

The Charm of the Chugoku Region

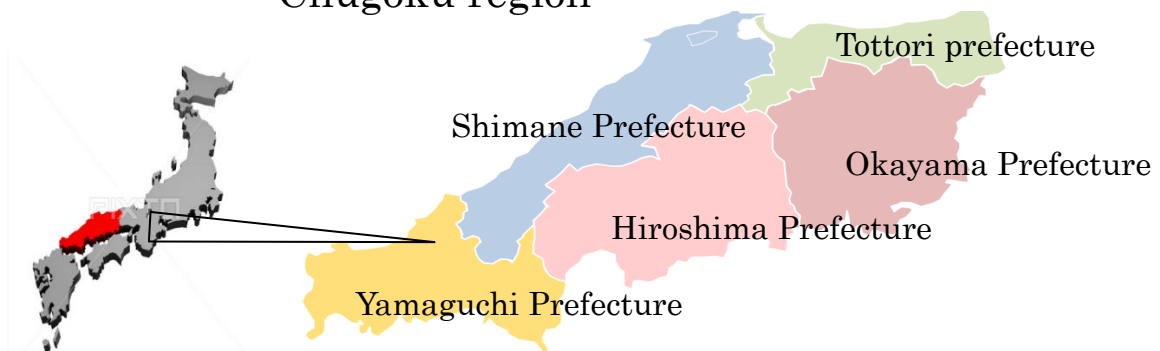
Weaving historical episodes and forging the future
Chugoku Bureau of Economy, Trade and Industry



Local resources (history, culture, nature, industry, people, etc.) are the charm and strengths of the region, and they support and will continue to support the region.

On this occasion, based on re-discovering the charm of the region, we have translated "the charm of the Chugoku region" into English so that a broad range of people outside the region can appreciate it. We hope this provides you with a new interest and an opportunity to get to know the Chugoku region.

Chugoku region



Chapter 1 : Outline of the Chugoku Region

○Economic trends

Gross production in the Chugoku region was 249.1 billion dollars, accounting for 5.5% of Japan's total, and by way of international comparison, delivered slightly more added value than Chile (44th in the world), which is famous for copper exports.

By industry (Figure 1-I-2), the manufacturing industry is driving the regional economy at 27.8%. In terms of shipment value of manufactured products (Fig. 1-I-3), transportation machinery, chemicals, steel, etc. account for large percentages in this region.

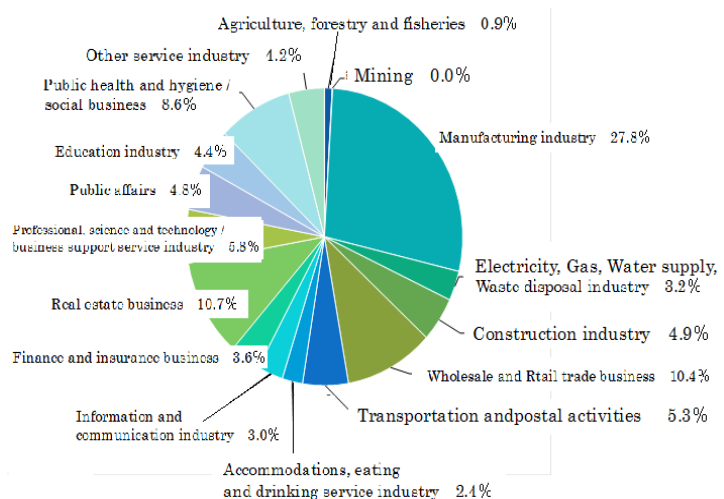
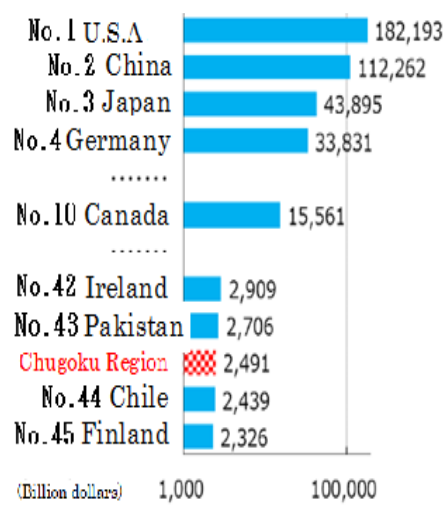


Figure 1-1-1: International comparison of gross regional product

Source: 1) The figures for each country are for 2015 in the "IMF World Economic Outlook Database, April 2019". 2) The figure for the Chugoku region is for the "Fiscal Year 2007 Economic Calculation". 3) The conversion rate of gross domestic product in the prefecture is a 12-month simple average of the monthly average of interbank spot market prices in the Tokyo foreign exchange market (\$1 = 120.13 yen)

Figure 1-I-2: Gross domestic product in Chugoku Region by industry

Source: Prefectural citizen economic calculation (FY 2015) (2008 SNA, 2011 reference counting)

Looking at the trends in the manufacturing industry, the change in the number of employees (from 2008 to

2017) strongly reflects the changes in society, such as the shift from simple mobile phones to smartphones and the increase in ready-to-eat meals such as bento and deli dishes, we can see how employment is changing.

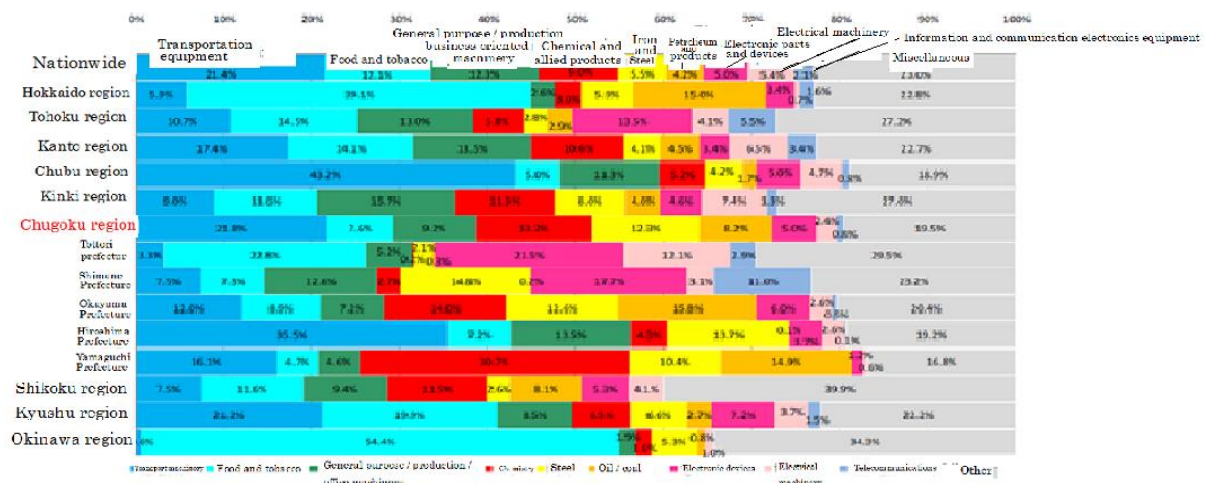


Figure 1-I-3: Composition ratio of manufactured product shipment value, etc.

Source: Ministry of Economy, Trade and Industry "2018 Industrial Statistics Survey (confirmed report)" (establishments with 4 or more employees)

Increased sub-categories	Number of changes	Rank	Decreased sub-categories	Number of changes
Manufacturing of resistors, capacitors, transformers, and composite parts manufacturing industry	2,241	1	Mobile phone / PHS phone manufacturing industry	▲3,679
Sushi, bento, bakery and sandwiches manufacturing industry	2,103	2	Marine engine manufacturing industry	▲2,345
Plastic film, sheet, flooring, synthetic leather processing industry	1,952	3	Offset printing business (for paper)	▲2,341
Manufacturing of cyclic intermediates, synthetic dyes and organic pigments manufacturing industry	1,658	4	Woven fabric for office work, work, hygiene, sports clothes, school clothes manufacturing industry (including non-woven fabric and lace)	▲2,234
Food manufacturing not elsewhere classified	1,614	5	Electronic circuit board manufacturing industry	▲2,229
Other organic chemical products manufacturing industry	1,550	6	Semiconductor element manufacturing industry (excluding photoelectric conversion elements)	▲2,097
Pharmaceutical manufacturing industry	1,351	7	General-purpose machinery and equipment manufacturing industry not classified elsewhere	▲2,097
Various machines and parts manufacturing and repair business (custom manufacturing and repair)	1,265	8	Other electronic parts, devices, electronic circuit manufacturing industry	▲1,804
Switchboard and power control device manufacturing industry	1,227	9	Ship manufacturing and repair business	▲1,660
Construction machinery and mining machinery manufacturing industry	1,112	10	Other fisheries food products manufacturing industry	▲1,573

Figure 1-I-4: Changes in the number of employees in the manufacturing industry in the Chugoku region (2008-2017) Source: Industrial statistics

In terms of tourism, in addition to World Heritage sites such as Itsukushima Shrine and Iwami Ginzan Ruins, the Chugoku region is blessed with tourist resources such as the Kurashiki Bikan district, Adachi Museum of Art, Yuda Onsen and Kaike Onsen which are popular with both domestic and overseas tourists .

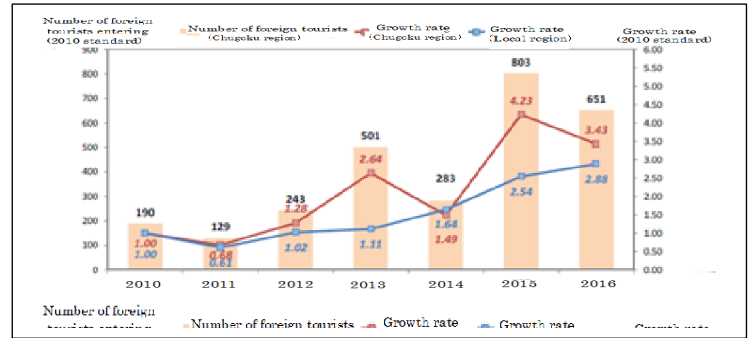


Figure 1-I-5: Number of foreign tourists
Source: Progress of the Wide Area Chugoku Regional Planning

In addition to these tourism resources, we have recently been particularly popular with foreign tourists by proposing activities such as cycling and trekking that make use of the beautiful nature of Tottori Sand Dunes, Daisen, and the Seto Inland Sea.

Chapter 2: Genealogy of Chugoku regional industry

Introduction. Leveraging the innovation of the pioneers to tackle the future -Emergence of ships that kept moving "while selling and buying goods" and the formation of production areas

From the middle of the Edo period to the Meiji 30s, Kita-mae boats were introduced as ships that sailed "while selling and buying goods", distributing products to Edo and Osaka, which were the world's largest cities, with millions of residents. (Note) References 2, 3, 4, 6

Under such circumstances, commodity crops such as cotton, rush, rapeseed, soybean, and other commodities such as salt from Setouchi expanded their sales channels, and through large-scale development of new fields, the production and spread of these crops expanded, and a large production center was formed throughout the Chugoku region.

-Switching manufacturing methods and expanding the markets-

With the development of looms, igusa developed a woven flower-patterned mat called "Kinkanen", known as a "phantom flower basket", which has succeeded as an overseas export product to the United States and other countries. Such mechanization, product conversion and market expansion will progress. (Note) Reference 5

-Spreading the base-

With the processing of cotton into complicated shapes such as tabi and thick materials, we have developed the machinery necessary for weaving and dyeing, and cultivating a complex accumulation of garment-related industries. On the other hand, salt production birthed the coal mining industry in Ube with the development of the coal-fired salt production method, which then led to the further expansion it into cement and various chemical industries. (Note) [Reference 6](#)

Figure 2-Introduction-1: Kitamaebune
Source: Kitamaebune Japanese Heritage Promotion Council

In Chapter 2, we will introduce the genealogy of industries characteristic to the Chugoku region and the opportunities in the future

I. A beautiful coincidence that connects technologies and fosters individuality

～ Breaking into diverse international denim Markets ～

-Everything started with cotton-

In Kurashiki, Ibara, Fukuyama, and other places in this area which is known as “Sanbi”, cotton has been grown since the early Edo period because of the salt content of the reclaimed land, and because the plains are small and unsuitable for rice cultivation.

After that, indigo cultivation was introduced. Indigo dyed fabrics such as Bingo Kasuri (one of the three major Kasuri patterns in Japan), which is a fabric with a beautiful woven pattern, are made by tying a yarn bundle with bamboo skin and hemp thread to create areas that do not dye and those that do. In the 1700s, Tamashima Port became a prominent area for cotton fabric, becoming one of the best commercial ports in the Seto Inland Sea.

(Note) [References7](#)



Figure 2-Introduction-2: Kinkanen
Source: Kurashiki City Website



Figure 2-I-1 Sanbi area (Bizen, Bichu, Bigo)

-Mass production to become a leading industry in the region-

In the Meiji era, the government started the cultivation of a modern spinning industry with the aim of becoming a leading industry.

Soon after, Shimomura Spinning Mill , Japan's first private spinning mill (founded in Kojima in 1880), Tamashima Spinning Mill (in Tamashima in 1882), and Kurashiki Spinning Mill (in Kurashiki in 1888 - equipped with the latest British spinning equipment) were all established, and the textile industry was heavily involved in the development of the region.



Source: Kurashiki Regional Resources Museum

In 1906, the first power sewing machine was introduced in the tabi (traditional shoes) manufacturing industry in the Kojima area, and so it developed in this area. In 1919, Okayama Prefecture became "the largest production area for tabi in Japan" (20.25 million pairs). (Note) [References 8 , 9](#)

-Products that change with the times-

Demand for tabi socks eventually decreased due to westernization, and the production of western clothes grew rapidly in its place.

The Kojima area's manufacturers used the cutting and sewing technologies from tabi production to switch to the production of school uniforms and workwear, and the clothing manufacturing industry has continued as a major industry in this area. Furthermore, dyeing factories, button makers, sewing machine makers, etc. were born in this area, and Kojima has become a "textiles town" with the strength of being able to complete all clothing manufacturing processes in one area, from dyeing, weaving, cutting, sewing, and processing.

-Beautiful domestic denim

In 1965, Maruo Clothing Co., Ltd. (currently Big John Co., Ltd.) produced the first domestic jeans, CANTON brand jeans. Since domestic jeans were so hard that they were unpopular, the "pre-wash" process started around the Kojima area in Kurashiki City, Okayama Prefecture, in which the jeans were washed before they were sold. (Note)

References¹⁰



Figure: 2-I-2 CANTON brand jeans
Source: BIGJOHN HP

With this background of the birth of domestic jeans, it can be said that there is an accumulation of technical know-how in this area, from spinning, dyeing, weaving thread and fabric, sewing, and "washing", where the washed products are washed and distressed to further customize the fabric.

Kaiharashokufu Co., Ltd. (currently Kaihara Co., Ltd. (in Fukuyama City)) changed the Kasuri manufacturing industry to its current denim business in 1970 (Showa 45). Over the next 20 years, it established a consistent organization system of spinning, dyeing, weaving, and arrangement processing...Currently, it has delivered to 300 jeans brands in Japan and overseas, and produces denim fabric equivalent to approximately 21 million pairs of jeans annually.

-Expansion of denim export-

The export of denim started early, including the adoption of Kaihara denim by Levi Strauss & Co. in the United States in 1973, but it was not until 2000 that full-scale export began.

Domestic denim has gained international acclaim. Showa Co., Ltd. (in Kurashiki City) won the first Premiere Vision "Handle Award" at "Premiere Vision" (hereinafter referred to as PV), international fabric trade fair in Paris, France in 2009.

Showa Co., Ltd. (in Kurashiki City), Kuroki Co., Ltd. (in Ihara City), and Nihon Menpu Textile Co., Ltd. (in Ihara City), have continued to exhibit at PV and expanded transactions with many overseas luxury brands. The sales by Kuroki Co., Ltd. and Nihon Menpu Textile Co., Ltd. account for over 50% of the overseas sales.

-Jeans and denim town planning-
[Kurashiki City]

Kurashiki City has been holding the “Kurashiki Fashion Frontier” since 1996 to nurture design personnel who will usher in the next era. (Note) [References11](#)

This is a region with globally unique high-quality production accomplishments in denim and jeans, including fabric that is hand-cut by experienced craftsmen, sown with a process that utilizes 10 specific types of sewing machines, designed in consideration of future shrinkage and with textures customized through specialized washing processes.



Source: Japanese Heritage Kurashiki Leaflet

In 2003, Betty Smith Co., Ltd. (in Kurashiki City) opened the Jeans Museum. It is now a tourist spot visited by about 50,000 people annually.

In 2009, a part of the once prosperous Ajino shopping street was named "Kojima Jeans Street", and jeans manufacturers, shops and cafes dealing in denim and miscellaneous related goods were collected to promote the Mecca of domestic jeans.

These activities were fruitful, and the story “Kurashiki story that begins with a single cotton flower -a town of fibers woven by Japanese style ” was certified as a Japanese heritage on April 28, 2017. (Note) [References12,13](#)

[Ibara City]

In Ibara City, Ibara Denim has created the D# ("D sharp", referencing music and the hidden meaning of "sharp denim"). The # also resembles the Japanese character which is the "I" in "Ibara". "Ibara Denim" is a brand that espouses higher quality. (Note) [References14](#)

At the Ibara train Line "Ibara Station" yard, which is the gateway to the city, the Ibara Clothing Cooperative operates a store called "Ibara Denim Store" that sells factory brand jeans and miscellaneous denim goods.



Source: Ibara Denim WEB

Starting with the 2017 declaration of hometown specialty support, the project entitled the "1st Ibara Indigo Project" gained international recognition for "Ibara Denim". In 2019, "Ibara Denim" was registered as a regional collective trademark. Furthermore, this area is united in its support for the denim industry, and starting in April of the same year, the city employees started "Everyday Denim Day", where they wear denim every day.

— An approach that leverages strengths in a diversifying market —

In order to promote cooperation between the fashion industry and the denim manufacturing sites in the Chugoku region, centered on the Sanbi area, the Chugoku Bureau of METI carried out matching between denim producing companies and excellent designers. In addition, in order to raise awareness of production areas in general, we are making efforts such as communicating the appeal of production areas in collaboration with fashion magazines.

In December 2019, at Okayama Castle, which is a famous historical site and tourist destination in the Okayama area, a fashion show "THE "O.SHIRO" COLLECTION" focusing on denim and other textile producing areas was held in cooperation with Condé Nast Japan ("GQ JAPAN") and two other companies.

For this event we brought together top level models and up-and-coming young brands that are on the verge of breaking out overseas, in addition to brands that are already active overseas, making it the first full-scale fashion show to take place within a castle in Japan.



© The "O.SHIRO" Collection

II . Continuing 1,400 years of Tatara ironmaking history

-Establishment of iron production areas-

The use of ironware in Japan dates back to the 3rd century BC (Yayoi period). Then, around the 4th century, iron became widespread in the Japanese archipelago, and ironware processing technology also advanced. However, there was no iron ore production technology for producing the iron itself, and the industry relied on ironware and iron materials brought in from the continent and the Korean Peninsula.

Steelmaking began in the Kinki and Chugoku regions in the latter half of the 6th century, and around the 9th century, it spread throughout the archipelago from Tohoku in the east to Kyushu in the west. However, from around the 11th century, iron production gradually stopped in many regions, and the production centers were concentrated in the Chugoku and Tohoku regions.

In the Chugoku region, the invention of the "iron hole sink" technology that stably collects a large amount of sand iron, and the introduction of the "foot-operated balance" which sends sufficient air into the iron-making furnace, were examples of technological innovation that allowed iron production to progress, and Chugoku established itself as an iron production area in the 17th century. (Note)References15,16,17,18

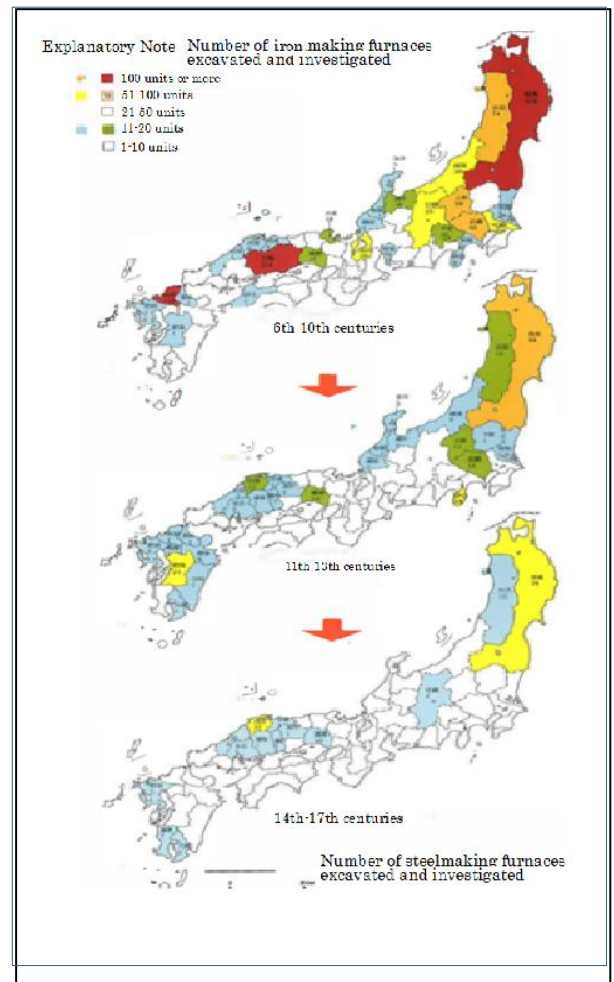


Figure 2-II-1 Changes in the distribution of steelmaking ruins

Source: Tatara Iron Country, actual situation of Izumo

-The rise and fall of Tatara ironmaking-

In the Izumo-Iwami area of Shimane prefecture, which is a rich sand iron producing area in the Chugoku area, the amount of iron production increased starting around the 12th century due to the enlargement of the ironmaking furnaces and other technological innovation.

The large-scale ironmaking furnaces changed from the previously-used mode of repeating operations and movements over a short period, to long-term operation in one place, leading to the appearance of Takadonodatara which included a large-scale underground structure. The immobilization of such workshops promoted the professionalization of the workers involved in the Tatara ironmaking and the development of an ironmaking collective.

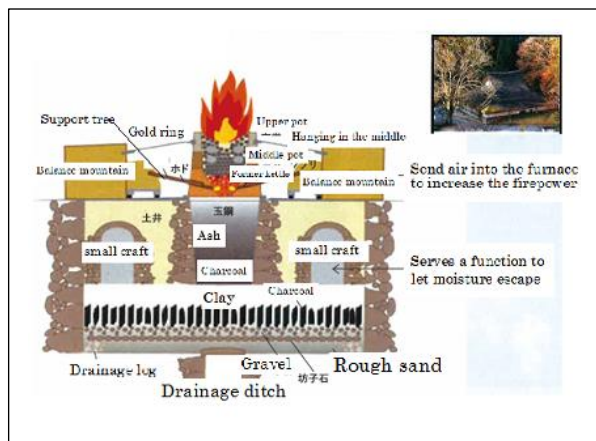


Figure 2-II-2 Cross-sectional view of Nittoho Tatara
Source: Tatara tradition, inherited by Yasuginosato

Eventually, the middle of the 17th century saw the rise of the “iron masters,” who collected “Tetsuzan” from the forests to produce charcoal and collectively operated the Tatara ironworks. Among the iron masters, there was a local celebrity called “Daitetsushi ” who contributed to the local economy by obtaining the exclusive business license of Tatara Blacksmith under the feudal lord's industrial policy.

However, in the Meiji era, Tatara ironmaking began to decline due to the termination of privileges and protection that occurred with the abolition of the clan, the revision of the system relating to the distribution of mineral products, and the import of cheap, high-quality Western iron. (Note)

[References19](#)

— Inheritance of the Tatara Spirit and the way forward for the next generation —

In 1899, the Unhaku Steel Joint Stock Company was established in Yasugi City with the aim of streamlining and modernizing Tatara ironmaking. Five people, including an iron sales businessman, a Tatara iron manufacturer, and a bank officer, became the core, and they started as a wholesale business that collected iron produced in Tatara in various parts of the prefecture, crushed and packed it, and then shipped it to wholesalers and the military.

In approximately 1900, the military demand for higher-quality iron increased, and the company also took on the challenge of technological development to produce a larger quantity of higher-quality iron.

However, when the manufacturing technology was completed, the Russo-Japanese War ended. Orders from the military were cut, forcing the closure of the business. In 1909, a new company, Yasugi Steel Joint Stock Company, was launched with the aim of revitalizing the business.

The company did not produce normal steel, whose market was expanding due to the continuous entry of private steel companies. Instead, it focused on special steel, which is a material used in tools that relied on imports from overseas, because there was no domestic production at that time. Japan's first factory equipped with an electric furnace was constructed, and they started manufacturing special steel. This was the birth of the Yasugi Plant of Hitachi Metals, Ltd., which is still in operation today. (Note) [References20,21](#)



Figure 2-II-3 Suburbs near Yasugi City, the road that iron was transported

Source: Tatara tradition, inherited by Yasuginosato

-State of the technology

The special steel manufactured by the Yasugi Plant of Hitachi Metals, Ltd. has grown into a globally recognized brand under the trademark "YSS Yasukihagane".

In line with this, in Yasugi City, where the company is located, and its suburbs, the concentration of SMEs that process the company's materials has advanced. This area has accumulated high-tech knowledge and achievements in the processing of special steel, and has produced companies with a high market share in the industry. We will introduce two such companies. (Note) [References22](#)

[Moriya Cutlery Laboratory, Ltd (in Yasugi City, Shimane Prefecture)]

The Moriya Cutlery Laboratory, which was founded in 1953 by Zentaro Moriya, is a company that handles processing, heat treatment and precision finishing in-house, and provides its finished parts to the world.

A "Vane" is a hydraulic pump component used for power steering in automobiles. Moriya has the top market share in the world and their parts are installed in more than 10 million new vehicles every year.

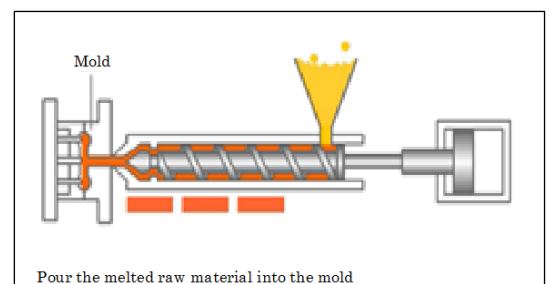
In addition, they also manufacture a "rocket cutter" that is used in separating a satellite after rocket launch. This is also a product that other companies cannot imitate., meaning that Moriya plays a significant part in the space industry.



Figure 2-II-4: Upper vane, lower rocket cutter
Source: Moriya Cutlery Laboratory, Ltd

[Izumo Zoki Inc. (In Yasugi City, Shimane Prefecture)]

Izumo Zoki Inc. was founded in 1946 by a former Kure navy arsenal manager, who became the first president of the company in Yasugi City, which was an evacuation site during the war. They manufacture screws and extrusion tools with various diameters, using the strengths of high-grade special steel "YSS Yasukihagane" and super heat-resistant steel made by Hitachi Metals.



They are proud to have the top share in Japan in screws for injection molding machines and extrusion molding machines. They sell these items "from pencil size to telephone pole size". In extrusion tools, they are the top-rated enterprise in Japan for their extremely high durability and processing accuracy, and they have established a firm position as a leader in the industry.



Figure 2-II-5: Plastic molding screw
Source: Izumo Zoki inc., Ltd.

-Focusing on the future-

In Shimane Prefecture, 10 private companies including Hitachi Metals Group, Shimane University, Matsue National College of Technology, the government and other entities have been working together to strengthen the cluster of the special steel industry since 2012, and are working on entering the growth industry with a focus on aircraft and energy and developing and securing industrial human resources with the same goal.

The Chugoku Bureau of METI is supporting the efforts of the small and medium-sized enterprise group "SUSANOO" (7 private companies) aiming to enter the aviation industry.

In addition, in the "Creation of a global base for advanced metal materials-Next Generation TATARA Project-", which is taking advantage of the Cabinet Office's "Regional University/Regional Industry Creation Grant Project", the "Next Generation Tatara Collaborative Creation Center" was based on the development of the knowledge of evaluation and analysis methodologies related to metal materials. In cooperation with Oxford University and others, industry, academia and the government are working together to promote research and development, and foster highly specialized human resources, aiming to create ""Shimane", the Mecca of advanced metal materials" and related industries, such as casting and metal processing throughout the prefecture.

Chapter 3 Initiatives by the Chugoku Bureau of Economy, Trade and Industry

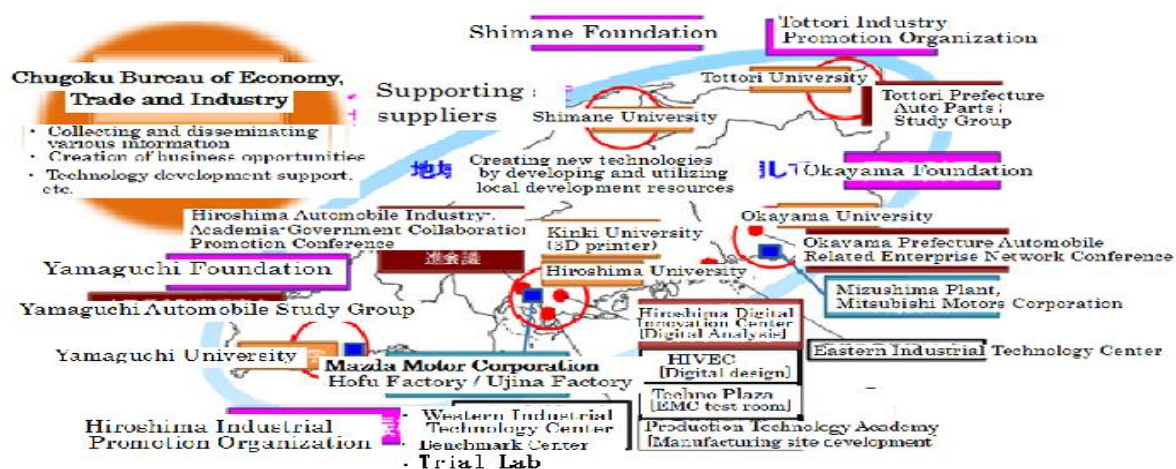
So far, we have introduced various industries in the Chugoku region that are rooted in history and tradition.

As a regional bureau of the Ministry of Economy, Trade and Industry, (METI) we are working on a project to strengthen microfabrication technology and unique materials technology used by small and medium-sized enterprises (SMEs) that support the automobile and aircraft industries, aiming to utilize the long-cultivated strengths of industry in the Chugoku region to improve added value despite a drastically changing business environment. In addition, we are updating the image of the region focusing on its charming history and culture, promoting rebranding by rebuilding source of value, and supporting new services appealing to both domestic and overseas tourists.

Also, with the aim of creating an environment that facilitates a large variety of economic activities, we are working on various regulations to ensure safety and security, such as measures for a stable energy supply and product safety measures.

1. Looking at mobility in 2030

With the aim of further developing the automobile industry in this region, the Chugoku Bureau of METI is promoting technical and human resource development efforts in collaboration with industry, academia and the governments in this region so that they can respond to changes in the business environment such as CASE. (Note) 23



The automobile industry in this region is a core industry that accounts for about 20% of the value added, and it has a major impact on the regional economy. For this reason, we have been promoting the automobile industry for more than 10 years in cooperation with 5 prefectures, industry support organizations, universities, automobile manufacturers and other entities in the Chugoku region.

In particular, in the Hiroshima area, in 2017, we launched the Hiroshima Automotive Industry-Academia-Government Collaboration Promotion Council in collaboration with Hiroshima Prefecture, the Hiroshima Industry Promotion Organization (a public foundation), Hiroshima City, Hiroshima University, and Mazda Motor Co., Ltd. We are also promoting R&D and human resource development through industry-academia collaboration in order to realize the “2030 vision of Industry-Academia-Government Collaboration.” In 2019, by utilizing the Local Core Enterprise-Local Innovation Support Project, we strengthened strategic initiatives in five prefectures in Chugoku region(1), conducted lectures/seminars, individual theme study groups etc.(2), participated in international robot exhibitions (3), and carried out technical proposals, exhibitions and business meetings at Nissan Motor Co., Ltd. (Note)
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Furthermore, by utilizing the Supplier Support Team Project, we are promoting initiatives such as regional technology development, human resource development, and market development to strengthen the competitiveness of small and medium-sized suppliers. Specifically, Hiroshima Industrial Promotion Organization (a public foundation) and Okayama Prefectural Promotion Foundation (a public foundation) play a central role in implementing initiatives that take advantage of local strengths, such invention and creation of new material technologies.

2. Continuing the 1,400-year tradition of Tatara ironmaking

The global commercial aircraft market is a growing industry against the backdrop of growing passenger demand (5% annually). In addition, it is an industry characterized by the breadth of the base, with high value-added products that require advanced technologies of parts and materials are combined, and one large jet aircraft is composed of about 3 million parts, whereas an automobile is about 30,000 parts. On the other hand, in any potential accident, many lives are at risk, so high levels of safety and technical skills are essential requirements.

Postwar Japan's civil aviation industry has grown mainly by participating in international joint development of airframe structures and jet engines. The supply chain was established with Tier 1 domestic manufacturers participating in joint development projects with overseas manufacturers of completed aircraft, and many SMEs are involved in the aviation industry as parts suppliers and processing subcontractors.

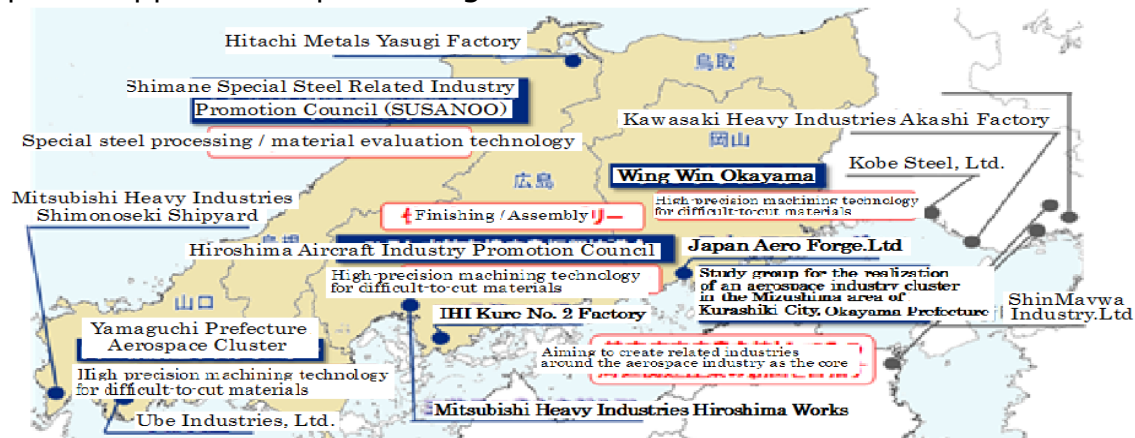


Figure3- II -3-1 Affiliated companies in the Chugoku region and aviation industry cluster, created by the Chugoku Bureau of Economy, Trade and Industry

Also in the Chugoku region, various organizations are developing support for new entry into the aviation industry and further expansion of orders from existing companies such as Shimane Special Steel Industry Promotion Council in Shimane Prefecture; Wingwin Okayama in Okayama Prefecture; the Study Group for the Realization of an Aerospace Industry Cluster in the Mizushima Area of Kurashiki City, Okayama Prefecture; the Hiroshima Aviation Industry Promotion Council in Hiroshima Prefecture; and Yamaguchi Prefecture Aerospace Cluster . In 2019, among the efforts in each of these regions, we support the corporate group "SUSANOO" aiming to draw on the 1,000-year history of the Tatara ironmaking industry in Shimane Prefecture to enter the aircraft engine field, utilizing the Local Core Enterprise-Local Innovation Support Project. Specifically, we support the development of sales channels by exhibiting at overseas specialized exhibitions, dispatching specialists and implementing specialized technical training to improve the technical level of each company.

Also, we are implementing a project that proposes an organizational structure and the maintenance of an internal environment necessary for new entrants to smoothly transition to the mass production phase, based on case studies of existing entrants in Japan.

II . Refining the charm and branding

Town planning that captures inbound demand and strengthens the earning power of the area

Now that the number of visitors to Japan exceeds 30 million a year, town planning that is conscious of the needs of inbound tourists, such as facilities even in rural cities that are attractive to people from outside the area, is essential for strengthening the earning power of the area, which will eventually lead to vitalization of the area.

At present, the number of foreign guests and the amount of consumption in the Chugoku region are low, so we are focusing on the following three items for support through subsidies.

- ① Development of facilities and equipment that can be used for content and events that support experience-based tourism and experiential consumption
- ② Development of guest houses, etc. for increasing foreign independent tours (FIT)
- ③ Development of cashless payment terminals and Wi-Fi that also meet the needs of foreign tourists

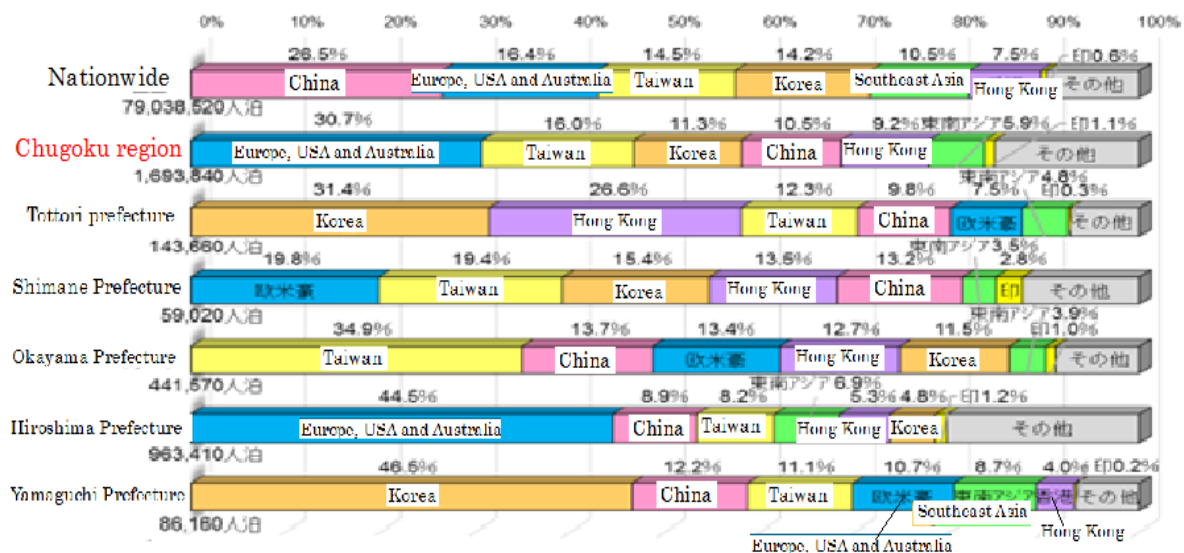


Figure 3-IV-1-1: Composition of the total number of foreign guests by prefecture in 2018
Source: Japan Tourism Agency "Statistical survey on lodging trips"

◇Case 1 -Kurayoshi City, Tottori Prefecture-

They are working to revitalize pop culture, which is popular with inbound tourists, by attracting figurine manufacturers.

Also, they renovated the oldest circular school building in Japan and opened the "Amphitheater, Kurashishi Figurine Museum". In addition to displaying a large variety of figurines here, there are also workshops where you can experience making figurines, and they are working to attract a wide range of tourists by cooperating with neighboring areas where the white-walled historical storehouses and shopping districts remain.



Figure 3-IV-1-2: Appearance of Amphitheater, Kurashiyoshi Figurine Museum

Source: Kurayoshi City

◇Case 2 -Kurashiki Bikan historical quarter, Okayama Prefecture-

Although there are many tourists visiting the Kurashiki Bikan historical quarter, many of them are day trips, and the area lacks appropriate accommodations and other facilities for overnight tourists.

Therefore, they have developed a guest house called "Kurashikiden" that is a renovated traditional townhouse, and combined this with cultural tourism experiences such as folk art that is popular in Kurashiki, to encourage long-term residents to join the activities as well.



Figure 3-IV-1-3 Appearance of Kurashikiden

Source: Kurashiki City

Case Study 3 -Tojo Town Area, Shobara City, Hiroshima Prefecture-

Centered on the Chamber of Commerce and Industry, they are working to promote the use of cashless payments by introducing an IC card called “Horoka” that holds electronic money that can be used in this area

The Chamber of Commerce and Industry manages the payment fees paid by retailers, and the system has been built to allow the money to flow in this area, and 80% of the local residents now own the card. Currently, the number of participating stores is expanding and the use by tourists is progressing



Figure 3-IV-1-4 State of shops in Tojocho area
Source: Shobara City

○References (※All reference URLs are in Japanese only)

Chapter 2: Genealogy of Chugoku regional industry

Introduction. Leveraging the innovation of the pioneers to tackle the future

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Chapter 3 Initiatives by the Chugoku Bureau of Economy, Trade and Industry

23. CASE

A coined word that stands for Connected, Autonomous, Shared & Services, and Electric, and is a keyword that symbolizes the trend of the automotive industry in the era of change. At the 2016 Paris Motor Show, Daimler AG CEO and Chairman of Mercedes-Benz, Dieter Zetsche announced that it was used in the medium- to long-term strategy.

24. the local core enterprise-local innovation support project

This project is aimed at building a network of support organizations that cooperate with support organizations that support regional innovation and strengthening the local support system in order to encourage promising companies in the region (regional core companies) who are expected to play a key role in strategic fields to take on the challenge of new business. In addition, we provide comprehensive innovation support according to the business stage, from know-how acquisition for new businesses, business structure maintenance, commercialization strategy formulation, R&D, and market development.