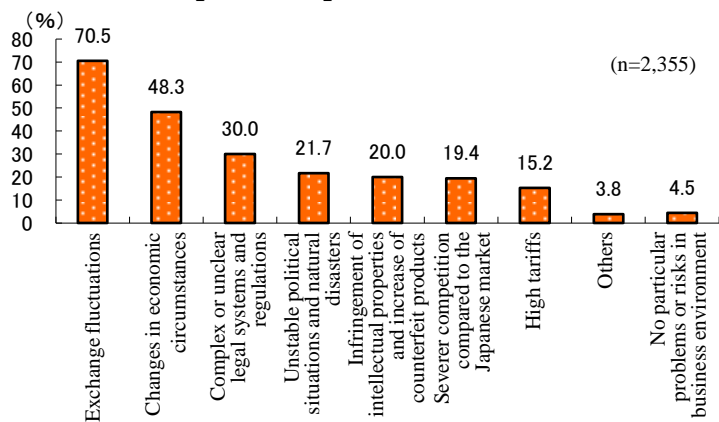
(Number of domestic employees; Year starting direct investments=100)



Source: Recompiled from the "Basic Survey of Japanese Business Structures and Activities" by METI  
(Notes) 1. Enterprises starting direct investments here refer to SMEs that started direct investments between FY1998 and FY2004 and continued making investments for five years.  
2. Using the panel data between FY1995 and FY2009  
3. Number of domestic employees = Total number of employees - number of overseas employees  
(\* According to this basic survey, which targets enterprises with 50 or more employees and capital of 30 million yen or more, the number of SMEs that have overseas subsidiaries increased by 768 from FY2001 to reach 2,707 in FY2009.)

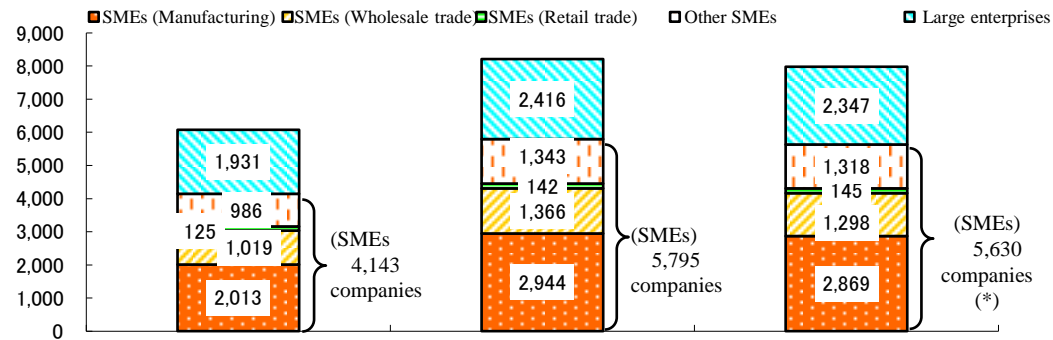
Export-oriented enterprises face risks, such as intensified competition resulting from foreign exchange fluctuations. In order to continue export business, constant efforts are important to develop new products and conduct R&D activities.

## Issues and Risks in Business Environment Faced by Export-oriented Enterprises (Duplicate answers)



Source: "Survey on the Enhancement of SMEs' Competitiveness through Overseas Business Expansion" (November 2011), which was conducted by Mitsubishi UFJ Research and Consulting Co., Ltd. as consigned by the SME Agency  
(Notes) 1. Data were compiled for SMEs that engage in direct export business  
2. Responses with regard to export partners on which enterprises place the most importance

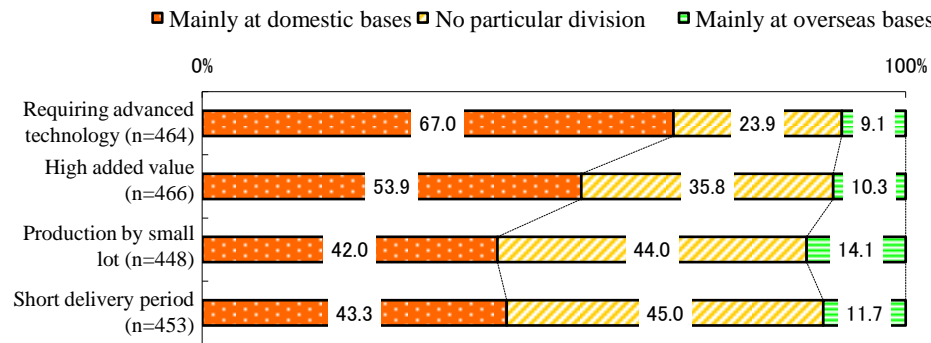
## Number of Enterprises Making Direct Investments by Size and Business Type



(\*) Percentage among 1.78 million SMEs excluding individual enterprises: Around 0.3%  
(\*) Percentage among 4.19 million SMEs including individual enterprises: Around 0.1%  
Source: Recompiled from the "Establishment and Enterprise Census" and the "2009 Economic Census, Basic Survey" by the Ministry of Internal Affairs and Communications  
(Notes) 1. Enterprises making direct investments here refer to enterprises that have an overseas subsidiary (a company for which the relevant enterprise holds the majority of the voting rights (including cases where another subsidiary solely or jointly with the relevant enterprise holds the majority of the voting rights of the company and where the relevant enterprise holds only 50% or less of the voting rights of the company but the company is included in consolidated financial statements)).  
2. Excluding individual establishments  
3. Large enterprises here refer to those other than SMEs defined in the Small and Medium-sized Enterprise Basic Act.

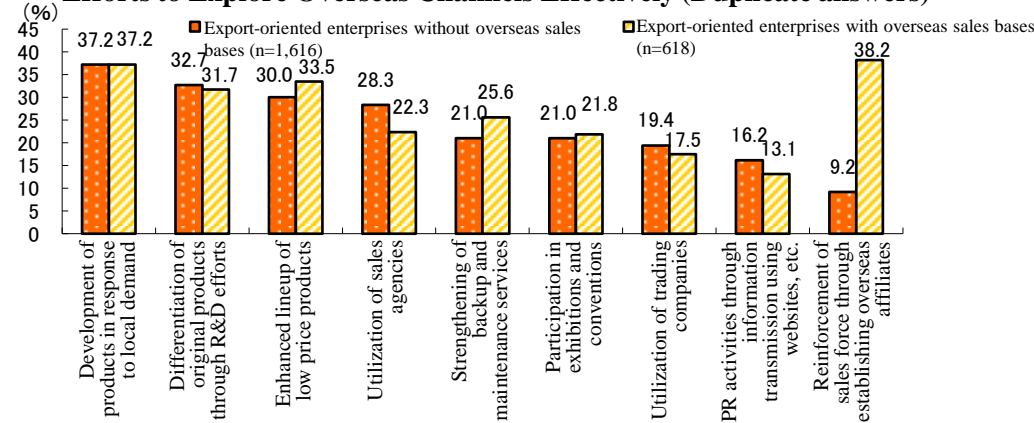
Regarding the division of business between domestic and overseas bases, products with high added value that require advanced technology and those ordered by small lot with a short delivery period are mainly produced domestically.

## Division of Business between Domestic and Overseas Bases in Manufacturing Industry



Source: "Survey on SMEs' International Business Expansion" (December 2009) by the Shoko Research Institute, Shoko Chukin Bank

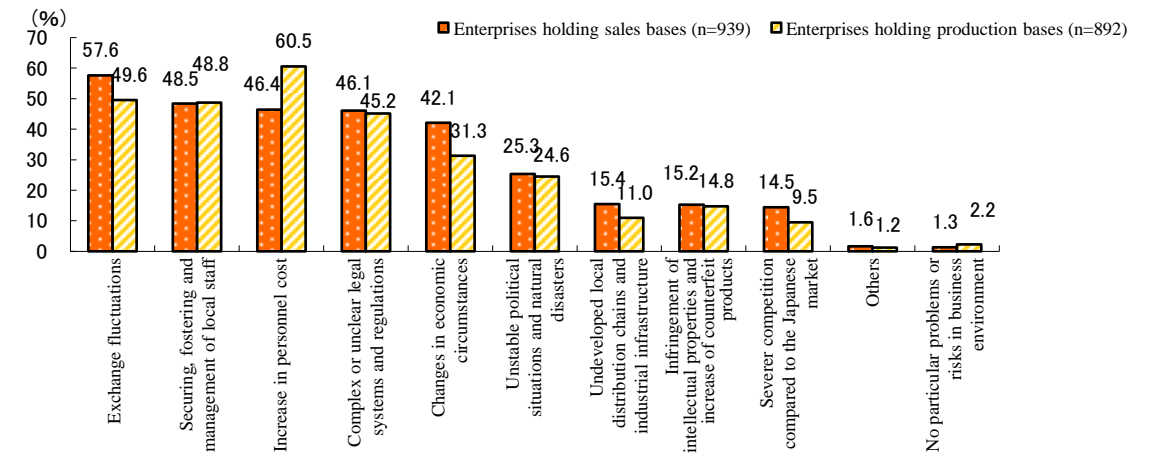
## Efforts to Explore Overseas Channels Effectively (Duplicate answers)



Source: "Survey on the Enhancement of SMEs' Competitiveness through Overseas Business Expansion" (November 2011), which was conducted by Mitsubishi UFJ Research and Consulting Co., Ltd. as consigned by the SME Agency  
(Notes) 1. Data were compiled for SMEs that engage in direct export business  
2. Responses with regard to export partners on which enterprises place the most importance

At the overseas business bases, SMEs are facing various risks, such as foreign exchange fluctuations, increases in personnel costs, difficulties in securing local employees, and unclear legal systems, etc.

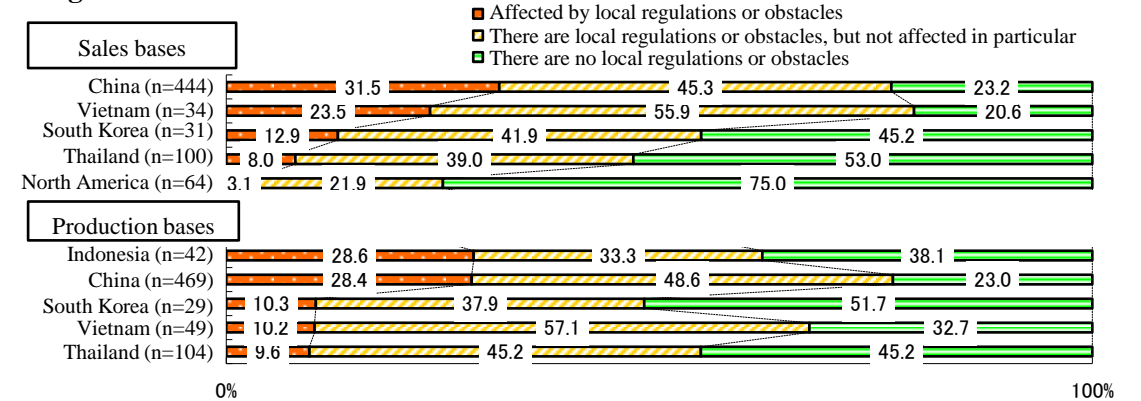
## Problems and Risks in Business Environment Faced by Overseas Affiliates (Multiple answers)



Source: "Survey on the Enhancement of SMEs' Competitiveness through Overseas Business Expansion" (November 2011), which was conducted by Mitsubishi UFJ Research and Consulting Co., Ltd. as consigned by the SME Agency  
(Notes) 1. Data were compiled for SMEs that hold sales bases overseas and SMEs that hold production bases overseas, respectively.  
2. Responses with regard to respective destinations of direct investments (for establishing sales bases and production bases) on which enterprises place the most importance

China, Indonesia, Vietnam, etc. have regulations or obstacles for the payment of royalties and some SMEs consider that they cannot recover funds smoothly from their overseas bases.

## Regulations or Obstacles to Recover Funds from Destinations of Direct Investments



Source: "Survey on the Enhancement of SMEs' Competitiveness through Overseas Business Expansion" (November 2011), which was conducted by Mitsubishi UFJ Research and Consulting Co., Ltd. as consigned by the SME Agency  
(Notes) 1. Data were compiled for SMEs that hold sales bases and SMEs that hold production bases, respectively, in the top 5 countries/regions on which they place the most importance.  
2. Responses with regard to respective destinations of direct investments (for establishing sales bases and production bases) on which enterprises place the most importance  
3. China includes Hong Kong.

## Opinions from Enterprises Making Direct Investments

- **China**
  - Regarding the payment of royalties to our headquarters in Japan, we are under negotiations with the administrative authorities and hardly ever obtain approval.
  - The administrative authorities have demanded that we lower royalty rates.
  - Responses differ by region or personnel in charge, and some say that the transfer of royalties is occasionally not admitted.
- **Indonesia**
  - Regarding the approval of royalties, we are under dispute with the administrative authorities
  - The administrative authorities have instructed us to lower royalty rates.
- **Vietnam**
  - Sometimes it takes long to complete procedures to obtain approval of royalties (responses differ by personnel in charge).

(Note) Opinions from SMEs that have a sales base or production base in any of the above three countries from among those replying to the "Survey on the Enhancement of SMEs' Competitiveness through Overseas Business Expansion" (November 2011), which was conducted by Mitsubishi UFJ Research and Consulting Co., Ltd. as consigned by the SME Agency

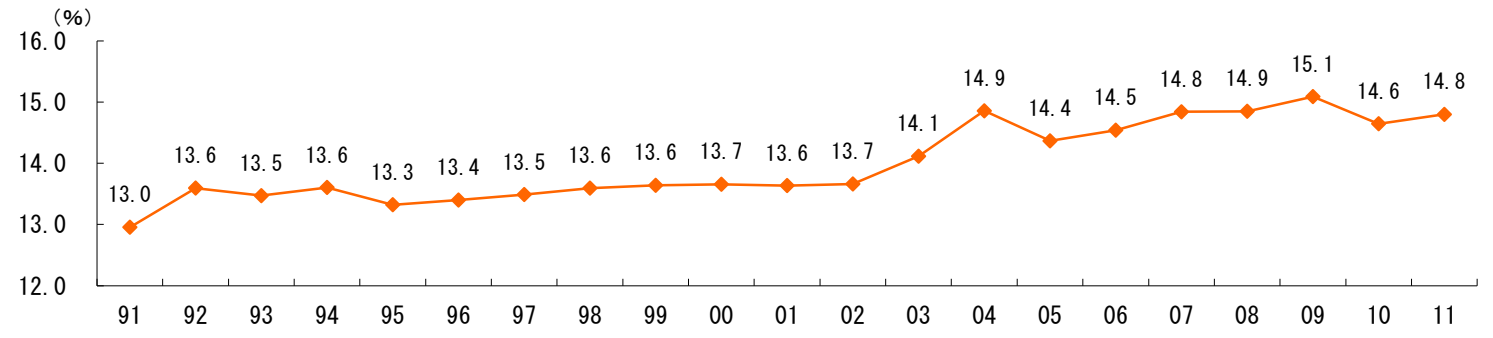
# Business activities by women in response to changes in the social environment

While consumption of personal services has tended to increase, services provided by female entrepreneurs have been creating new demand. Such services not only fulfill help better personal lives but also work to solve problems faced by women who mainly bear the responsibility for housework and parenting when they enter employment, which may provide a more positive circle to promote further participation of women in society and further expand services for resolving their problems.

## (i) Business startup by women

Expenditures in the field of personal services have been increasing.

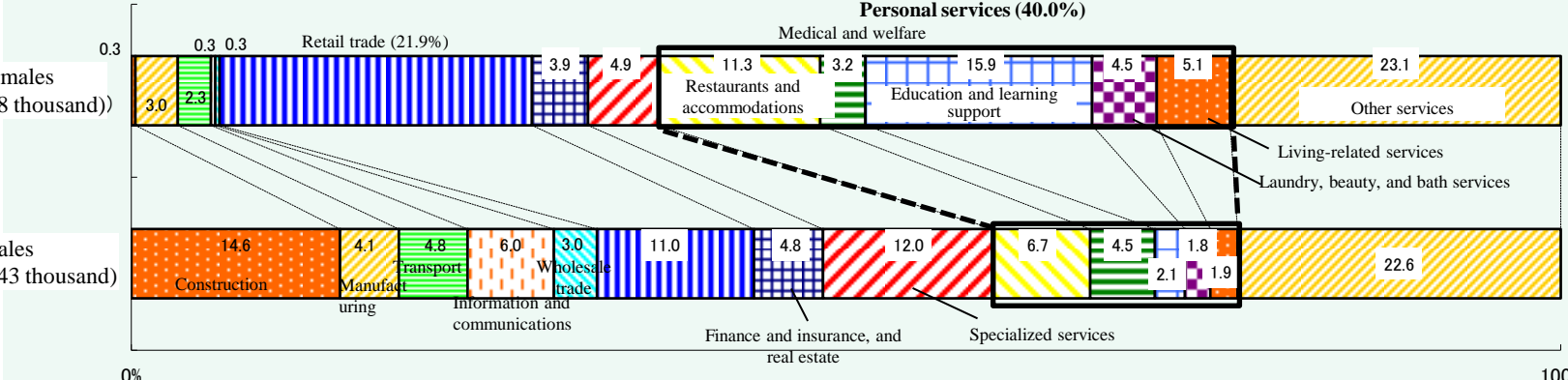
Changes in Percentages of Expenditures on Personal Services among Household Budgets (Workers' households)



Source: "Family Income and Expenditure Survey" by MIC (Average monthly income and expenditures (workers' households) per household - Nationwide)  
 (Notes) 1. Targeting households with two or more family members other than those engaged in the agriculture, forestry and fisheries industry  
 2. Personal services here refer to "housework services," "clothes-related services," "health and medical services," "tuition fees," "supplementary education," "culture and entertainment services," and "beauty services."

Female entrepreneurs commonly expand their businesses in the field of personal services, etc. that fulfill individual lives.

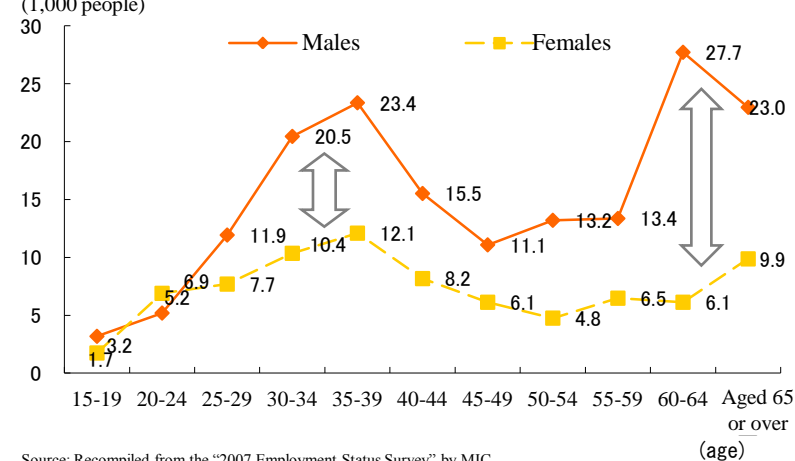
## Business Fields of Female Entrepreneurs (Comparison with male entrepreneurs)



Source: Recompiled from the "2007 Employment Status Survey" by MIC  
 (Notes) 1. Entrepreneurs here refer to people who changed jobs or newly entered employment within the past one year and are self-employed at present (excluding homeworkers). Data were compiled with regard to those not engaged in primary industry.  
 2. Other services include service businesses not otherwise classified and those unknown.  
 3. Personal services here refer to "restaurants and accommodations," "medical and welfare," "education and learning support," "laundry, beauty and bath services," and "living-related services."

There are only half as many female entrepreneurs as male.

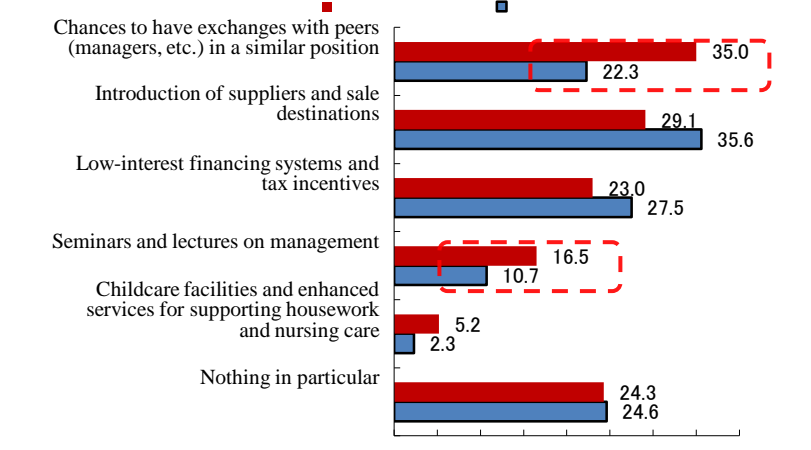
## Number of Entrepreneurs by Gender and by Age Group



Source: Recompiled from the "2007 Employment Status Survey" by MIC  
 (Note) Entrepreneurs here refer to people who changed jobs or newly entered employment within the past one year and are self-employed at present (excluding homeworkers).

In terms of support for business startup, a larger number of females responded that exchanges with peers are necessary.

## Support Entrepreneurs Wanted when Starting up Business

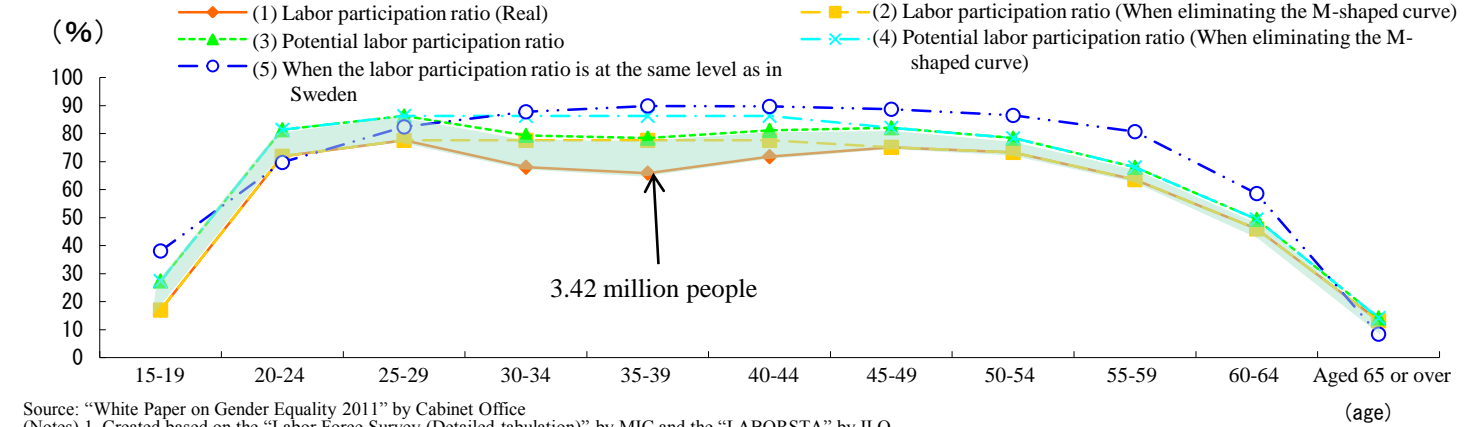


Source: "Questionnaire Survey on Female Entrepreneurs" (March 2011), which was conducted by Mitsubishi UFJ Research and Consulting Co., Ltd. as consigned by METI  
 (Note) Extracting responses that showed significant differences between males and females and the response "Nothing in particular"

## (ii) Employment of women

There are around 3.42 million female non-workers, who are not engaging in job seeking activities but are eager to acquire employment.

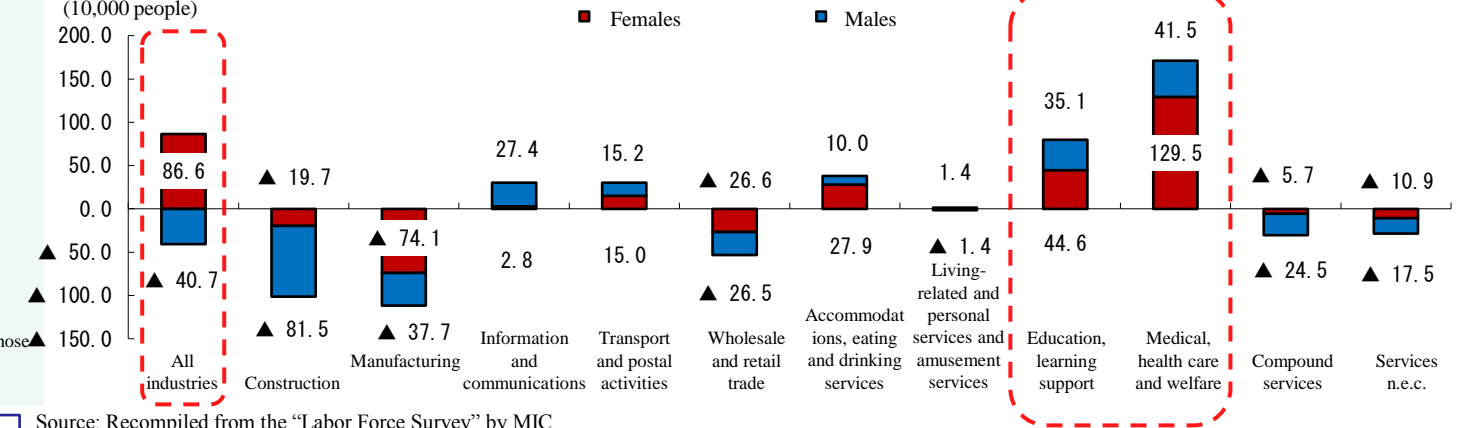
## Estimation of Increases in Female Labor Force Population through the Elimination of the M-shaped Curve



Source: "White Paper on Gender Equality 2011" by Cabinet Office  
 (Notes) 1. Created based on the "Labor Force Survey (Detailed tabulation)" by MIC and the "LABORSTA" by ILO  
 2. "When eliminating the M-shaped curve" refers to the assumption that labor participation ratios for those aged between 30 and 34, between 35 and 39, and between 40 and 44 are all at the same level as that for those aged between 25 and 29.  
 3. Potential labor participation ratio = (Labor force population + Non-labor force population that are eager to acquire employment) / Population aged 15 or over  
 4. Total labor force population: 65.81 million people; Male labor force population: 38.14 million people (2010)  
 5. Estimated labor force population was obtained by summing up the populations of respective age groups multiplied by the relevant labor participation ratio by age group for respective cases.

The number of women in employment has been increasing, especially in the medical and welfare business and education and learning support business.

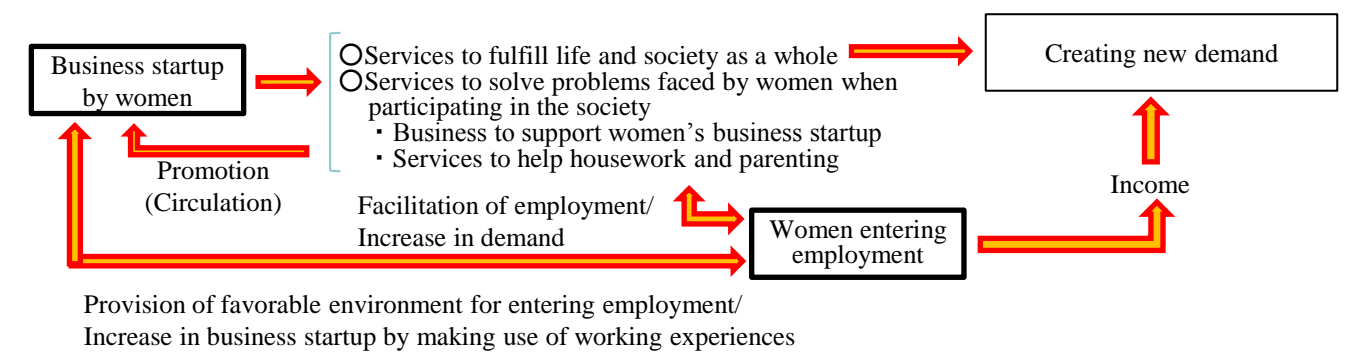
## Changes in Number of Employees by Gender and by Industry from 2002 to 2010



Source: Recompiled from the "Labor Force Survey" by MIC  
 (Notes) 1. Employees here include family employees but exclude paid officers.  
 2. Using annual averages based on individual data of said survey  
 3. Created by referring to Fig. I-2-5 in the "White Paper on Gender Equality 2011" by Cabinet Office

It is expected that services offered by female entrepreneurs will work to resolve problems faced by women when they enter employment and further facilitate their participation in the working world.

## Relationship between Business Startup by Women and Female Employment



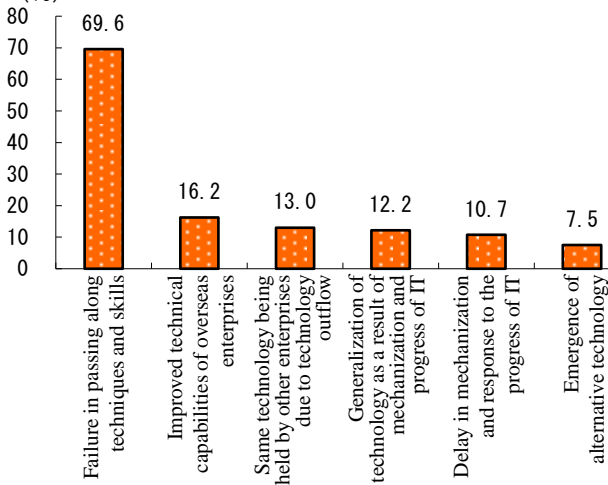
## Fostering human resources for *monodzukuri* (manufacturing) in SMEs

In order to maintain and enhance *monodzukuri* technology, which is the source of Japan's competitive strength, it is important to foster human resources and smoothly pass along the techniques and skills. Some enterprises have been trying to overcome difficulties in collaboration with local communities and through industry-academia cooperation. Comprehensive measures need to be taken, while using individual enterprises' imaginative and original ideas.

As the reason of the deterioration of technical competitiveness, many enterprises consider it is because of the failure in passing along their techniques and skills.

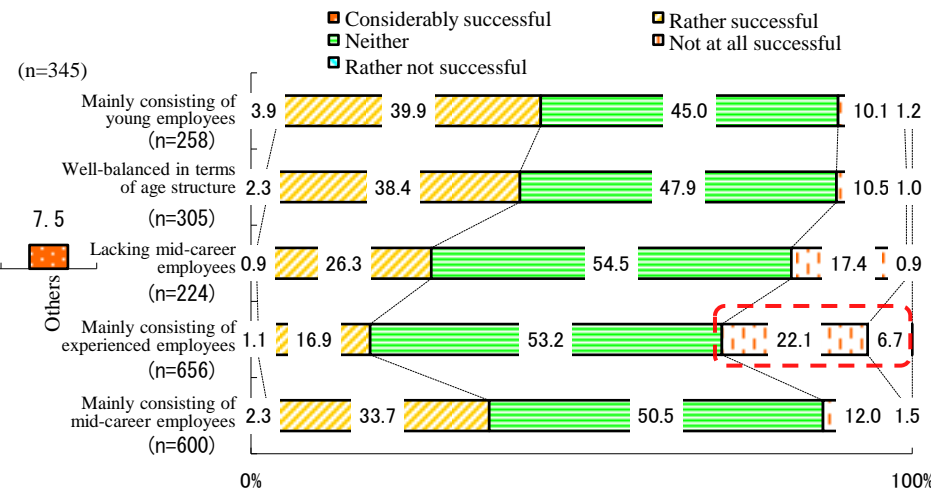
30% of the enterprises mainly consisting of experienced employees replied that they have not succeeded in passing along techniques and skills.

### Factors Causing Deterioration of Technical Competitive Power (Multiple answers)



Source: "Survey on the Succession of Techniques and Skills" (December 2011), which was conducted by Mitsubishi UFJ Research and Consulting Co., Ltd. as consigned by the SME Agency  
(Note) Data were compiled with regard to enterprises with 300 or fewer employees that responded that their technical competitive power has deteriorated or has slightly deteriorated.

### How Smoothly Techniques and Skills are Passed Along



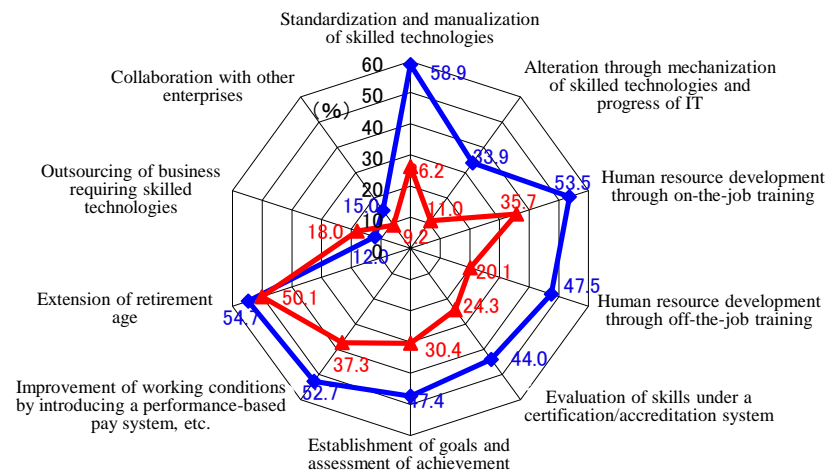
Source: "Survey on the Succession of Techniques and Skills" (December 2011), which was conducted by Mitsubishi UFJ Research and Consulting Co., Ltd. as consigned by the SME Agency  
(Note) Data were compiled with regard to enterprises with 300 or fewer employees.

Enterprises succeeding in passing along techniques and skills have been making various efforts, such as visualizing technology and elaborating means to foster and evaluate human resources.

As for the reason why they can hire young employees, many SMEs cited it is because of current economic conditions. However, voluntary efforts by the enterprises such as collaboration with educational institutions are also needed.

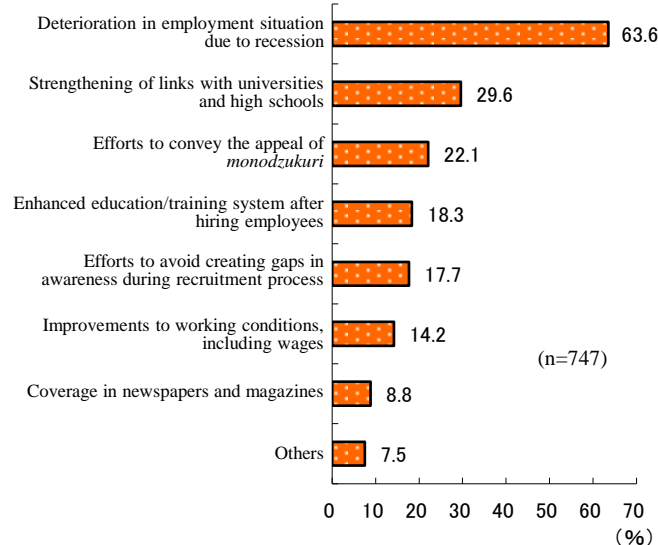
### Efforts for Passing along Techniques and Skills

Enterprises succeeding in passing along techniques and skills (n=660)  
Enterprises not succeeding in passing along techniques and skills (n=393)



Source: "Survey on the Succession of Techniques and Skills" (December 2011), which was conducted by Mitsubishi UFJ Research and Consulting Co., Ltd. as consigned by the SME Agency  
(Notes) 1. Data were compiled with regard to enterprises with 300 or fewer employees.  
2. Numbers of respondents (denominators for calculating response rates) vary by questionnaire options.  
3. Enterprises that responded that they are "considerably successful" or "rather successful" in passing along techniques and skills were compiled as enterprises succeeding in passing along techniques and skills, while those responding that they are "rather not successful" or "not at all successful" were compiled as enterprises not succeeding in passing along techniques and skills.

### Factors Enabling SMEs to Hire Young Engineers and Technicians (Duplicate answers)



Source: "Survey on the Succession of Techniques and Skills" (December 2011), which was conducted by Mitsubishi UFJ Research and Consulting Co., Ltd. as consigned by the SME Agency  
(Note) Data were compiled with regard to enterprises with 300 or fewer employees that responded that they have been able to hire young engineers and technicians "as planned" or "mostly as planned."

## Actions that support SMEs' management

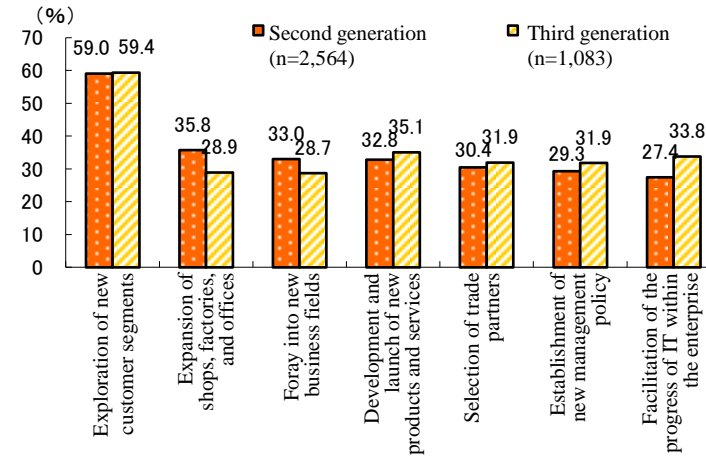
In order to survive the severe domestic and overseas environments, SMEs need to enhance their business capabilities by exploring new sales channels, while utilizing external experts in various fields.

### (i) Response to management problems

As the efforts for management reform upon succession of business, many enterprises try to explore new sales channels and strengthen their business base.

Enterprises that receive management consultation tend to enjoy higher earnings than those that do not.

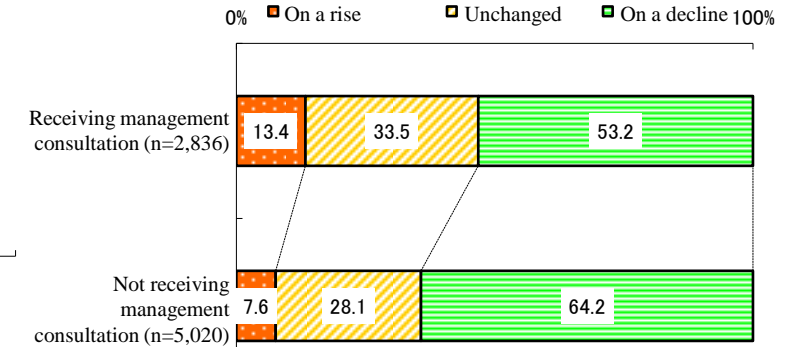
### Efforts for Management Reform upon Succession of Business



Source: Recompiled from the "Survey on the Succession of Business of SMEs" (July 2009) by the Japan Finance Corporation.

(Note) The secondary analysis was based on individual data from the SSJ Data Archives of the Center for Social Research and Data Archives, Institute of Social Science, The University of Tokyo.

### Trends in Earnings in the Last 5 Years for SMEs Receiving Management Consultation and Those That Do Not

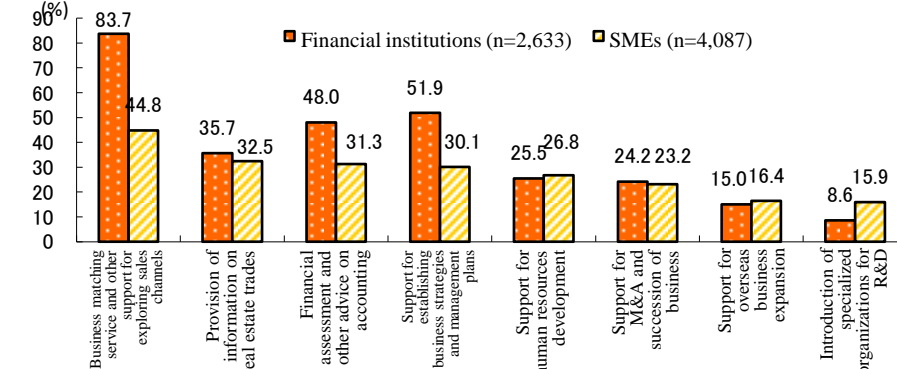


Source: "Survey on Business Judgment by Managers of SMEs," which was conducted by Nomura Research Institute, as consigned by the SME Agency

### (ii) Business support by local financial institutions

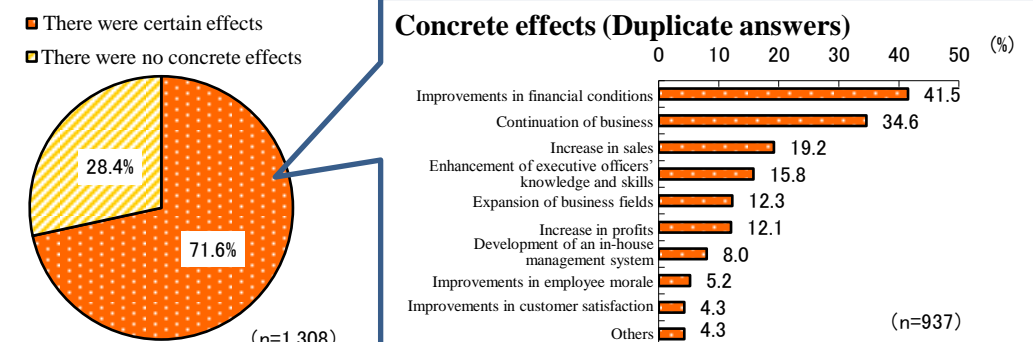
Financial institutions and SMEs both consider that the support that they expected in the future is business matching service or for otherwise exploring sales channels.

### Business Support that Financial Institutions Consider that SMEs Expect from Them / Business Support that SMEs Expect from Financial Institutions



Source: "Survey on Financial Environments Surrounding SMEs" (December 2011), which was conducted by Mizuho Research Institute Ltd., as consigned by the SME Agency

### Effects Brought about by Receiving Business Support



Source: "Survey on Financial Environments Surrounding SMEs" (December 2011), which was conducted by Mizuho Research Institute Ltd., as consigned by the SME Agency

### SME Business Capabilities Enhancement Support Bill (Cabinet decision on March 2, 2012)

In order to enhance SMEs' business capabilities, entities that conduct support business for SMEs (such as existing SME supporters, financial institutions, tax accountant firms, etc.) shall be designated, and measures shall be taken to support the activities of SMEs, such as through assistance for software by Organization for Small & Medium Enterprises and Regional Innovation.

At the same time, in order to promote SMEs' overseas expansion, measures to facilitate fund raising of SMEs' overseas subsidiaries shall also be taken by utilizing programs of the Japan Finance Corporation and Nippon Export and Investment Insurance.

### [Support measures for the strengthening and succession of *monodzukuri* technology]

#### Strategic core technology advancement program

Support will be offered to efforts contributing to the enhancement of core manufacturing technology, such as casting, forging, cutting work, and plating. SMEs that have obtained approval for their R&D plan are applicable for budgetary support and low-interest loans, etc..

#### Measures to support global technical collaboration

Support will be offered to technical development conducted jointly by SMEs aiming for overseas expansion, while considering measures to prevent technology outflow, as well as to their efforts to explore sales channels.

#### Measures to support local SMEs to secure and fix human resources

Support will be offered to SMEs, in accordance with regional characteristics, from helping them build close relationships with universities and assisting in better matching between enterprises and recruits, to assisting to establish a comprehensive system to employ and fix new recruits.

## Recovery from the great earthquake and SMEs' role

Enhancement of added value utilizing agricultural and fisheries products

**Nakamura Ltd. (Kamaishi city, Iwate)**  
The company sells food products using local seafood, such as abalone and salmon roe, at department stores nationwide. Although suffering damage from the tsunami, the company resumed business one month after the earthquake, believing it inevitable to revitalize the local fishery industry in order to restore the vitality of the community.

**Sanriku Toretate Market Ltd. (Ofunato city, Iwate)**  
The company's office was washed away by the tsunami, but resumed business one month after the earthquake, encouraged by the rich sea in front of them. Through the introduction of highly functional refrigeration equipment, the company is now able to ship processed seafood, and is endeavoring to develop high-value added fishery products.

**Butai Farm Co., Ltd. (Sendai city, Miyagi)**  
This is a company of the so-called hexagonal industry, engaging in all of the production, processing, and sales of agricultural products. Damaged by salt due to the tsunami, 70% of the paddy fields and upland fields became uncultivable, but the company provided foodstuffs stored in its facilities to afflicted people. The company is now trying to create a new model for suburban agriculture featuring high-value added products and strong competitiveness.

**P&M Co., Ltd. (Aizuwakamatsu city, Fukushima)**  
The company joined Fukushima Prefecture's industry-government-academia project, the Utsukushima (Beautiful Fukushima) Next-Generation Medical Industry Agglomeration Project, and has been engaged in the development of medical equipment. After the earthquake, the company resumed R&D activities and has been endeavoring to enhance its marketing/sales force in collaboration with trading companies in the prefecture.

**Shiga Toso Co., Ltd. (Iwaki city, Fukushima)**  
In response to local customers' needs, the company has been developing radiation decontamination methods by combining existing techniques.

**Fukko Yatai Mura Co., Ltd. (Kesenuma city, Miyagi)**  
This is a temporary shopping mall consisting of shops and restaurants, which was constructed with the idea that having local business operators resume their business is essential to restore the vigor of local communities.

**Ishinomaki Chamber of Commerce & Industry (Ishinomaki city, Miyagi)**  
Considering that "the recovery of Ishinomaki will never be realized without restoration of local industry," the chamber established the "Ishinomaki Fisheries Industry Reconstruction Meeting." A total of 210 companies jointly applied for a group assistance project and were adopted, striving to reconstruct the fisheries city of Ishinomaki.

**Kokubu Electric Corp. (Shinagawa ward, Tokyo)**  
The Ibaraki factory was damaged due to the earthquake, but the company steadily pursued restoration based on the BCP (Business Continuity Plan) that it had established in 2010. It provided detailed explanations to trade partners and successfully prevented customer loss.

## SMEs incorporating overseas demand by utilizing their strength in domestic business

Cool Japan (Creative Industries)

**Nagai Shuzo, Co., Ltd. (Gunma)**  
The company succeeded in commercializing sparkling Japanese sake by adapting the traditional process of making champagne. Its products, exported to 14 countries, are highly appreciated by customers.

**Edokiriko's Shop Hanashyo (Koto ward, Tokyo)**  
The company produces high-price lamps with traditional Edokiriko patterns, targeting overseas markets, and has successfully attracted demand from higher income Chinese consumers.

**Konno Printing, Co., Ltd. (Miyagi)**  
The company collaborates with the local government to market greeting cards with Japanese graphic art to the U.S. market, and has been introducing the works of young designers.

**ZERO-SUM, Ltd. (Kyoto)**  
The company delivers mobile contents that meet consumers' needs, based on on-the-spot marketing, by combining them with its information technologies, and has been exploring new markets.

**Aoshiso Farms, Co., Inc. (Kumamoto)**  
The company grows and sells green perilla (Aoshiso), and develops and sells various types of processed foodstuffs such as drinks and noodles using green perilla. For overseas markets, the company uses strategies to market high-price products and has succeeded in enhancing its brand value.

**Kyotoseiko, Co. Ltd. (Kyoto)**  
The company receives orders and manufactures various types of inspection equipment for car parts manufacturers, etc. The company succeeded in its business expansion to China by enhancing the convenience of backup services, and has increased and maintained customers.

**Lovely Queen, Co. Ltd. (Gifu)**  
The company once withdrew from the Chinese market due to the withdrawal of its business partner, an increase in inventory, and a deterioration in financing. Based on lessons learned from such experiences, the company took on another challenge by making investments in China, trying to explore the market with its products in the field of ladies formal fashion.

## Business activities by women in response to changes in social environment

**COLABOLABO, Co. Ltd. (Chiyoda ward, Tokyo)**  
The company, which was established with business and psychological support from various people, operates a portal site for female entrepreneur members and promotes mutual exchanges among them.

**Fuji Clinic of Internal Medicine (Yamanashi)**  
This is a clinic which offers home hospice care to patients in the terminal phase of cancer, etc. The clinic's director, a former hospital doctor, felt skeptical about doctors' superior position in relation to patients and opened this clinic.

**Limited partnership, Komenoko Kobo Nagomiya (Nagano)**  
The partnership offers support for housework and parenting among multiple members, makes breads and cakes using local rice powder, and sells them at michi-no-eki (facilities for regional development) and via the Internet.

**Action Power Inc. (Aichi)**  
This company provides housekeeping services and other services for house cleaning and storage, etc. The company intends to reduce working women's burdens by providing such services, and at the same time, to expand women's working opportunities by fostering female staff that can provide professional housekeeping services.

**Terashima Corporation (Shiga)**  
The company developed an environment for women to work comfortably by reviewing its working regulations through workplace reform. Female employees also do press work and operate forklifts at the factory, and play a part in revitalizing business through actively proposing improvements.

## Actions that support SMEs' technology and management

**Mitsuya Co., Ltd. (Shinagawa ward, Tokyo)**  
A detailed human resource development plan is shared among the company, and employees are provided support for obtaining specialized knowledge and skills required in accordance with their status. The company also has a certification system for specialized skills, etc. to enhance employees' motivation, thereby creating a virtuous cycle to strengthen its technical capabilities as a result.

**Osaka Seimitsu Kikai, Co. Ltd. (Osaka)**  
The company makes industry-academia collaboration with the aim of obtaining advanced technology, and has maintained strong competitiveness by integrating the know-how it has obtained through the collaboration and traditional processing skills of craftsmen.

**Sanwa Co., Ltd. (Hyogo)**  
The company conducted an internship program and conveyed the appeal of monodzukuri, through which it gained recognition among students. As a result, the company has come to have a larger number of applicants and has been able to hire young recruits continuously.

**The San-in Godo Bank, Ltd. (Shimane)**  
The bank utilizes its wide-ranging network in and outside Japan to help SMEs explore their sales channels. Steady efforts made by the headquarters have raised field representatives' awareness toward contribution to local communities, thereby promoting business matching.

**Hagihara Boring Co., Ltd. (Yamanashi)**  
With support from financial institutions, the company was offered technical seeds of Yamanashi University and succeeded in lowering costs for measuring geothermal heat quantities, which contributes to the reduction of CO2 emissions through the utilization of geothermal energy.