

Development of AFFriinnovation for Agriculture, Forestry, and Fisheries

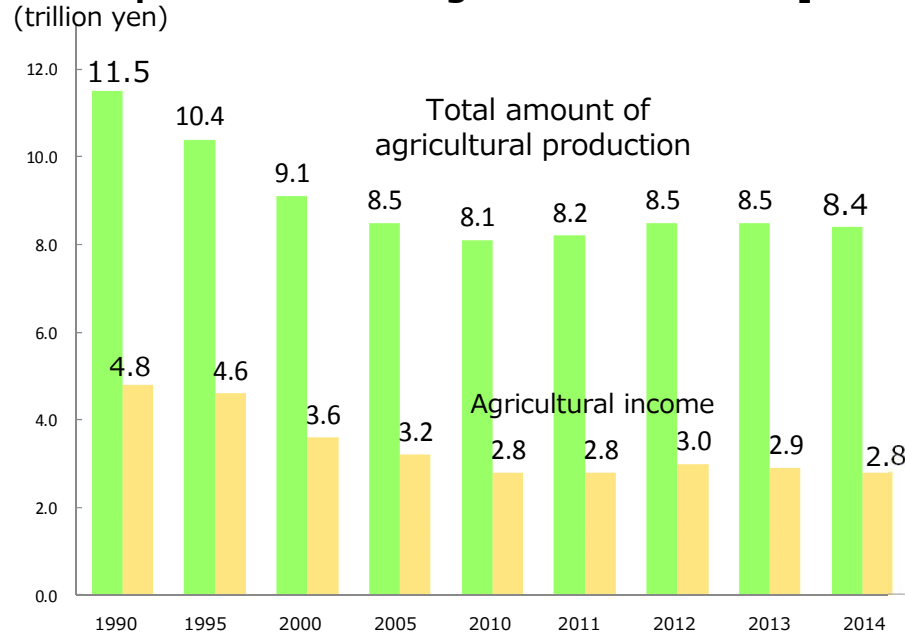
February 2017

**Ministry of Agriculture, Forestry and Fisheries
Food Industry Affairs Bureau**

1 Current State of Agriculture, Forestry and Fishery Industries (1)

- Agricultural incomes (production agriculture incomes) have been decreasing from 4.8 trillion yen (1990) to 2.8 trillion yen (2014).
- While the number of core persons mainly engaged in farming have been also decreasing from year to year, the average age of those has reached to 67.0. There are many farmers who are in the generation of the first decade of the Showa Era (from 1925 to 1935).

[Trend of the total amounts of agricultural production and agricultural incomes]

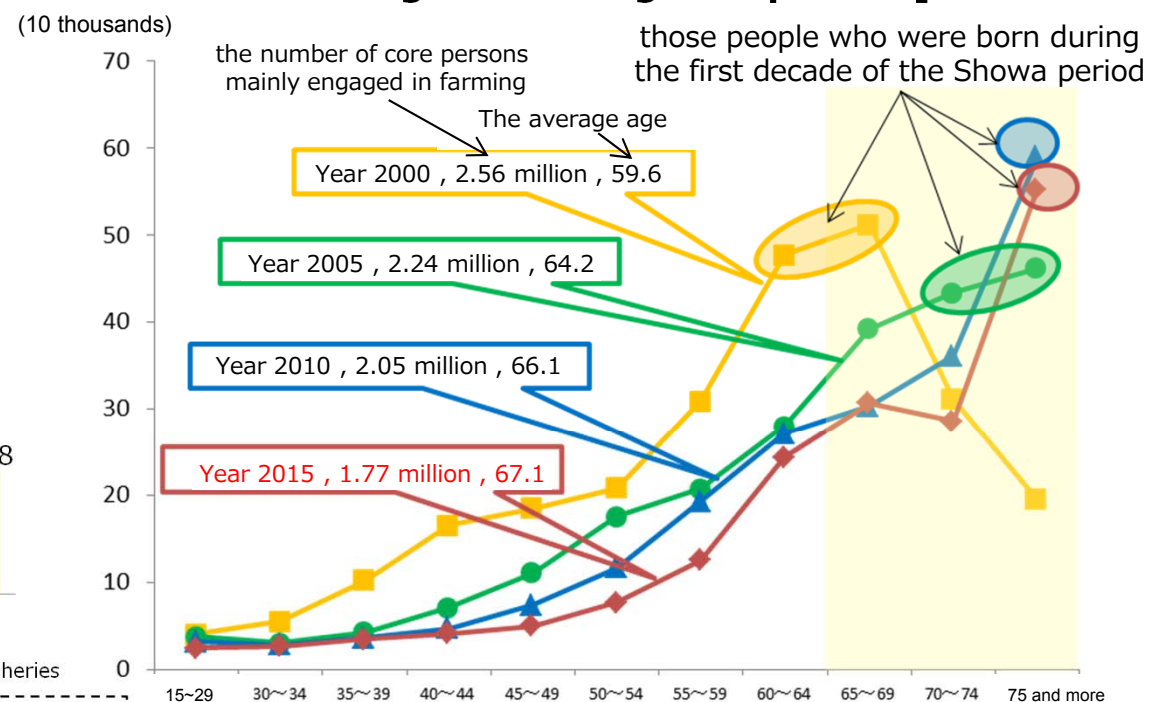


Reference: "Production agriculture incomes statistics", the Ministry of Agriculture, Forestry, and Fisheries

The agricultural incomes (production agriculture incomes) is the one which material expenses (fertilizer, agricultural chemicals, light, heat and power costs, etc.) are deducted and which current subsidies are added

Reference: Labor and agricultural income (family) deducting from the agricultural income in 2013 the amount equivalent to the employment wages, the amount equivalent to the payment of interests, the amount equivalent to land rent, and current subsidies, etc. is 1.4 trillion yen, of which the labor and agricultural income attributable to the manager (Management owner) is estimated to be 1.0 trillion yen.

[The number of core persons mainly engaged in farming and their age composition]



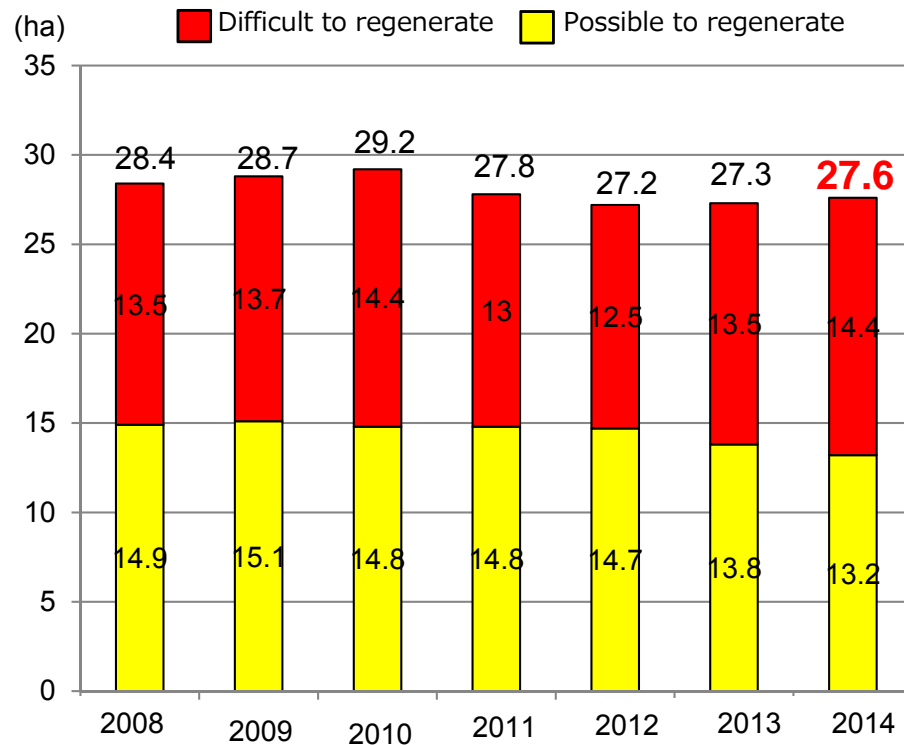
Reference: "Agriculture and Forestry Census", the Ministry of Agriculture, Forestry, and Fisheries (In 2015, the number is approximate numeric value)

Primary agricultural workers: Of those who are household members (agricultural work force) and are 15 years of age or older who engaged mainly in self-employed agriculture; they are mainly engaged in self-employed farming as a regular work, but not housewives, students, etc. whose main work is housework or/and baby sitting, etc.

1 Current State of Agriculture, Forestry and Fishery Industries (2)

- The dilapidated farmland area is 276,000 ha as of 2014. 132,000 ha of such farmland can be reused and 144,000 ha of such farmland is almost impossible to be reused.
- Japan's food self-sufficiency rate is predicted to decrease over a long period of time. In FY2004, the rate became 39 % on a calorie basis and 64% on a production basis.

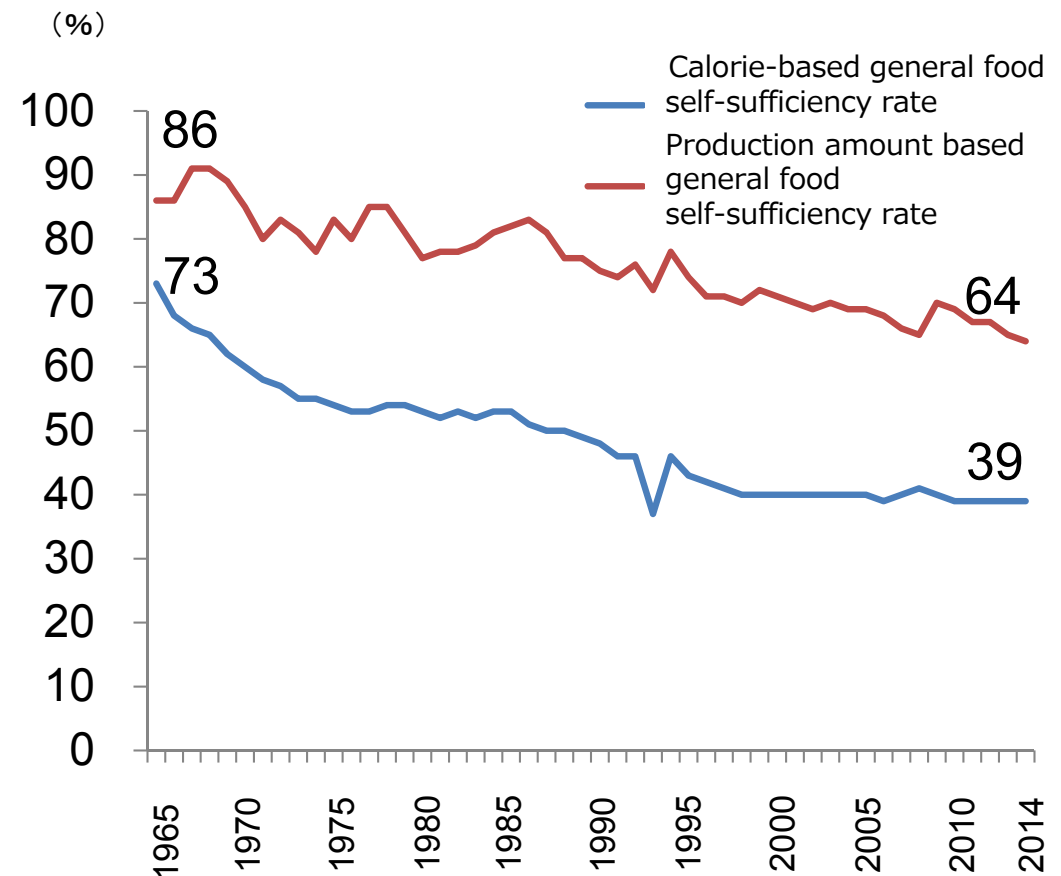
[Trend of dilapidated farmland area]



Reference: "Survey on the occurrence/ resolution state of dilapidated farmland", Rural Development Bureau, the Ministry of Agriculture, Forestry, and Fisheries

Dilapidated farmland: Farmland that has not actually been used for farming, dilapidated by abandonment of farming, and cultivation of crops is impossible objectively in ordinary agricultural work.

[Trend of Nation's food self-sufficiency rate]



Reference: "Food Balance Sheet", the Ministry of Agriculture, Forestry, and Fisheries

2 Improvement of added value of agricultural and forestry and fishery products by building a value chain

(1) "Cooperation" patterns between the agriculture, forestry and fisheries and other industries - Positioning of "AFFriinnovation"-

- When farmers, forestry workers and fishery workers cooperate with business operators of other industries, selecting optimum pattern of the cooperations is necessary to increase profits, under the consideration of the value of agriculture, forestry and fishery products to be produced, as well as the business development capabilities of the management in agriculture, forestry, and fishery in the business production area.
- The cooperation pattern of the AFFriinnovation is suitable for the agriculture, forestry, and fishery managements who are motivated to develop new businesses with their own decisions.

Bond density of the value chain

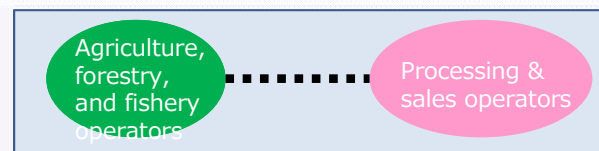
(1) Market trading type

Farmers, forestry workers and fishery workers have a possibility to efficiently earn revenue by utilizing the mass distribution network of the market trading. (However, since the products are shipped to the market only, added value information of the products to be provided to processing/ sales business operators is limited.)



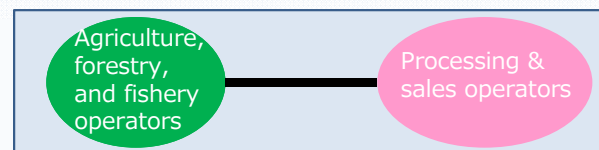
(2) Outsourcing type

Farmers, forestry workers and fishery workers can conduct a stable transaction with processing/ sales business operators by outsourcing the cultivation. (However, since the products are sold to the processing/ sales business operators, the added value of the products cannot be appealed to the consumers directly.)



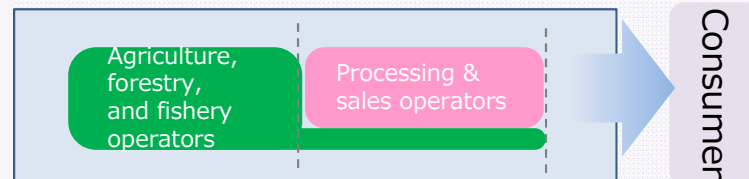
(3) Cooperation among agriculture, commercial, and other industries

Initiations which farmers, forestry workers and fishery workers and small and medium enterprises cooperate to develop new products and services, and to expand sales channels, etc. as well. Many initiatives are led by processing and sales operators. Among 705 certified plans as of October 2016, there were 45 plans in which the representatives were agriculture, forestry, and fisheries operators)



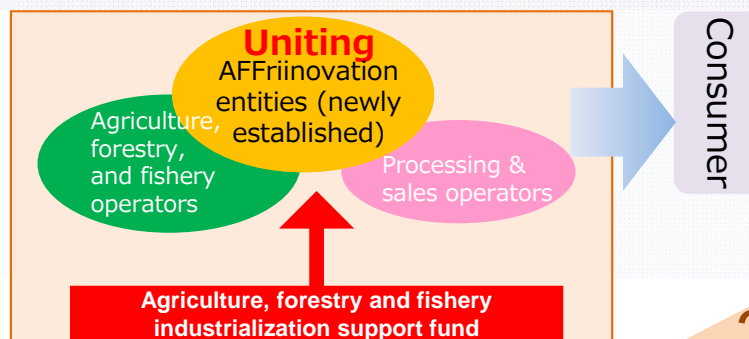
(4) AFFriinnovation

Initiations which farmers, forestry workers and fishery workers are targeting integration of production and processing and sales, to improve added value. However, there are issues in development of new products, services, and expanding sales channels, etc. creating a difficult situation for the business to grow.



(5) AFFriinnovation fund utilization type

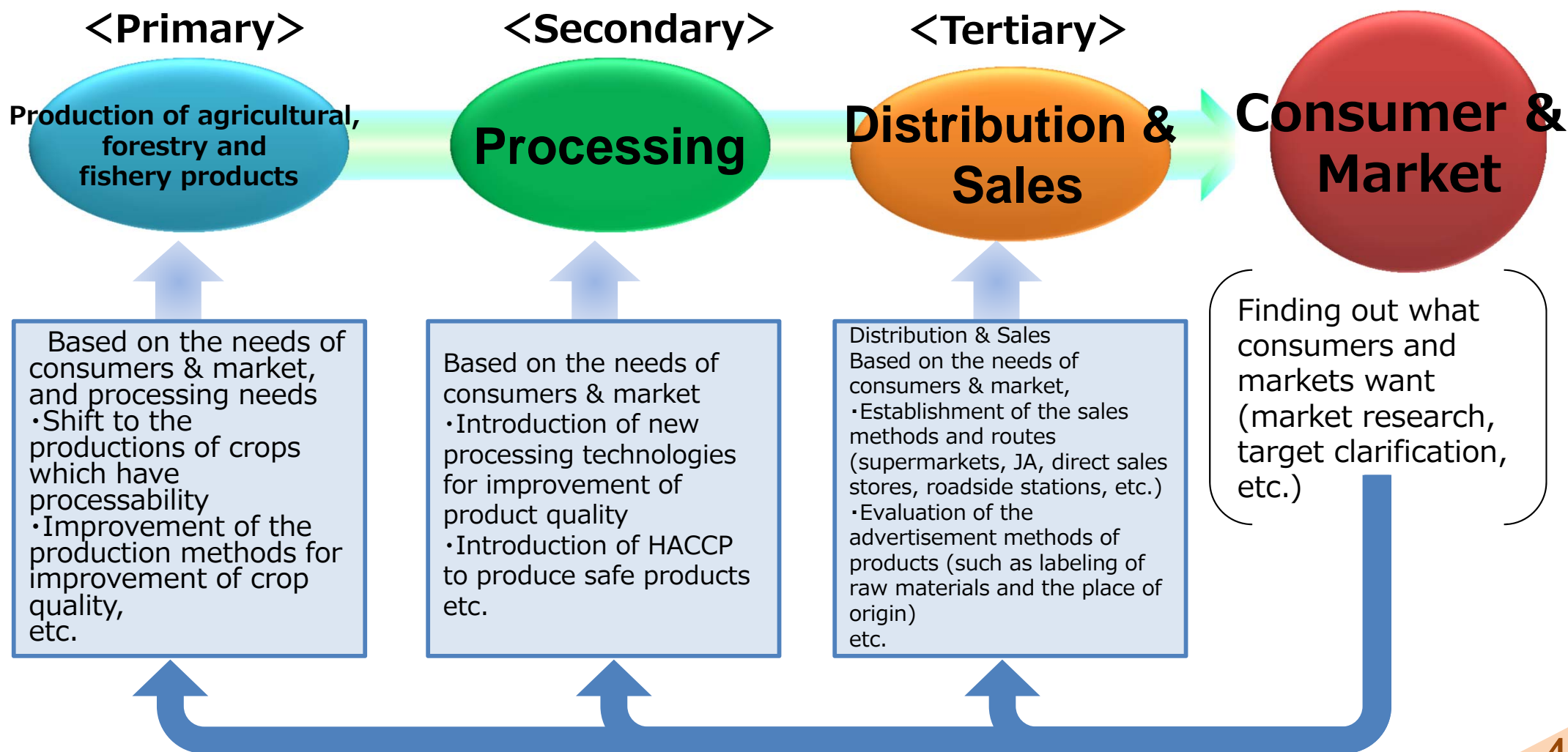
Farmers, forestry workers and fishery workers play a main role to create a AFFriinnovation entity (joint venture) that develops businesses in cooperation with other industries. For this reason, the government and the private sector establish a fund which provides necessary growth capital. Establishment of a value chain (mechanism to provide the added value) for ensuring the delivery of the value of the products to the consumption level carried out by farmers, forestry workers and fishery workers.



2 Improvement of added value of agricultural and forestry and fishery productions by building a value chain

(2) Building a value chain based on the customer needs

- When tackling with the AFFriinnovation, it is important to fully worked out to increase added value at each stage of processing, distribution, and sale of agriculture, forestry, and fishery products as well as their production. This should be done by taking advantage of expertize and ideas of distributors/ processing business operators, etc. under the consideration of the needs of consumers and markets while building a value chain starting from production, processing, distribution and to sales.



(Reference) What is AFFriinnovation for Agriculture, Forestry, and Fisheries?

○ Purpose

It is the initiations which "We intend to comprehensively and integrately promote the agriculture, forestry, and fisheries as a primary industry, the manufacturing industry as a secondary industry, and the retail business as a tertiary industry, and to generate new added value utilizing regional resources".

("Act on Promotion of the "Sixth Industry" to create new value added using agricultural products in rural areas"

(From the preceding sentence of the Act on Promotion of the "Sixth Industry" to create new value added using agricultural products in rural areas)

○ Market scale & number of persons engaged for AFFriinnovation of agriculture, forestry, and fisheries (2014)

Sales from processing and direct sales:
approximately 2 trillion yen

(Agriculture related: approx. 1.8 trillion yen,
Fisheries related: approx. 0.2 trillion yen)

Number of persons engaged: approx. 400,000
(Agriculture related: approx. 375,000, Fisheries
related: approx. 24,000)

Reference: "General survey result of AFFriinnovation in 2014", the Ministry of Agriculture, Forestry, and Fisheries

(Reference)

The AFFriinnovation means not only agriculture as a primary industry but also secondary industries such as processing, furthermore, including tertiary industries such as services and sales, and what is to try to expand the possibilities of agriculture as an industry integrated from primary to tertiary.

Source: "Ministry of Education, Culture, Sports, Science and Technology certified textbook (for high school agriculture department) agricultural management"
(Jikkyo Shuppan Co., Ltd.) Note: used from FY 2014

*** Primary (production) x Secondary (processing) x Tertiary (sale) =
AFFriinnovation**

3 Overview of Act on Promotion of the "Sixth Industry" to create new value added using agricultural products in rural areas (AFFriiinnovation related) (1) (Proclaimed date of the law: December 3, 2010, Enforcement date: March 1, 2011)

- It is the Act to support for the efforts such as creation of new business which farmers, forestry workers and fishery workers and organizations (including the corporation whose members are main members or investors) formed by them mainly conduct, to promote the creation of new business by farmers, forestry workers and fishery workers by utilizing regional resources.
- The Minister of Agriculture, Forestry and Fisheries approves the plans regarding comprehensive businesses carried out by farmers, forestry workers and fishery workers for the purpose of improvement of the management of agriculture, forestry, and fishery businesses and makes an exception for them in the various laws to support them.
- In addition to this, we will establish subsidies and financing, etc. using agriculture, forestry, and fisheries growth industrialization funds, and will send AFFriiinnovation's planners and provide AFFriiinnovation network activity grant and agriculture, forestry, and fisheries growth industrialization fund, etc. to the farmers, forestry workers and fishery workers to support for developing new products and improvement of processing/sales facilities, etc.

Farmers, forestry workers and fishery workers and their organizations

- Formulating a comprehensive business plans, receiving certification by the Japanese government, and implementing comprehensive projects
- It is also possible to position the efforts by persons other than farmers, forestry workers and fishery workers (promotional business operators) as a comprehensive business plan.

<Comprehensive businesses fall under any of the following>

- Development of new products, production or market development of new products of which agricultural, forestry, and fishery products of their own are used as raw materials.
- Introduction of new sales methods of agricultural, forestry, and fishery products of own productions, or improvements of sales methods
- Improvement of the production methods necessarily for those described above

Certification requirements regarding the management improvement of the agriculture, forestry, and fisheries industries

All the following two indicators shall be satisfied

- i) The sales amount of the agriculture, forestry, and fishery products and the new products need to increase 5 % and more in 5 years.
- ii) The incomes of the agriculture, forestry, and fishery industry and related businesses need to increase from the initiation of the businesses until the end of the businesses which shall make the final fiscal year go into the black.

Apply for the certification of comprehensive business plan

Certification of comprehensive business plan

The Minister of Agriculture, Forestry, and Fisheries

- The Minister certifies the comprehensive business plans and provide various support

<Major supporting measures>

○ Exceptional measures by various laws

- Exceptional measures by various laws
- Exceptional examples of the Agricultural Improvement Fund Act (redemption deadline and extension of deferment period, etc.)
- Exceptional examples of the Act for Stabilization of Production and Shipment of Vegetables (providing grants to outsourcing sales by relay shipments of designated vegetables)

○ Dispatching the AFFriiinnovation's planners

- Place AFFriiinnovation's planners at the central/ prefecture level and advice farmers, forestry workers and fishery workers who have been carrying out the AFFriiinnovation, etc. regarding developing of sales channels for new products and acquiring technical knowledge

○ AFFriiinnovation Network Activity Grant

- Support for the development of new products and cultivation of the markets, etc.
- Support for the necessary facilities which are necessarily for the new processing & sales, etc.

○ Agriculture, Forestry and Fisheries Growth Industrialization Fund

- Financial support is provided to the business activities of AFFriiinnovation in cooperation with distribution/processing business operators initiated mainly by farmers, forestry workers and fishery workers.

Support

<The comprehensive business is one which falls under any of the following>

(1) Development of new product, its production or development of demands which agricultural, forestry, and aquatic products pertaining to its own production are used as raw materials.

- "New products" means products which have never been developed or produced by a person who has been trying to receive certifications of those. It is applicable either of the following meets; (i) a product itself is new, (ii) a manufacturing method is new, or (iii) a raw material is new. "Indispensable raw material" is the raw material which gives functions and effects, etc. to the characterizations of the new products. A "New products" also include primary processing products which are not finished products.
- Not only for agricultural, forestry, and fishery products, but also the secondary products which are produced in the productions or processing of agricultural, forestry and fishery products, and are derived from animals and plants are qualified for the certifications if a development of a new product uses them as raw materials.
- Specifically, the efforts of farmers, forestry workers and fishery workers to develop new products such as pickles and juice, etc. using their own vegetables as the raw materials for the new products. Other efforts include serving food at accommodation facilities and restaurants managed by farmers, forestry workers and fishery workers, using their own agricultural, forestry and fishery products, etc., and the efforts of electricity generation by using biomass such as unused thinned timber and livestock manure excreta, etc.

(2) Introduction of new sales models or improvement of sales methods for agricultural, forestry, and fishery products related to own production

- "Introduction of new sales models" refers to introducing a sales model that has never been used by a person who wishes to receive a certification, and "improvement of sales methods" refers to improve profitability by improving the sales method already in use.
- Specifically, the efforts of those who had been engaged in face-to-face sales will newly initiate Internet sales, and other sales initiation in conjunction with providing information to consumers in order to draw their interests such as new cooking methods when directly selling the agricultural and forestry, and fishery products.

(3) Improvement of the required production methods to implement (1) and (2) above

- "Improvement of the production methods" means the acquisition of agricultural facilities necessary for the development of new products performed by farmers, forestry workers and fishery workers, the introduction of new sales methods, the improvement of new crops and livestock introduction, introduction of new production methods which make full use of regional lands, water and other resources.

4 Certified situation of comprehensive business plans (as of February 13, 2017)

- Since the first certification was provided in May 2011, the number of certification of comprehensive business plan has increased to 2,216 as of February 28, 2017.

(1) Number of certification by region

Region	Comprehensive business plan	Agricultural and livestock product related	Forest product related	Aquatic product related
Hokkaido	127	120	3	4
Tohoku	342	308	12	22
Kanto	372	338	17	17
Hokuriku	108	103	1	4
Tokai	201	179	10	12
Kinki	364	333	11	20
Chugoku and Shikoku	266	216	11	39
Kyusyu	381	315	25	41
Okinawa	55	50	1	4
Total	2,216	1,962	91	163

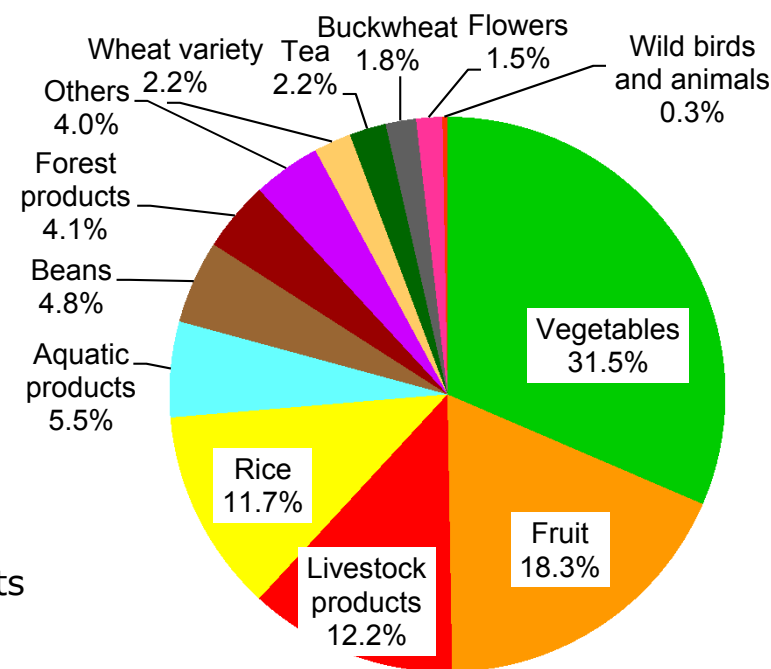
(2) Prefectures with a large number of certification of comprehensive business plan (number of cases)

Hokkaido pref.	127
Hyogo pref.	101
Nagano pref.	93
Miyazaki pref.	90
Kumamoto pref.	79

(3) Percentage of business contents of the comprehensive business plans (%)

Processing	19.7
Direct sale	2.6
Export	0.4
Restaurant	0.3
Processing & Direct sale	68.6
Processing, Direct sale, and Restaurant	6.8
Processing & Direct sale, and Export	1.6

(4) Percentage of target agriculture, forestry, and fisheries product of the comprehensive business plan



* All of the comprehensive business plans targeting multiple agriculture, forestry, and fisheries products are counted.

(Reference) Changes of the number of certifications per fiscal year (cumulative total)

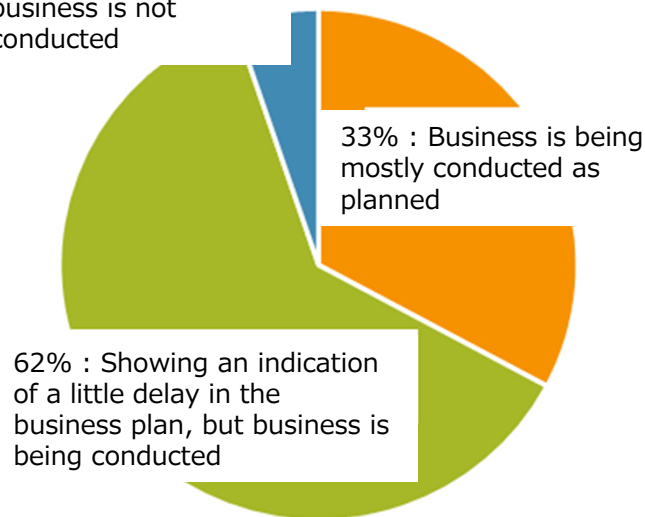
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
709	1,321	1,811	2,061	2,156

5 Progress of the certified comprehensive business plan of the Act on Promotion of the "Sixth Industry" to create new value added using agricultural products in rural areas

- Survey on progress status and sales situation of the business plans has been conducted every fiscal year for the certified business operators of the comprehensive business plans.
- Looking at the management situation of the certified business operators, sales related to the AFFriiinnovation increased by 17 % in one year, 33 % in two years, 38 % in three years, 41 % in four years from the time of their application.

(Progress of comprehensive business plans)

5% : The planned business is not conducted



(Sales of the certified business operators)

(Average value, 1 million yen)

Sales		1 year effort			2 year effort			3 year effort			4 year effort		
		At the time of application	After 1 year	Comparison with the time of the application	At the time of application	After 2 year	Comparison with the time of the application	At the time of application	After 3 year	Comparison with the time of the application	At the time of application	After 4 year	Comparison with the time of the application
Overall management	Individual	18	19	106%	20	24	120%	20	25	125%	43	50	116%
	Companies	138	167	121%	134	162	121%	128	166	130%	134	180	134%
	Total	110	133	121%	107	129	121%	99	129	130%	105	139	132%
AFFriiinnovation related	Individual	9	10	111%	12	15	125%	11	14	127%	20	27	135%
	Companies	65	76	117%	52	70	135%	61	85	139%	65	93	143%
	Total	52	61	117%	43	57	133%	48	66	138%	51	72	141%

Note: In FY 2015, surveys were conducted for the business operators who had started business as of the end of March 2015.

Among the 1,949 business operators who had become targeted business operators, survey was conducted and the information was gathered on the progress status and sales carried out by the business plans of 1,880 business operators (96.5 %) (However, regarding the sales, business operators are excluded when they are not involved with agriculture, forestry and fisheries or any other related businesses).

6 Activities situation of AFFriinnovation planners Food industry bureau

○ The number of registrants of the AFFriinnovation's planner (as of December 31, 2016) are 920 at the prefectural support centers, 262 at the central support centers (including those who register dublicately in multiple AFFriinnovation support centers).

○ The dispatching situation of AFFriinnovation planners in 2016 (the actual result as of December 31, 2016) is as follows:

• Prefectural Support Centers: 5,616

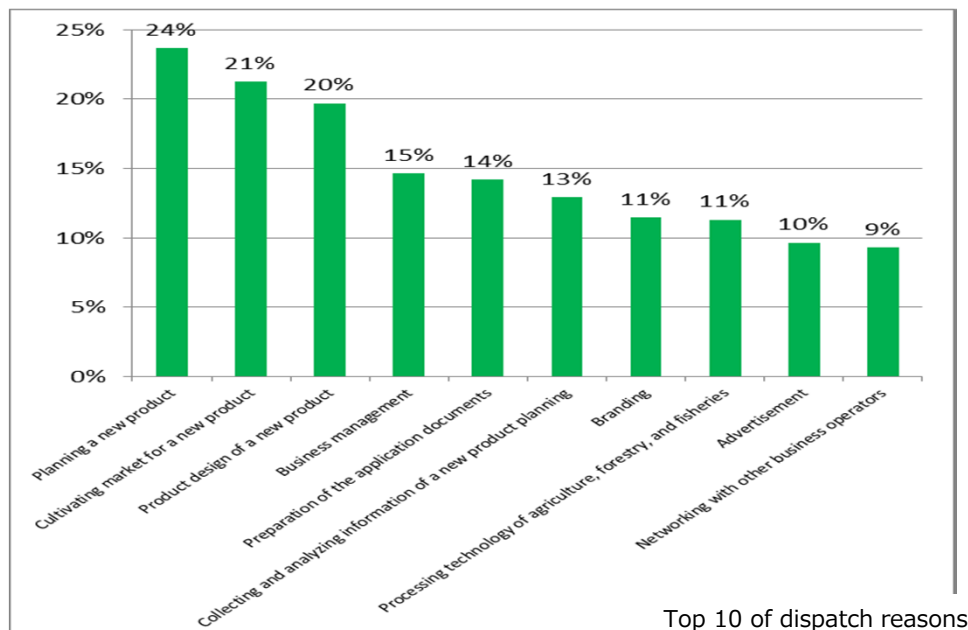
(Main reason for dispatch: new product planning, development of sales channels for new products, product design of new products, business management, preparation for the application documents)

• Central Support Centers: 1,634

(Main reasons for dispatch: development of sales channels for new products, branding, new product planning, product design of new products, information collection and analysis of new product planning)

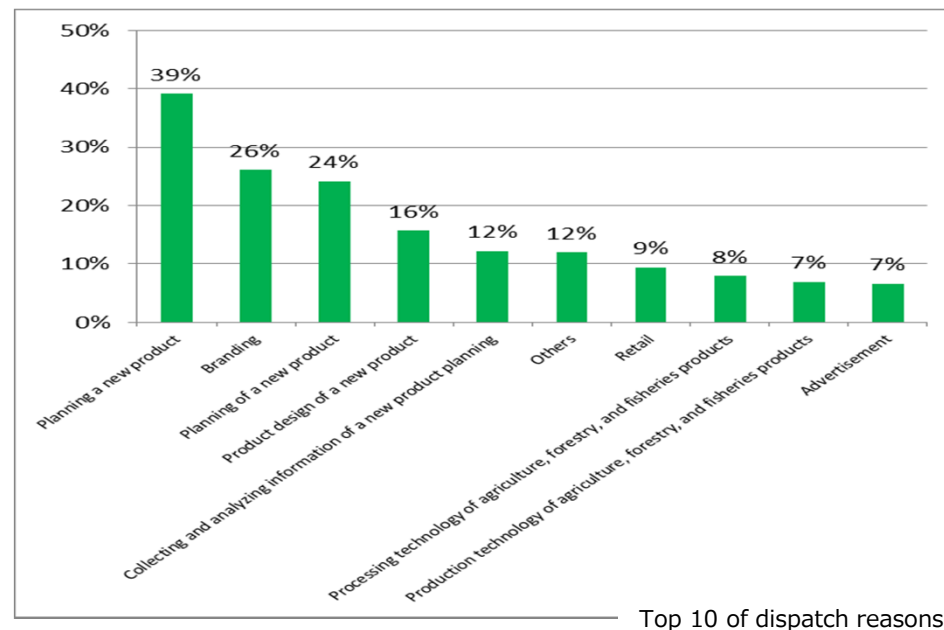
<Prefectural Support Centers>

Number of registered planners	Number of dispatches
920	5,616



<Central Support Centers>

Number of registered planners	Number of dispatches
262	1,634



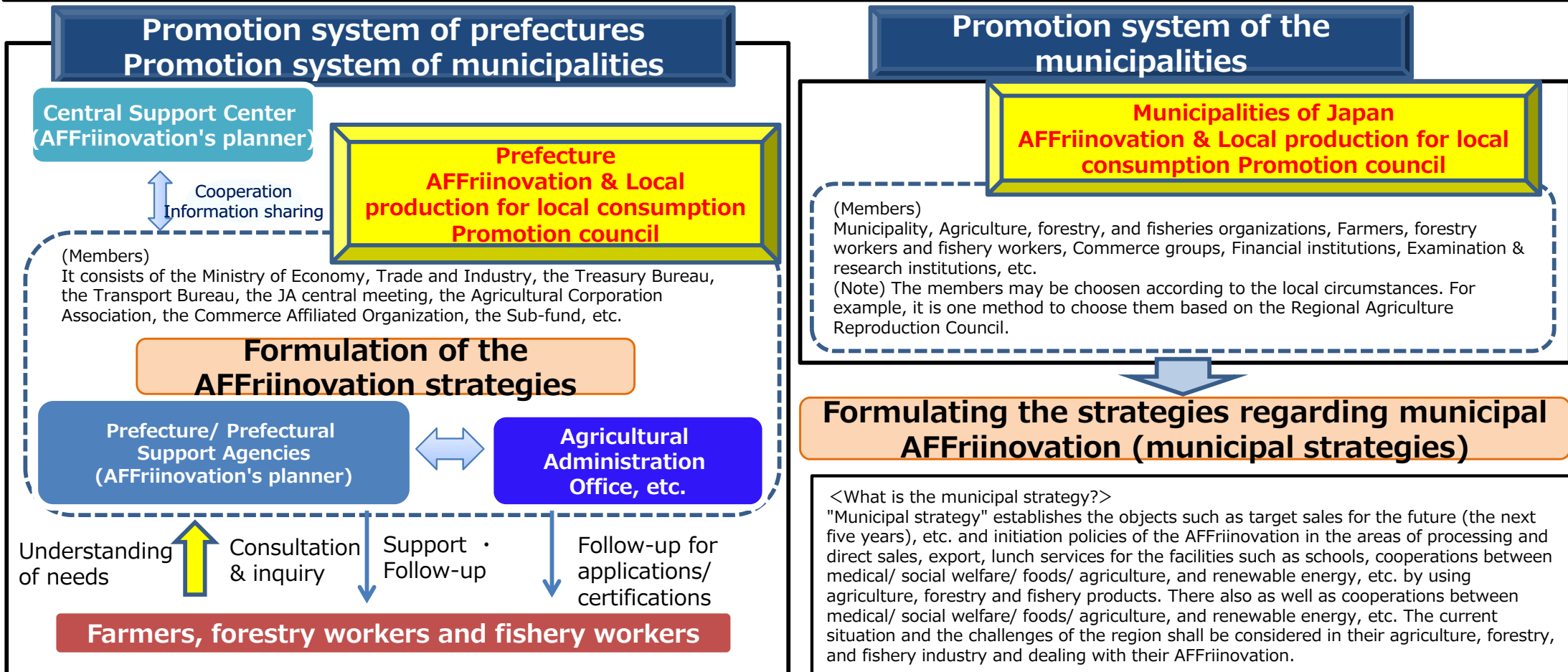
7 Development of AFFriinnovation by utilizing regional resources

- Agricultural, mountain and fishing villages are rich in various regional resources including agricultural, forestry, and fisheries products, biomass, lands and water, and are one of Japan's greatest strengths as a rare resource for future economic growth.
- Establish new cooperation between farmers, forestry workers and fishery workers and other industries, develop agribusiness which integrates production, processing, sale, tourism etc., nurture new industries utilizing advanced technology, etc., innovate agricultural, mountain and fishing villages by introducing renewable energy, and make agriculture, forestry and fishery business grown industries.



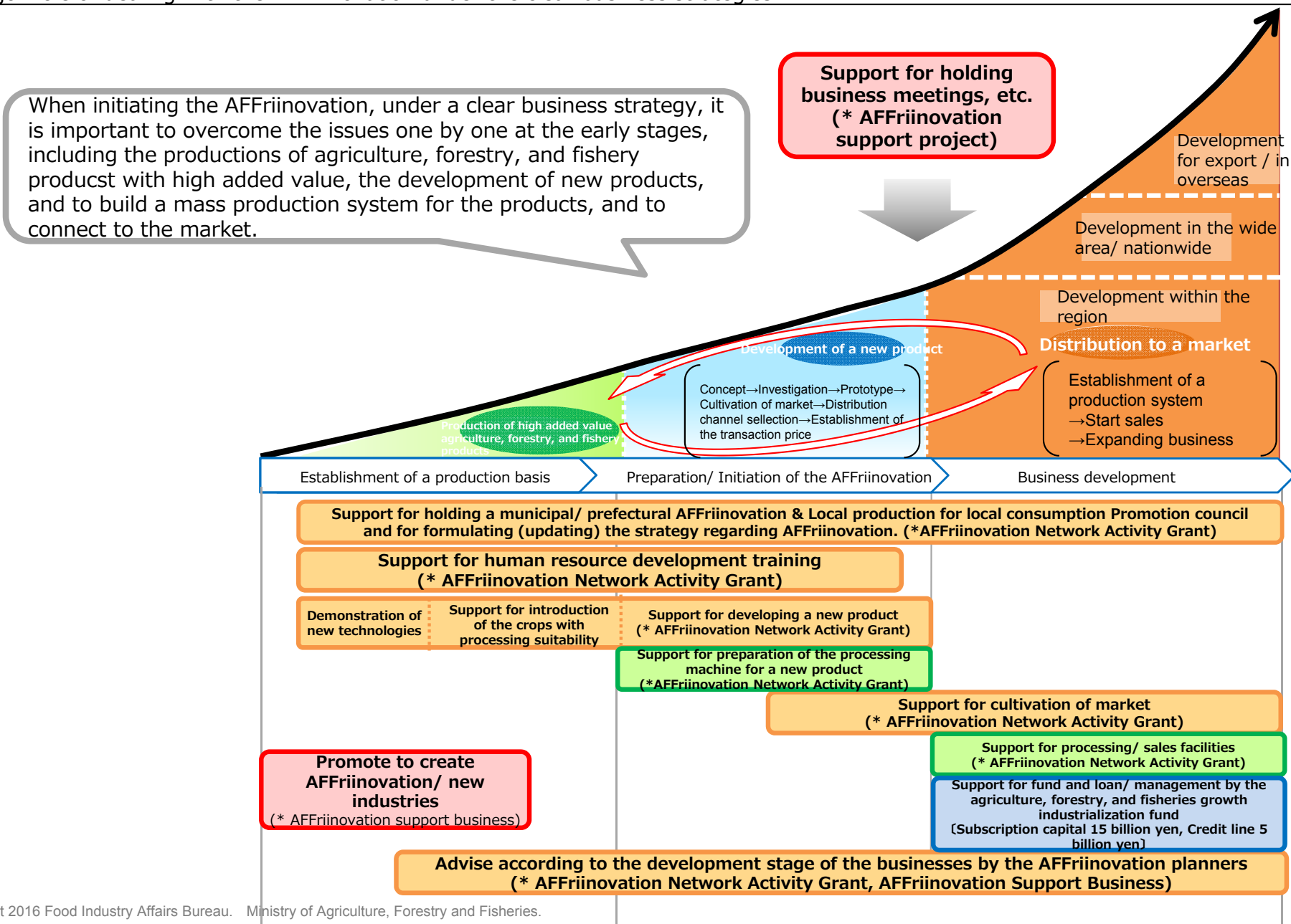
8 Measures for promoting AFFriiновation of agriculture, forestry, and fisheries

- In order to promote the efforts of the AFFriiновation in cooperation with related organizations, prefectures, prefectural support agencies, financial bureaus, transport bureaus, agriculture, forestry, and fisheries organizations, agricultural corporate associations, commerce related organizations, promotion organizations and other organizations, "AFFriiновation & Local production for local consumption Promotion council" was established.
- In the Promotion Council, regarding the current status and challenges of agriculture, forestry, and fisheries industry and the AFFriiновation for the prefectures, etc., initiation policies in the AFFriiновation, etc., and the strategies of the prefectures for the AFFriiновation, etc. targetting sales increase, etc. in the future (in five years), shall be established and promoted in cooperation with the related organizations to reach the goals.
- A similar promotion councils have been established at the municipal level as well, and a strategy (municipal strategies) on the AFFriiновation of the municipalities, etc. has been formulated to promote AFFriiновation efforts by the people in the regions.



9 Overview of the budget for FY 2016 (Measures for the AFFriiновation support)

- We will steadily promote the regional AFFriiновation strategy progress and the AFFriiновation efforts by the regions. At the same time, we will prepare the clear support menu according to the development level of the efforts so that the motivated farmers, forestry workers and the fishery workers can take a major role of dealing with the AFFriiновation under the clear business strategies.



(1) AFFriiovation Network Activity Grant (1)

[The budget amount in FY 2016: 2,033 (2,331) million yen]

Formulation of the strategies regarding AFFriiovation

- In order to strategically advance the efforts of the AFFriiovation in each region, we establish the AFFriiovation and local production for local consumption promotion council consisting of the related agencies such as administrative agencies, agriculture, forestry, and fisheries business, commercial organization, financial institution to prefectures and municipal level and will support for efforts to formulate (update) the strategy regarding AFFriiovation, etc.



(Grant rate:
Fixed amount)

Personnel training to deal with the AFFriiovation

- In order for prefecture and municipalities to foster human resources who can tackle the business of the AFFriiovation with the sense of management, we will support for training to acquire the necessary knowledge for management, marketing, financing, and expenses for a lecture (venue fee, text preparation fee, lecturer's fee, lecturer's travel expenses, etc.), internship training fee (reward for acceptance companies, insurance for trainees, etc.) for the efforts to conduct practical trainings such as internship training to AFFriiovation entities.



(Grant rate:
Fixed amount)

Efforts of AFFriiovation by farmers, forestry workers and fishery workers

- When farmers, forestry workers and fishery workers build a network with distribution/process business operators etc. to introduce crops with suitable processing for new product development, and conduct the development and manufacturing of new product and the development of sales channels, the part of necessary expenses* will be supported.

* Grant rate

With municipal strategy Within 1/2

Without municipal strategy Within 1/3



- We will support the expenses for purchasing materials for a trial product of new products or developing a package design and ingredient analysis, etc.

- The AFFriiovation's planner will advise according to the development stages of the businesses of farmers, forestry workers and fishery workers dealing with the AFFriiovation.

- When the farmers, forestry workers and fishery workers who received certification of the Act on Promotion of the "Sixth Industry" to create new value added using agricultural products in rural areas prepare the processing and sales facilities for the agriculture, forestry, and fishery products which are necessary for developing their AFFriiovation business by utilizing loans such as institutional capital, we will support the part of expenses (grant rate: within 3/10* maximum 0.1 billion yen).

* For the grant amount, it is within the range of the lowest amount of (1) to (3) below.

(1) Operating expense x 3/10

(2) Loan amount

(3) Operating Expense - Loan Amount - Grant Amount from Local Public Organizations

"Calculation example"

In the case of preparing the processing facility of 100 million yen under the 50 million yen loans and the 100 million yen grant from local public organizations.

(1) is 30 million yen (100 million yen (operating expense) x 3/10)

(2) is 50 million yen (Loan amount)

(3) is 40 million yen (100 million yen (operating expense) - 50 million yen (Loan amount) - 10 million yen (grant amount))

Therefore, the lowest amount, 30 million yen will be the grant amount.



(1) AFFriinnovation Network Activity Grant (2)

[The budget amount in FY 2016: 2,033 (2,331) million yen]

Support for the community-wide efforts of the AFFriinnovation

In accordance with the municipal strategies, we will support the efforts of the community-wide AFFriinnovation to promote the development of new products which utilize regional resources.

- In accordance with the municipal strategies on the AFFriinnovation etc., when municipalities, etc. conduct regional resource development of new products, etc., we will support the materials cost, inspection cost etc. for component analysis, etc.

[Grant rate: Within 1/2]



(Development of bread by utilizing wheat which is a rare variety in the region)

- In addition, we will support for that a municipality (including any promotional business operators positioned in the Act on Promotion of the "Sixth Industry" to create new value added using agricultural products in rural areas) prepares a processing machine to develop a new product with a community involvement.

[Grant rate: Within 1/2,
Limited amount of grant: 30 million yen]



(Development of trial product of tomato source by utilizing high-sugar content tomato which is special product in the region)

* We also support the participation fees for training seminars, material expenses required for the test cultivation, etc., even when conducting community-wide crop introduction aimed at the development of new products. (Grant rate: within 1/2)

- In the municipal AFFriinnovation and local production for the local consumption promotion council, stakeholders for school lunch and hospital & social welfare facilities participate to formulate the initiation policies and the goal for expanding the use of local foods in school lunch, etc. For the following efforts to achieve its goal:

(1) Investigate the production volume and demand volume of local foods, and hold a training

(2) Develop a menu/ processing product

(3) Introduce and verify new menu to a school lunch

The efforts above will be supported. [Grant rate: Within 1/2]



- In the municipal AFFriinnovation and local production for the local consumption promotion council, stakeholders for the direct sales stores and tourism business operators participate to formulate the initiation policies and the goal for increasing of the sales of direct sales store. For the following efforts to achieve its goal:

(1) Holding a review meeting to strengthen the operation system of a direct sale store

(2) Developing a new product for inbound demands, and holding a consumer evaluation meeting

(3) Planning a tour with a direct sale store and tourism business operators. The efforts above will be supported.

[Grant rate: Within 1/2]



- In the municipal AFFriinnovation and local production for the local consumption promotion council, regional food business operators and stakeholders for university & nursing care facilities, etc. participate to formulate the initiation policies and goal for developing Smile Care Foods (new foods for nursing care). For the following efforts to achieve its goal:

(1) Developing Smile Care Foods

(2) Verifying a food delivery service

(3) Holding a seminar for spreading Smile Care Foods

The efforts above will be supported.



[Grant rate: Within 1/2]

(2) AFFriinnovation Support Business

[The budget amount in FY 2016: 369 (320) million yen]

○ Individual consultation to farmers, forestry workers and fishery workers to tackle AFFriinnovation

• We will dispatch the AFFriinnovation's planners individually from the "AFFriinnovation central support center" for those who develop the businesses in a wide area such as beyond the prefecture area, or for those who need some advice regarding specialized fields.

(Individual consultation example)

- Advising regarding special fields such as marketing and branding.
- Embodying a business plan of AFFriinnovation and advising to management.



○ Holding a business meeting with farmers, forestry workers and fishery workers and distributors

• We hold opportunities for business talks in multiple regions and make opportunities to match with distributors, farmers, forestry workers and fishery workers, etc. who are looking for sales partner of new products developed by efforts of AFFriinnovation.

(Reference) Venue and date in FY 2016

Sapporo (2/2), Sendai (2/1), Tachikawa (11/30),
Kanazawa (10/25), Nagoya (10/26), Osaka (9/28),
Okayama (9/27), Kumamoto (11/29)



○ Support to provide information of the AFFriinnovation

We will introduce efforts through information magazines (6 channels), home pages, e-mail magazines, etc. to disseminate the policies and its effects regarding the AFFriinnovation.

○ Investigation of the possibility for business

We conduct market research, etc. regarding new products and services developed by cooperation with farmers, forestry workers and fishery workers and different industries, and we support the adjustment and analysis of commercialization possibility.

○ Measures for the AFFriinnovation promotion technologies

In order to contribute to the promotion of new product development through the cooperation with different industries, we will hold seminars and consultation sessions which farmers, forestry workers and fishery workers and business operators of different industries to participate, and maintain the databases introducing researchers specialized in food functionality.



○ Holding a foods development fair

In order to provide opportunities for restaurant and ready-made meal business operators to develop new menu development and product development, we will hold the round table meetings at production areas and the food development fairs at urban areas.



the food
development fairs

○ Nationwide promotion of AFFriinnovation Network Activity

Since we are going to nationally spread the advanced efforts which various business operators participate,

- (1) Holding an information exchange meeting for related agencies of AFFriinnovation
- (2) Creating practical models, and holding an educational seminar for farmers, forestry workers and fishery workers by utilizing this
- (3) Collecting and analyzing good practices and holding a best practice presentation session

we will conduct the efforts above.



○ Providing the information about utilization of domestic food

We will investigate the local foods suitable for restaurant and ready-made meal, and provide the information to promote the use to restaurant and ready-made meal business operators.



○ Promoting the efforts to improve nutrition by utilizing local foods

In order to promote efforts of business operators to improve nutrition including the prevention of malnutrition using locally produced foods, we will collect good examples, hold workshops, etc., investigate the food disseminate situation for nutrition improvement, and support to communicate its result.

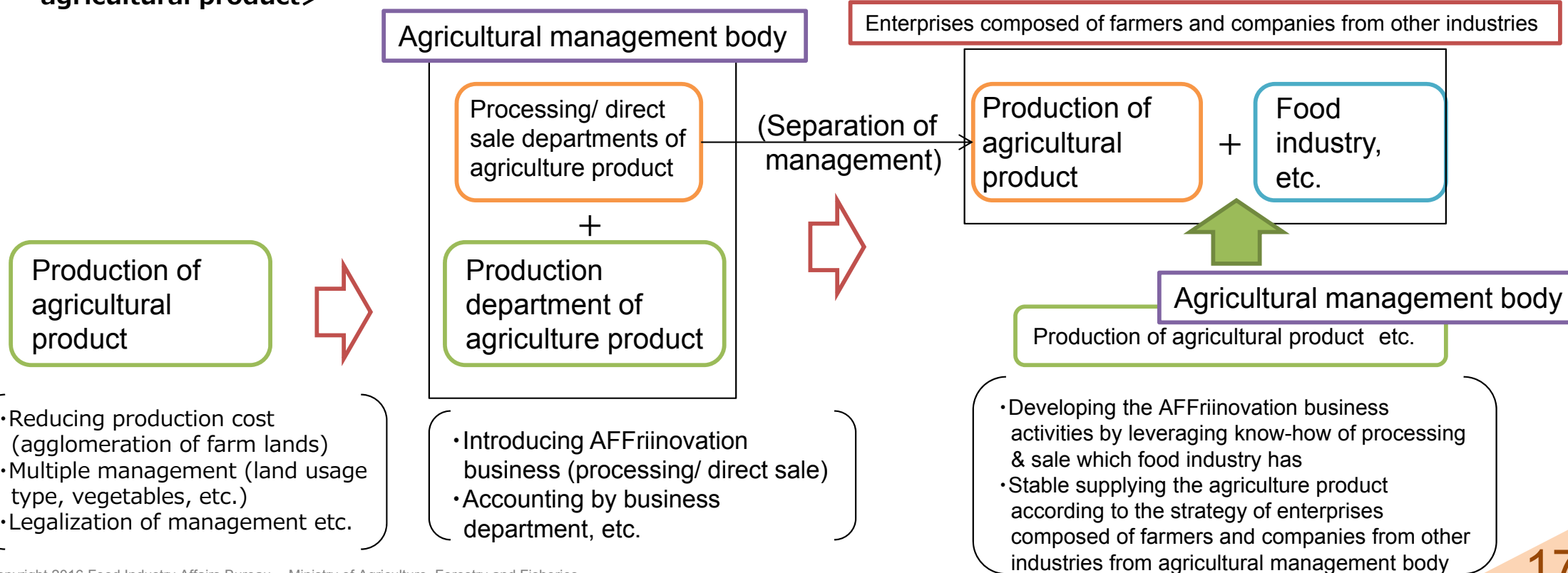
10 Development of agriculture, forestry, and fisheries management and development of AFFriinnovation

- In order to improve the income of farmers, the AFFriinnovation efforts such as processing and direct sales to increase added value of agricultural products are effective, while reducing the production cost of agricultural products, etc. and promoting the legalization of management.
- When developing into a full-scale AFFriinnovation business, the departments of processing and direct sales etc. are separated from corporate management and the new AFFriinnovation entity is established with the partner of food industry having processing and sales know-how to focus on the efforts (if agricultural management entity has a person having processing and sales know-how, there may be a case to establish a subsidiary with 100% subscription).
- This allows the risks of processing and sales, etc. to be blocked from the production department, as well as expanding business of AFFriinnovation and increasing income by expanding supply volume of the corresponding ingredient agricultural products will be expected.

<Production of agricultural product>

<Initiating efforts of AFFriinnovation>

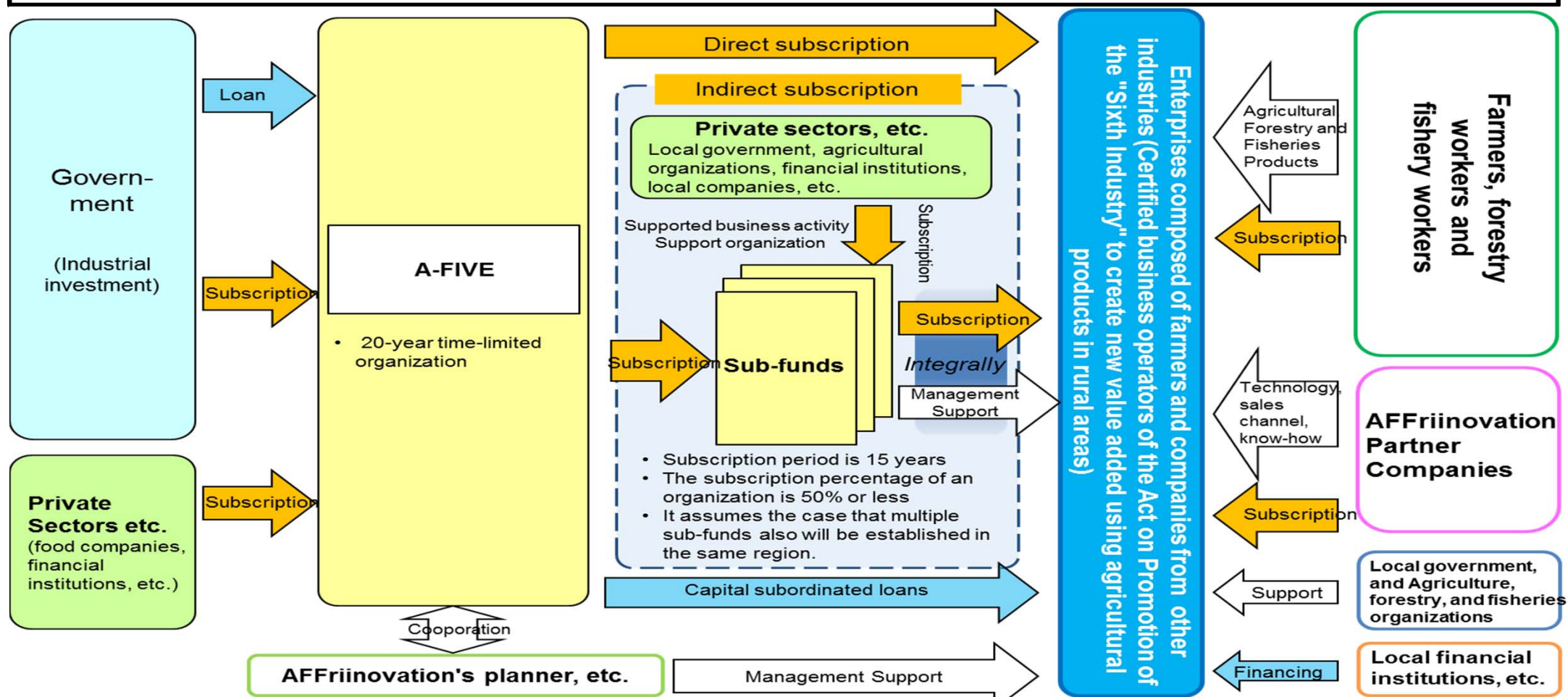
<Beginning AFFriinnovation business in earnest >



11 Overview of Agriculture, forestry and fisheries Fund corporation for Innovation, Value-chain and Expansion Japan Act (Proclaimed date of the law: September 5, 2012, Enforcement date: December 3, 2012)

MAFF
Food Industry
Affairs Bureau

- It is the Law for establishing a corporation aimed at supporting the supply of capital to business activities to develop new business fields in domestic and overseas to develop a new product, to introduce the new sales methods, to develop a new role, to develop renewable energy, while farmers, forestry workers and fishery workers lead and utilize the characteristics of agriculture, forestry, and fisheries products.
- Agriculture, forestry and fisheries Fund corporation for Innovation, Value-chain and Expansion Japan (A-FIVE), as government and private sector funds, supports for AFFriinnovation entities by the indirect subscription via sub-funds or by the direct subscription/ loan (capital subordinated loan).

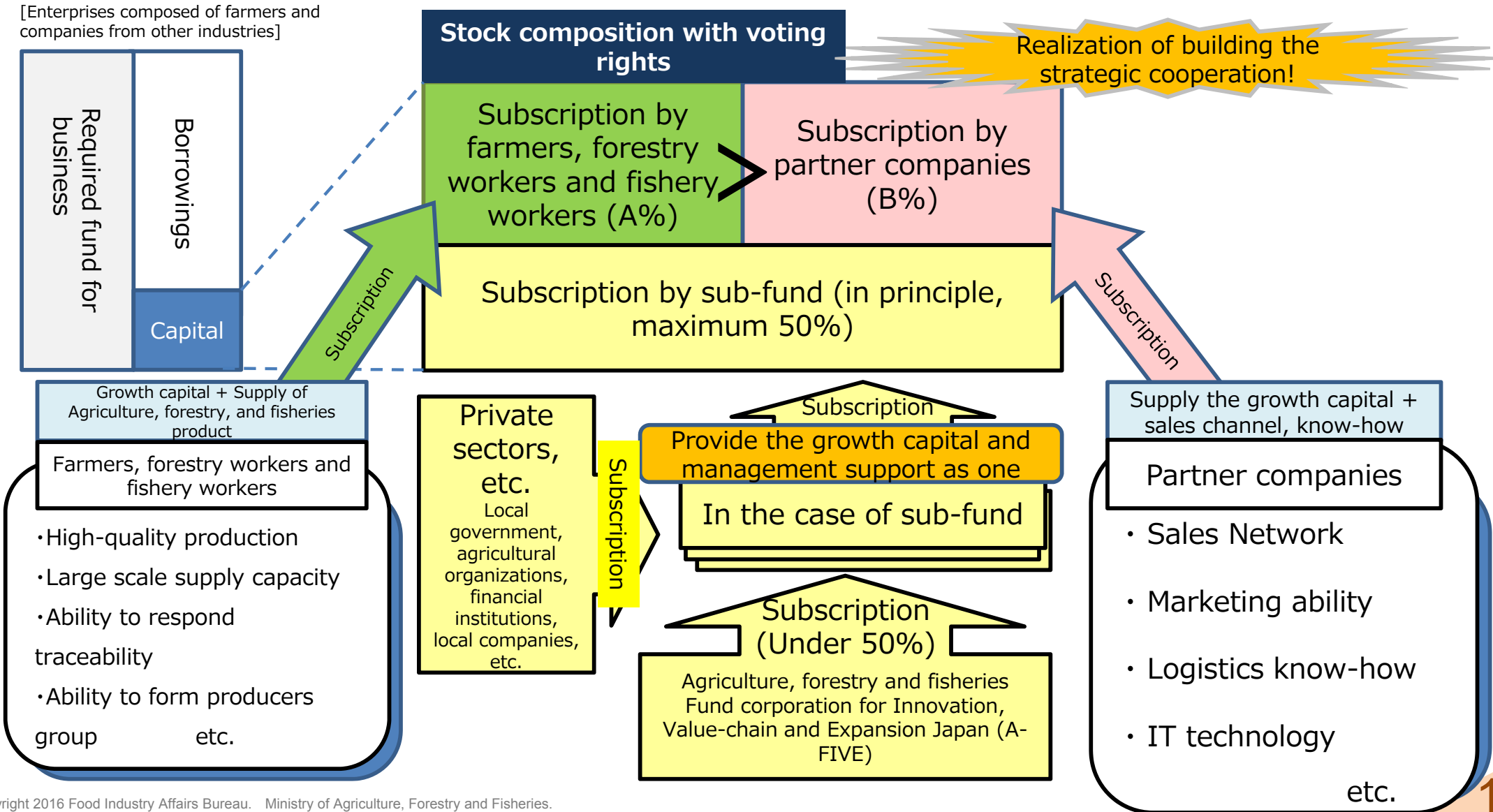


* Other than this, it is possible for A-FIVE to subscribe a supportive business operator (business operators who support for the cultivation of market for farmers, forestry workers and fishery workers who tackle AFFriinnovation).

12 Strategic partnership by capital combination of supported business operators

Food Industry
Affairs Bureau

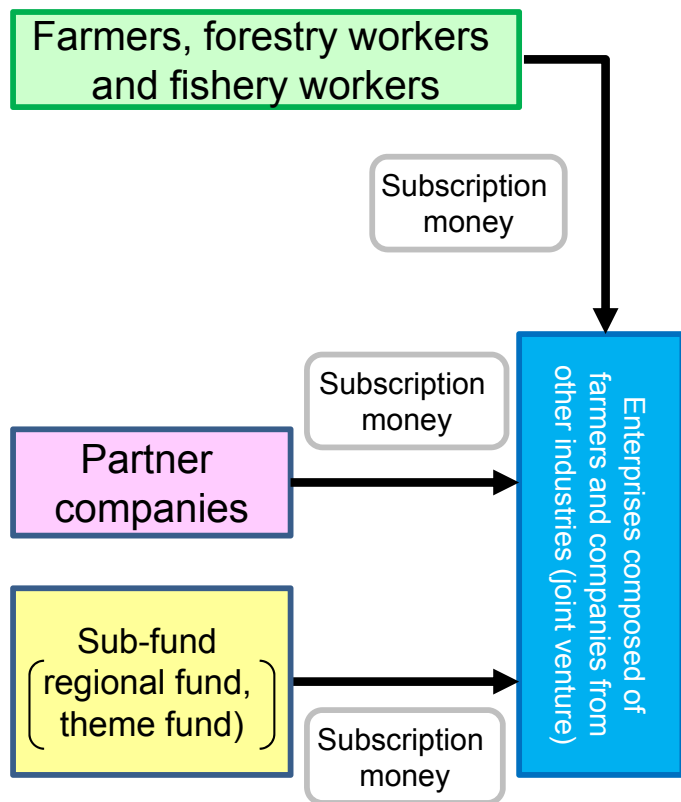
- The subjects for fund subscription are joint ventures (AFFriinnovation entity) formulated by the capital participation of the partner company having processing and distribution know-how as that farmers, forestry workers and fishery workers are the main investor. In order to become a subject for subscription, it is necessary to receive the certification of comprehensive business plan based on Act on Promotion of the "Sixth Industry" to create new value added using agricultural products in rural areas.



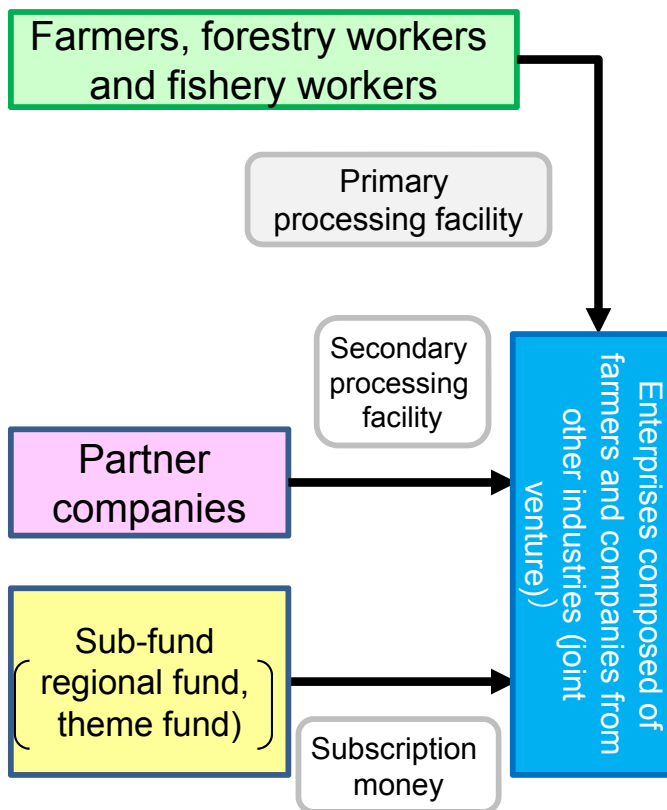
13 Establishment method of entity subject to subscription

- The entity subject to subscription prepares AFFriinnovation entity to receive subscription from fund by means (1) subscription, (2) investment in kind, (3) separation of the processing department from farmers, forestry workers and fishery workers.
- It is also possible to accept the subscription additionally from sub-fund and partner companies by utilizing the existing entities.

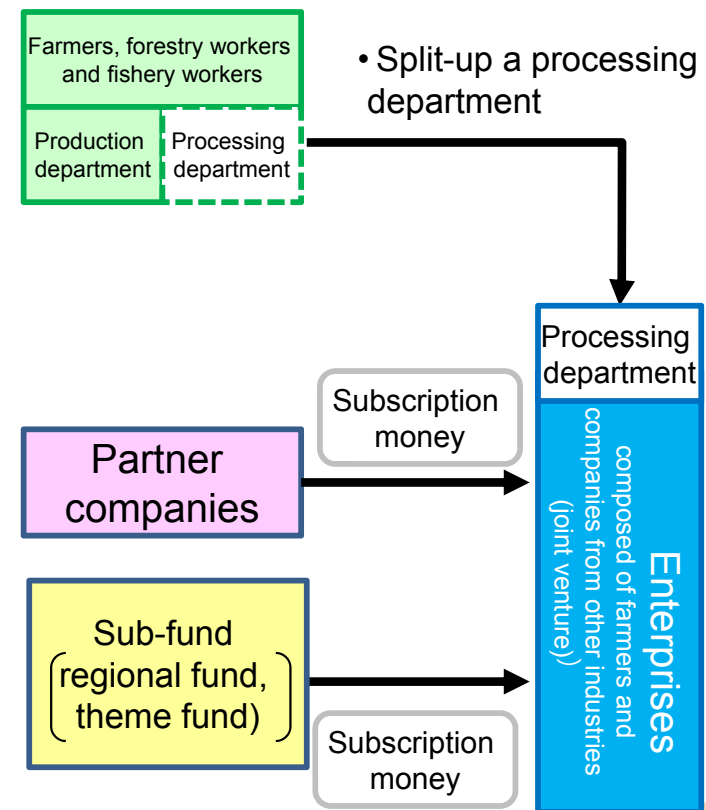
(1) Subscription type



(2) In-kind subscription type



(3) Company split-up type



14 "Subscription" as a new policy tool

- The agriculture, forestry and fisheries industry is more dependent on borrowing than other industries (66.4% in agriculture, forestry and fisheries industries, 33.6% in all industries), and low self-capital ratio (11.9% in agriculture, forestry and fisheries industries, 37.6% in all industries). * Ministry of Finance "Corporate Enterprise Statistics" (FY 2013 survey)
- For this reason, policy measures to strengthen capital through subscription are effective as a supporting measure to farmers, forestry workers and fishery workers tackling AFFriinnovation.

	Subsidies	Loans	Subscription (this fund)
Characteristics	<ul style="list-style-type: none"> • Business requirements are strict • Collateral & guarantee are not required • The use of capital is limited 	<ul style="list-style-type: none"> • Collateral & guarantee are an issue • The use of capital is limited 	<ul style="list-style-type: none"> • Business design is more flexible • Collateral & guarantee are not required • Strengthen financial structure
Relationship between own funds and business funds	If the reciprocal of the average self-capital ratio is considered as the borrowing limit amount, consider how many times of self-capital can be financed		
	<div> <div>Fund procurement</div> <div> <div>Subsidies ①</div> <div>Own fund ①</div> </div> </div> <ul style="list-style-type: none"> • If the subsidy rate is 1/2, the business scale can be considered up to twice the scale of the own fund. 	<div> <div>Fund procurement</div> <div> <div>Loans ④</div> <div>Own fund ①</div> </div> </div> <ul style="list-style-type: none"> • Although it is depending on the credibility of the business operator, at a general level, it can be thought up to 2 to 5 times scales of self-capital 	<div> <div>Fund procurement</div> <div> <div>Loan from financial institutions, etc. ⑬</div> <div>(※) Capital subordinated loans</div> <div>Fund subscriptions</div> <div>Own fund (partner business operators,) ②</div> <div>Own fund (farmers, forestry workers and fishery workers) ① ①</div> </div> </div> <ul style="list-style-type: none"> • By taking advantage of subscriptions by partners and funds, businesses of about 20 times scale of self-capital can be also considered

(※) Capital subordinated loans are borrowings that can be regarded as capital rather than liabilities when a financial institution judges the financial situation.

(Reference) Responding to the active use of funds

- To actively utilize the agriculture, forestry and fisheries growth industrialized funds, "Guidelines pertaining to utilization of agriculture, forestry and fisheries growth industrialization fund" (October 10, 2014) was formulated and announced to clarify the notes and utilization examples when utilizing the funds and the specific methods of financing for individuals, organizations and companies that engage in agriculture, forestry, and fisheries business.
- In addition, in order to reduce the contribution of farmers, forestry workers and fishery workers and partner companies participants in partnerships with funds, measures were taken so that it would be possible to raise the subscription ratio of sub-funds that had previously been limited to 50% (The amendment criteria (notification) was revised in October 10, 2014).
- Toward the establishment of the production base of agricultural corporations engaged in the AFFriinnovation, "Enhancement of agricultural production base necessary for AFFriinnovation of agriculture ~ Guidelines for utilization of "subscription"~ was formulated and announced (March 31, 2015).

Formulating the guideline of utilizing funds

- In order to promote the use of funds by companies that participated in agriculture, we clarify points that are difficult to understand about the operation of the Fund, and illustrate examples of use.

[Example of utilizing funds by the companies participated in agriculture]

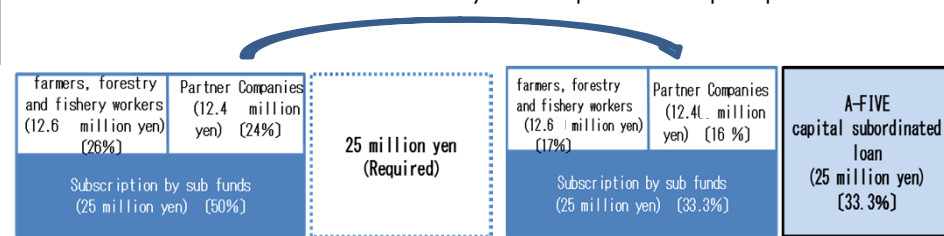
- Participated in agriculture by lease method, and joined as farmers

- Participated as a partner company of a group company which participated in agriculture, forestry, and fisheries business



[Example of fund procurement in fund utilization]

- In the case that additional 25 million yen is required for capital procurement



Revision of the support standard (notification)

- If all the requirements of (1) to (3) below are met, we take measures that the proportion of voting rights the sub fund has in the 6th industrialized enterprise exceeds 1/2 of the total voting rights of the entity.

Requirements for raising subscription ratio

- (1) It is difficult for farmers, forestry workers and fishery workers to conduct subscription in view of the scale of business, etc.
- (2) Ensuring high profitability is expected.
- (3) It contributes to ensure the incomes of farmers, forestry workers and fishery workers and to create a job opportunity in agricultural, mountain and fishing villages.

- Image of raising subscription ratio after revision



Formulating the guideline to enhance the agricultural production basis

- Utilization of "subscription" is also effective to improve the profitability of agricultural productions for agricultural corporation to promote AFFriinnovation.
- Examples of the utilization of the following funds established under a policy framework are shown.
- (1) Utilizing the agricultural cooperate investment training system
 - (2) Utilizing Agriculture, forestry and fishery growth industrialization fund
 - (3) Utilizing the functions of the financial institutes with cooperation relationship

15 About the status of Sub-fund establishment

1. Sub-fund centering on regional financial agencies

49 sub-funds
Total amount 70 billion yen
(Among them, 35 billion yen
from A-FIVE)

As of December 1, 2016

2. Sub-fund centering on major financial agencies

J A- group (100)

Mizuho bank, LTD (100) (注)

The Syonai Bank, LTD
Hokuto bank, LTD,
MichinokuBank co., LTD
The Tohoku Bank, LTD (20)

The Ashikaga Bank, LTD (20)

The Bank of Tokyo-
Mitsubishi UFJ, LTD (20)

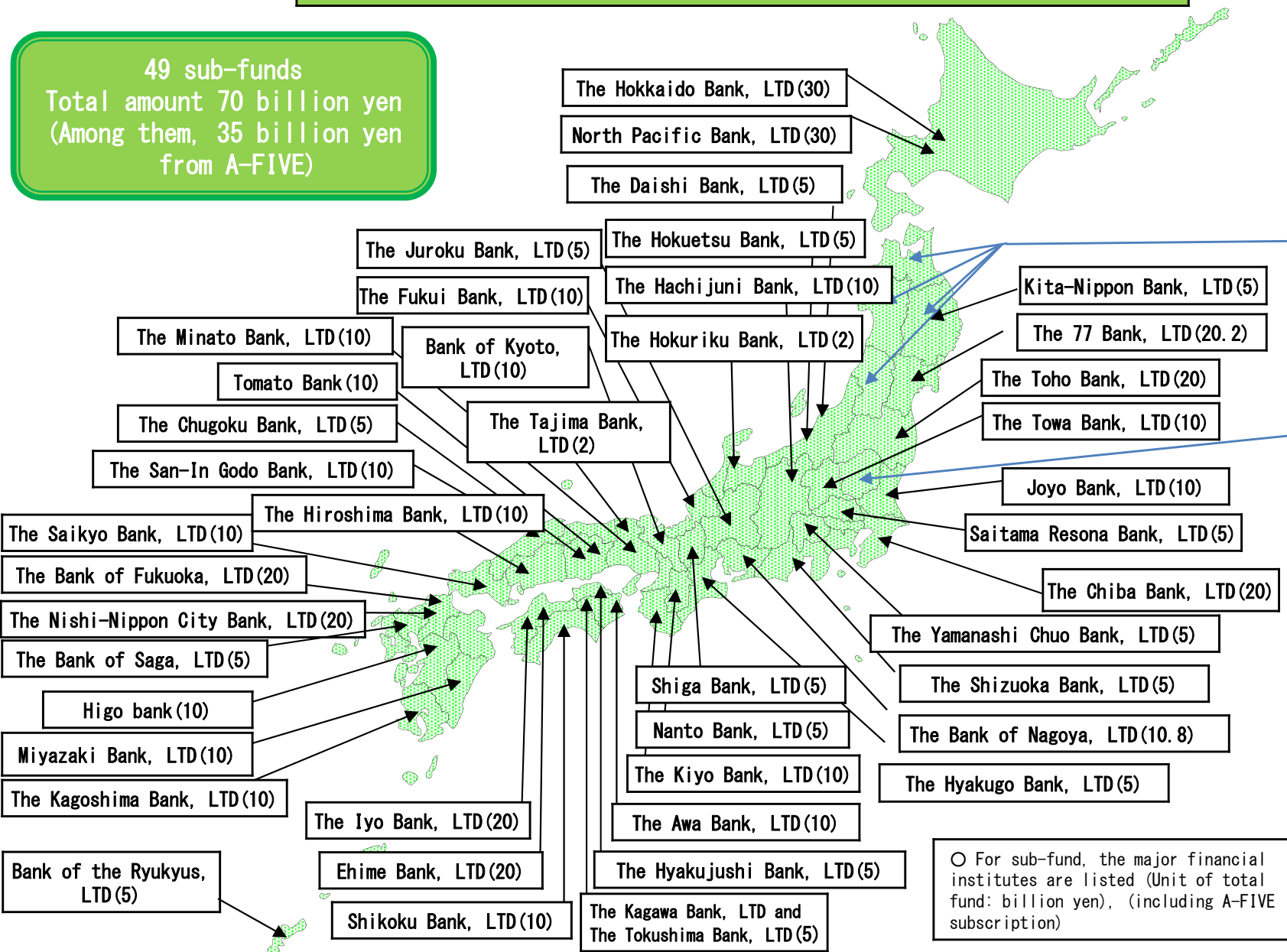
The Aomori Bank, LTD
The Akita Bank, LTD
The Bank of Iwate, LTD,
The Yamagata Bank, LTD

Sumitomo Mitsui Banking
Corporation (20)

3. Other sub-funds

AP Company (10)

○ For sub-fund, the major financial
institutes are listed (Unit of total
fund: billion yen), (including A-FIVE
subscription)



(Note) Under the assumption of establishing multiple sub-funds through cooperation with regional financial institutions, we have received support decisions of 10 billion yen, and sub-funds are formed as part of it. The number of sub-funds is counted as 2.

16 Subscription determination status of subscription projects for each region

Projects that subscription is decided : 109

Subscription amount : 8.23 billion yen

A-FIVE direct subscription: 2 projects, Subscription amount: 1.501 billion yen
Sub-fund subscription: 107 projects, Subscription amount: 6.729 billion yen
(Among them, A-FIVE subscription is 3,365 billion yen)

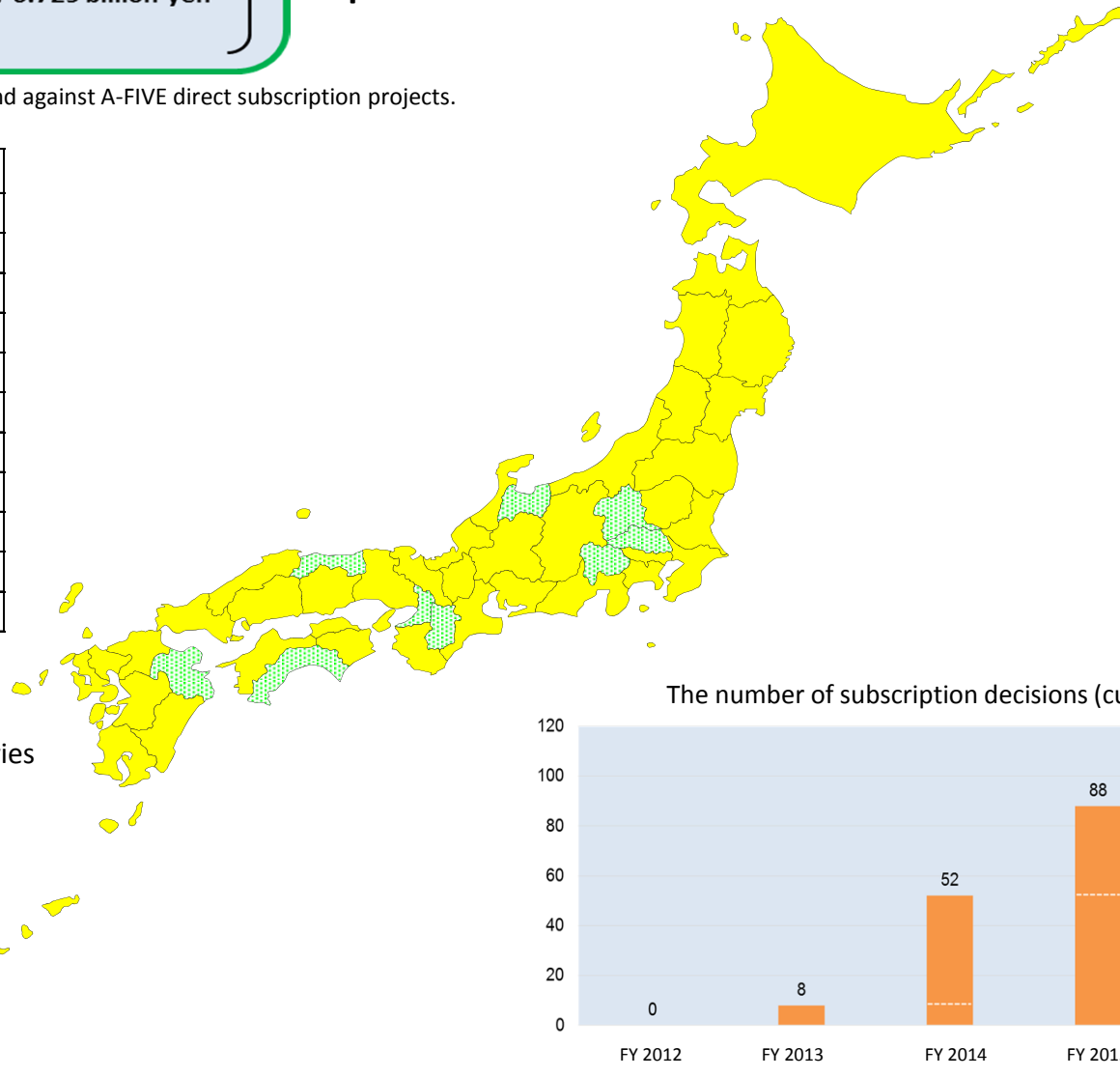
* The number of sub-fund subscriptions does not include the sub-fund against A-FIVE direct subscription projects.

As of February 14, 2017

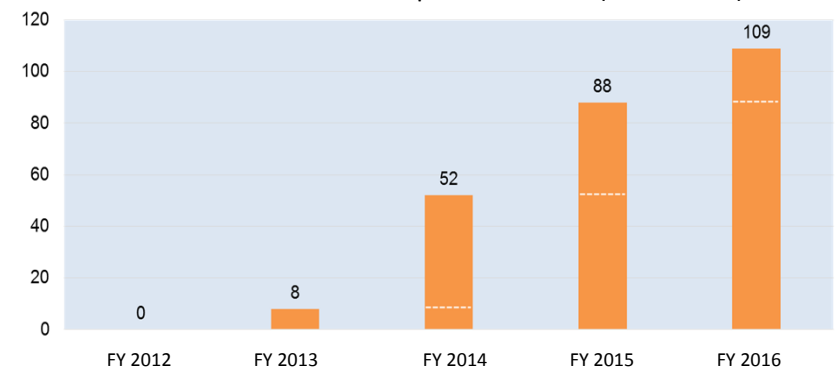
○ 109 projects from 38 prefectures (yellow) out of 47 prefectures are constituted

Hokkaido	9	Ishikawa	2	Hiroshima	6
Aomori	2	Fukui	1	Yamaguchi	1
Iwate	4	Nagano	4	Kagawa	2
Miyagi	1	Gifu	3	Tokushima	2
Akita	1	Shizuoka	1	Ehime	4
Yamagata	1	Aichi	1	Fukuoka	6
Fukushima	2	Mie	1	Saga	1
Ibaraki	4	Shiga	1	Nagasaki	1
Tochigi	1	Kyoto	2	Kumamoto	8
Chiba	7	Hyogo	2	Miyazaki	4
Tokyo	5	Wakayama	3	Kagoshima	4
Kanagawa	1	Shimane	2	Okinawa	3
Niigata	3	Okayama	3		

(Note) For the location, it is the location of the enterprises composed of farmers and companies from other industries



The number of subscription decisions (cumulative)



(as of February 14, 2017)

About A-FIVE subscription projects (1)

As of February 14, 2017

Entity name	Sub-fund (SF) Major investors	Determined amounts for subscription by SF (unit: million yen)	Business	Subscription Consent Decision Date
OcciGabi Winery Co., Ltd. (Yoichi Town, Hokkaido)	North Pacific Bank, LTD	<u>SF 121.9 (60.95)</u> <u>Total subscription 243.8</u>	● Produce high-quality and high-priced wine by using only the grapes produced in Yoichi	September 2, 2013 (December 12, 2014)
Japan Hort Business, Ltd. (Futtsu, Chiba)	The Chiba Bank, LTD	<u>SF 50 (25) *</u> <u>Total subscription 100</u>	● Cultivate new markets by aiming for exporting garden plants and bonsai to EU and North and South Americas in addition to China	September 2, 2013
Okinawa Saibai Suisan, Co., Ltd (Yonaguni, Okinawa)	The Nishi-Nippon City Bank, LTD	<u>SF 40(20)*</u> <u>Total subscription 80</u>	● Realize year-round sale of high-quality Japanese tiger prawns in Yonaguni island, Okinawa	September 2, 2013
Nishinihon marine product, Co., Ltd. (Fukuoka, Fukuoka)	The Nishi-Nippon City Bank, LTD	<u>SF 60(30)*</u> <u>Total subscription 120</u>	● Fattening immature eels under constant conditions and shipping as a mature eel	October 9, 2013
Mirai Trading, Co, Ltd. (Kashiwa, Chiba)	JA-Group	<u>SF 20(10)*</u> <u>Total subscription 40</u>	● Distribution of lettuce in new packaging that can preserve its freshness	November 11, 2013
Aomori Kaisan, Co., Ltd. (Fukaura, Aomori)	MichinokuBank Co., LTD	<u>SF 100 (50)*</u> <u>Total subscription 200</u>	● Freezing blue fin tuna and expanding new sales channels	January 21, 2014
Oono Milk Kobo (Hirono, Iwate)	The Tohoku Bank, LTD	<u>SF 13 (6.5)*</u> <u>Total subscription 26</u>	● Development of high-temperature retention sterilized lactating milk and soft cream mix and expansion of sales channels	March 10, 2014
Kumamoto unpolished rice research institute (Otsu, Kumamoto)	Higo Bank	<u>SF 130 (65)*</u> <u>Total subscription 260</u>	● Manufacture and sale of the unpolished rice bread and noodles with unpolished rice paste	March 10, 2014 (March 2, 2015)
Maisen Fine Food Co., Ltd (Sabae, Fukui)	JA-Group	<u>JA Group</u> <u>SF 50(25)*</u>	● Product development and sales of dressed meat substitute products made from unpolished rice and soybeans	April 14, 2014
VEGETA CORPORATION (Fukuyama, Hiroshima)	The Chugoku Bank, LTD	<u>SF 100 (50)*</u> <u>Total subscription 200</u>	● Manufacturing and sales of cut vegetables for whole Kyushu and consumption area by relay cropping	April 14, 2014
Izumo Food Processing, Co., Ltd. (Itoshima, Fukuoka)	JA-Group	<u>SF 35(17.5)*</u> <u>Total subscription 70</u>	● Sales daily dishes for all areas of Kyushu and consumption area by utilizing vegetables made from Kyushu	April 14, 2014

About A-FIVE subscription projects (2)

Entity name	Sub-fund (SF) Major investors	Determined amounts for subscription by SF (unit: million yen)	Business	Subscription Consent Decision Date
Kagoshima Banz, Co., Ltd. (Kirishima, Kagoshima)	AP company	<u>SF 30(15)*</u> <u>Total subscription 60 (Note 1)</u>	● Processing and sales "Black Satsuma chickens" for food service chains	April 14, 2014
Hikomabuta, Co., Ltd. (Mori, Hokkaido)	North Pacific Bank, LTD	<u>SF 3 (1.5)*</u> <u>Total subscription 6</u>	● Self-brand restaurant by pig farmers, and expansion of sales channels to direct stores and food service business operators	May 12, 2014
J-ACE, Co., Ltd. (Chiyoda, Tokyo)	JA-Group	<u>SF 150(75)*</u> <u>Total subscription 300</u>	● Agricultural organization penetrates food service business such as restaurants specializing in Yakitori (grilled chicken restaurant) with a focus on chickens and pork	May 12, 2014
Shinmei Agri Innovation (Chuo, Tokyo)	Sumitomo Mitsui Banking Corporation	<u>SF 10 (5)*</u> <u>Total subscription 20</u>	● Based on the needs of customers, sales according to demand for various business use rice	May 12, 2014
JW-ARC (Japan Wine Agricultural Research Center), (Tomi, Nagano)	The Hachijuni Bank, LTD	<u>SF 68.1 (34.05)*</u> <u>Total subscription 136.2</u>	● Brewing and sales of wine and cidre made from local grapes and apples	May 12, 2014
Nishiawakura Morinogakkou, Co., Ltd. (Nishi-Awakura, Okayama)	JA-Group	<u>SF 163.3(81.67)*</u> <u>Total subscription 326.6</u>	● Manufacturing and sales of processing products made from thinning woods	May 12, 2014
Inaho Farm, Co., Ltd. (Yawatahama, Ehime)	Ehime Bank, LTD	<u>SF 15 (7.5)*</u> <u>Total subscription 30</u>	● Sales of processing products by utilizing "Himekko Jidori (homebred chicken)", and business to newly penetrate to restaurants and direct sales stores	May 12, 2014
NISHINIHON FLESH FOODS CO., LTD (Kumamoto, Kumamoto)	The Nishi-Nippon City Bank, LTD	<u>SF 150(75)*</u> <u>Total subscription 300</u>	● Producers and fruit and vegetable wholesale cooperate to manufacture and sell cut vegetables and cut fruits, such as salads	May 12, 2014
Wonder Farm, Co. Ltd. (Iwaki, Fukushima)	The Toho Bank, LTD	<u>SF 240 (120)*</u> <u>Total subscription 480</u>	● Business aiming for reconstruction of stricken region, which is manufacturing and sales of processing products of tomato, and penetrating to restaurant operation business	May 30, 2014
Katori Process Center, Co., Ltd. (Katori, Chiba)	The Chiba Bank, LTD	<u>SF 50 (25)*</u> <u>Total subscription 100</u>	● Manufacturing and sales of cut vegetables for business use and Tsukemono (Japanese pickled vegetables) with a focus on local vegetables.	May 30, 2014
Fresh Vegetable Processing, Co., Ltd. (Nagano, Nagano)	The Hachijuni Bank, LTD	<u>SF 45 (22.5)*</u> <u>Total subscription 90</u>	● Manufacturing and sales of cut vegetables for business use and consumers by relay cropping system	May 30, 2014
Sata Misaki no Oni, Co., Ltd. (Matsuyama, Ehime)	The Iyo Bank, LTD	<u>SF 75 (37.5)*</u> <u>Total subscription 150</u>	● Processing and sales of Shirasu (a whitebait) by high-added-value methods according to the needs of mass sale shops and restaurants	May 30, 2014

About A-FIVE subscription projects (3)

Entity name	Sub-fund (SF) Major investors	Determined amounts for subscription by SF (unit: million yen)	Business	Subscription Consent Decision Date
Niigata Wine Village, Co., Ltd. (Niigata, Niigata)	The Daishi Bank, LTD	<u>SF 50 (25)*</u> <u>Total subscription 100</u>	● Wine production for new customers, and sales and restaurant business combined with agricultural and livestock products	June 23, 2014
BEISHIN ISHIKAWA, inc. (Kanazawa, Ishikawa)	JA-Group	<u>SF 260(130)*</u> <u>Total subscription 520</u>	● Development of new products such as Sushi processing products by utilizing rice made from Ishikawa, and opening a new directly managed store	July 4, 2014
MARS, Co. Ltd. (Mashiki, Kumamoto)	Higo Bank	<u>SF 99.5 (49.75)*</u> <u>Total subscription 199</u>	● Manufacturing and sales of the processing products of agricultural and livestock products made from Kumamoto (for example, Vegetable Set Pack, Dry Aging Beef)	July 4, 2014
Japan Agrigate Corporation (Kahoku, Yamagata)	The 77 Bank, LTD	<u>SF 6.9 (3.48)*</u> <u>Total subscription 13.9</u>	● Gift market by the cooperation between orchard farmers and partner companies, and processing and sales business of fruits by exporting	August 8, 2014
Japan Agri Innovation, Co., Ltd. (Koga, Ibaraki)	Sumitomo Mitsui Banking Corporation and Joyo Bank, LTD (Note 2)	(Sumitomo Mitsui: 24.8, Joyo: 6.2) SF 31(15.5)* Total subscription 62	● Sales business with year-round shipping of vegetables by contract culture in the cooperation among vegetable farmers	August 8, 2014
Pure Dish, Co., Ltd. (Chiba, Chiba)	JA-Group	<u>SF 60(30)*</u> <u>Total subscription 120</u>	● Processing and sales of domestic agricultural and livestock product of vegetables and chickens which the new technology (vacuum low-temperature cooking method) has been implemented	August 8, 2014
Tokyo Delicatessen, Co., Ltd. (Asahi, Chiba)	The Chiba Bank, LTD	<u>SF 35 (17.5)*</u> <u>Total subscription 70</u>	● Development of restaurant business with the brand pork, "Nadeshiko Pork" as the main material	August 8, 2014
SHOKUEN, Co., Ltd. (Niimiya, Wakayama)	The Kiyo Bank, LTD	<u>SF 134.9 (67.45)*</u> <u>Total subscription 269.8</u>	● Sales business such as exporting of Fillet processing product of cultured fishes with a focus on Japanese amberjack	August 8, 2014
Hirosaki, Co., Ltd. (Hirosaki, Aomori)	The Aomori Bank, LTD	<u>SF 31.5 (15.76)*</u> <u>Total subscription 63</u>	● Processing and sales of cut apples using the apples of local produce	September 11, 2014
Tsuchinoca, Co., Ltd. (Ashikaga, Tochigi)	The Ashikaga Bank, LTD	<u>SF 9 (4.5)*</u> <u>Total subscription 18</u>	● Manufacturing and sales of processing foods of agricultural and livestock of local produce such as Marc beef and asparagus	September 11, 2014
Tokusan Yasai Net, Co., Ltd. (Minami Awaji, Hyogo)	The Minato Bank, LTD	<u>SF 40 (20)*</u> <u>Total subscription 80</u>	● Manufacturing and sales of domestic dried vegetables (such as onions) with a focus on products made from Awaji Island	September 11, 2014
Agulink Every Hiroshima, Co., Ltd. (Fukuyama, Hiroshima)	The Hiroshima Bank, LTD	<u>SF 40 (20)*</u> <u>Total subscription 80</u>	● Manufacturing and sales of kimchi using Chinese cabbage and of cut vegetables.	September 11, 2014

About A-FIVE subscription projects (4)

Entity name	Sub-fund (SF) Major investors	Determined amounts for subscription by SF (unit: million yen)	Business	Subscription Consent Decision Date
Harada Farm, Co., Ltd. (Mima, Tokushima)	The Awa Bank, LTD	<u>SF 50 (25)*</u> <u>Total subscription 100</u>	● Restaurant business using the brand pork, "Awa Pork"	November 6, 2014
Satoyama Agri, Co., Ltd. (Kurashiki, Okayama)	Tomato Bank	<u>SF 10 (5)*</u> <u>Total subscription 20</u>	● Restaurant operation and manufacturing and sales of processing products using the self-produced tomatoes and the agricultural products made from the prefecture	December 12, 2014
Japan Food and Culture Kakehashi Company (Uruma, Okinawa)	Bank of the Ryukyus, LTD	<u>SF 100 (50)*</u> <u>Total subscription 200 (Note 1)</u>	● Manufacturing and sales of daily dishes by utilizing agricultural and livestock product throughout the country	December 12, 2014 (June 10, 2016)
Mottainebe, Co., Ltd. (Mito, Ibaraki)	The Ashikaga Bank, LTD	<u>SF 31 (15.5)*</u> <u>Total subscription 62</u>	● Development and sales of new products such as the paste of potato and chestnut using sweet potatoes and chestnuts of Ibaraki produce	January 15, 2015
Ibaraki Mogitate Factory, Co., Ltd. (Ibaraki, Ibaraki)	JA-Group	<u>SF 50(25)*</u> <u>Total subscription 100</u>	● Sales of the frozen daily dishes using vegetables of Ibaraki produce to restaurant business operators	January 15, 2015
Fun Garden, Co., Ltd. (Matsuyama, Ehime)	The Iyo Bank, LTD	<u>SF 68 (34)*</u> <u>Total subscription 136</u>	● Direct sales of vegetable & flower seedlings to consumers through the development of retail stores	January 15, 2015
Okazaki Farm, Co., Ltd. (Miyazaki, Miyazaki)	Miyazaki Bank, LTD	<u>SF 46.7 (23.4)*</u> <u>Total subscription 163.4 (Note 1)</u>	● Processing and sales of beef and dry aging beef, and restaurant business	January 15, 2015
Satsuma Fukunaga Farm, Co., Ltd. (Satsuma, Kagoshima)	The Kagoshima Bank, LTD	<u>SF 10 (5)*</u> <u>Total subscription 20</u>	● Processing and sales of beef and dry aging beef	January 15, 2015
Hokkaido Soba Seifun, Co., Ltd. (Tomakomai, Hokkaido)	The Hokkaido Bank, LTD	<u>SF 100 (50)*</u> <u>Total subscription 200 (Note 1)</u>	● Manufacturing and sales of soba flour using brown buckwheat of Hokkaido produce	February 10, 2015
Paard Musee (Dosanko Musee, Co., Ltd.) (Nanae, Hokkaido)	North Pacific Bank, LTD	<u>SF 149 (74.5)*</u> <u>Total subscription 316.6 (Note 1)</u>	● Stay type tourism business to conduct processing agricultural and livestock product and operating the restaurant facility	February 10, 2015
Iwate Farmer's Meat, Co., Ltd. (Oshu, Iwate)	Kita-Nippon Bank, LTD	<u>SF 50 (25)*</u> <u>Total subscription 100</u>	● Sales of the beef produced in Iwate, which maintains its freshness by refrigeration technology to restaurant business operators	February 10, 2015

About A-FIVE subscription projects (5)

Entity name	Sub-fund (SF) Major investors	Determined amounts for subscription by SF (unit: million yen)	Business	Subscription Consent Decision Date
sum mine, Co., Ltd. (Mine, Yamaguchi)	The Saikyo Bank, LTD	<u>SF 15 (7.5)*</u> <u>Total subscription 30</u>	● Processing and sales of mushroom bed Shiitake by a container type cooling box	February 10, 2015
Van Veel Foods, Co., Ltd. (Fukuoka, Fukuoka)	The Nishi-Nippon City Bank, LTD	<u>SF 20(10)*</u> <u>Total subscription 40</u>	● Manufacturing and sales of the processing product using honey and citrus fruit	February 10, 2015
Sousei, Co., Ltd. (Mifune, Kumamoto)	Higo Bank	<u>SF 50 (25)*</u> <u>Total subscription 100</u>	● Processing and sales of healthy food & cosmetic raw materials using soybeans, etc.	February 10, 2015
Berg Fukushima, Co., Ltd. (Kawamata, Fukushima)	JA-Group	<u>SF 125(62.5)*</u> <u>Total subscription 250</u>	● Processing and sales of vegetable seedlings by utilizing the plant vaccination technique	March 2, 2015
Takeno Food Service, Co., Ltd. (Fukuoka, Fukuoka)	Nishi-Nippon City Bank, Ltd.	<u>SF 70(35)*</u> <u>Total subscription 140</u>	● Restaurant business of Tori-shabu (thin slices of chicken parboiled in hot soup) using mainly the chicken and eggs produced by chicken farms	March 2, 2015
Farm Create, Co., Ltd. (Kikuyo, Kumamoto)	Nishi-Nippon City Bank, Ltd.	<u>SF 42(21)*</u> <u>Total subscription 84</u>	● Restaurant business using Japanese beef and horses produced by livestock farmers	March 2, 2015
Mizuho Japan, Co., Ltd. (Tsukuba, Ibaraki)	Joyo Bank	<u>SF 13.8 (6.9)*</u> <u>Total subscription 27.6</u>	● Exporting vegetables and fruits from Ibaraki	April 7, 2015
Kushimoto Ryohama, Co., Ltd. (Kushimoto, Wakayama)	Sumitomo Mitsui Banking Corporation	<u>SF 21 (10.5)*</u> <u>Total subscription 42</u>	● Processing and sales of fishes (including tuna) and seaweed	April 7, 2015
Shiikatou, Co., Ltd. (Kobayashi, Miyazaki)	Miyazaki Bank, LTD	<u>SF 39 (19.5)*</u> <u>Total subscription 78</u>	● Processing, sales and exporting of powdered tea and barley grass	April 7, 2015
Niigata Nosho, Co., Ltd. (Niigata, Niigata)	The Daishi Bank, LTD	<u>SF 100 (50)*</u> <u>Total subscription 260</u> (Note 1)	● Business of expanding export of the rice made from Niigata by the companies participated in agriculture and local farmers.	April 14, 2015
Kakinoki Reion Foods, Co., Ltd. (Nagano, Nagano)	The Hachijuni Bank, LTD	<u>SF 49 (24.5)*</u> <u>Total subscription 98</u>	● Manufacturing and sales business of the frozen cut mushrooms (enoki mushroom), etc.	May 13, 2015

About A-FIVE subscription projects (6)

Entity name	Sub-fund (SF) Major investors	Determined amounts for subscription by SF (unit: million yen)	Business	Subscription Consent Decision Date
Mannan Kohboh Hida, Co., Ltd. (Gero, Gifu)	The Juroku Bank, LTD	<u>SF 25 (12.5)*</u> <u>Total subscription 50</u>	● Manufacturing and sales business of konnyaku for refrigeration	May 13, 2015
GlobalWorks-Saitou, Co., Ltd. (Otsu, Kumamoto)	Higo Bank	<u>SF 40 (20)*</u> <u>Total subscription 80</u>	● Restaurant business which is established together with the meat shop managed directly by the farm using Japanese black beef	June 9, 2015
Hirakawa Winery, Co., Ltd. (Yoichi, Hokkaido)	The Hokkaido Bank, LTD	<u>SF 50 (25)*</u> <u>Total subscription 100</u> (Note 1)	● Production of wine using grapes for local wine and sales business to restaurants and hotels	July 17, 2015
NIKI Hills Village, Co., Ltd. (Niki, Hokkaido)	North Pacific Bank, LTD	<u>SF 162.1 (81.05)*</u> <u>Total subscription 324.2</u>	● Winery business which is established together with a restaurant and used the grapes for local wine	July 17, 2015
Saluteria, Co., Ltd. (Hachioji, Tokyo)	The Hachijuni Bank, LTD	<u>SF 30 (15)*</u> <u>Total subscription 60</u>	● Sales of processing product of cut vegetables led by the farmers centering on Nagano prefecture	July 17, 2015
BIEI Farmer's Market, Co., Ltd. (Biei, Hokkaido)	North Pacific Bank, LTD	<u>SF 66.6 (33.3)*</u> <u>Total subscription 133.3</u>	● Auberge using "Biei Japanese beef" and sales business of daily dishes	August 12, 2015
Hinokko Farm, Co., Ltd. (Saka, Hiroshima)	The Nishi-Nippon Cith Bank, LTD	<u>SF 50(25)*</u> <u>Total subscription 100</u>	● Processing and sales of the mangos made from Ishigaki and the log-grown shiitake made from Hiroshima	August 12, 2015
Uwajima Kaido, Co., Ltd. (Uwajima, Ehime)	The Iyo Bank, LTD	<u>SF 150 (75)*</u> <u>Total subscription 300</u>	● Sales of cultivated Japanese amberjacks to both domestic and overseas in refrigeration processing	August 12, 2015
Fujita Farm, Co., Ltd. (Niigata, Niigata)	The Hokuetsu Bank, LTD	<u>SF 20 (10)*</u> <u>Total subscription 40</u>	● Steak and Yakiniku restaurants business directly managed by the livestock farmer	September 11, 2015
Heidihof, Co., Ltd. (Wajima, Ishikawa)	The Hokuriku Bank, LTD	<u>SF 30 (15)*</u> <u>Total subscription 60</u>	● Restaurant and sales business utilizing wines and local agricultural and livestock products	September 11, 2015
Farm Suzuki, Co., Ltd. (Osaki Kamijima, Hiroshima)	The Hiroshima Bank, LTD	<u>SF 15 (7.5)*</u> <u>Total subscription 30</u>	● Exporting and restaurant business of cultured oysters and whiteleg shrimps	September 11, 2015

*: The inside of () is equivalent of A-FIVE subscription

(Note 1): Including stocks without voting rights

About A-FIVE subscription projects (7)

Entity name	Sub-fund (SF) Major investors	Determined amounts for subscription by SF (unit: million yen)	Business	Subscription Consent Decision Date
Oak Village, Co., Ltd. (Takayama, Gifu)	The Juroku Bank, LTD	<u>SF 92.4 (46.2)*</u> <u>Total subscription</u> <u>184.8</u>	● Manufacturing and sales a spatial set by furniture/ craft items and wooden panels using broad-leaved tree and thinning woods	September 18, 2015
Matsujiro no Mise, Co., Ltd. (Matsuzaka, Mie)	The Hyakugo Bank, LTD	<u>SF 10 (5)*</u> <u>Total subscription 20</u>	● Manufacturing and sales of honey processing products by beekeepers	October 14, 2015
JFA, Co., Ltd. (Nagashima, Kagoshima)	JA-group	<u>SF 35(17.5)*</u> <u>Total subscription 70</u>	● Restaurant business and the sales of fisheries processing products by fisheries organizations	October 14, 2015
N・K・F, Co., Ltd. (Natori, Miyagi)	The Syonai Bnak, LTD	<u>SF 10 (5)*</u> <u>Total subscription 20</u>	● Expanding new sales channels for local vegetables by the affected farmers	November 10, 2015
Rice Frontier, Co., Ltd. (Yokohama, Kanagawa)	Sumitomo Mitsui Banking Corporation	<u>SF 40 (20)*</u> <u>Total subscription 80</u>	● Exporting of rice by the corporations participated in agriculture	November 10, 2015
Nishinihon Tane Center, Co., Ltd. (Fukuoka, Fukuoka)	The Nishi-Nippon City Bank, LTD	<u>SF 80(40)*</u> <u>Total subscription 160</u>	● Expanding new sales channels by a domestic overall production of seeds for vegetables	November 10, 2015
Goto live company, Co., Ltd. (Goto, Nagasaki)	The Bank of Fukuoka, LTD	<u>SF 96 (48)*</u> <u>Total subscription 192</u>	● Processing and sales business of aquatic products by fisheries organizations	November 10, 2015
Be Smile Project, Co., Ltd. (Kagoshima, Kagoshima)	A-FIVE The Kagoshima Bank, LTD Higo Bank The Bank of Fukuoka, LTD Sumitomo Mitsui Banking Corporation	A-FIVE 1,001 SF 250(125)* Total subscription 2,502	● Business to expand various restaurants by livestock business operators producing meat beef mainly in South Kyushu	December 11, 2015 (Direct subscription) December 22, 2015 (SF subscription)
Ao no Diamond, Co., Ltd. (Tadotsu, Kagawa)	The Hyakujushi Bnak, LTD	<u>SF 15 (7.5)*</u> <u>Total subscription 30</u>	● Manufacturing and sales of olive products by utilizing local olives	December 11, 2015
Akitaya, Co., Ltd. (Yokote, Akita)	The Akita Bank, LTD	<u>SF 5 (2.5)*</u> <u>Total subscription 10</u>	● Business of exporting the rice made from Akita to Singapore	January 15, 2016

About A-FIVE subscription projects (8)

Entity name	Sub-fund (SF) Major investors	Determined amounts for subscription by SF (unit: million yen)	Business	Subscription Consent Decision Date
F・F・T, Co., Ltd. (Taito, Tokyo)	Sumitomo Mitsui Banking Corporation	<u>SF 75 (37.5)*</u> <u>Total subscription 150</u>	● Business of exporting Shiitake mushrooms which can maintain its freshness for a long period to the United States by ship	January 15, 2016
Zerosan, Co., Ltd. (Nagahama, Shiga)	Shiga Bank, LTD	<u>SF 15 (7.5)*</u> <u>Total subscription 30</u>	● Restaurant business to provide foods made from Shiga in Tokyo	January 15, 2016
Progre, Co., Ltd. (Aso, Kumamoto)	The Nishi-Nippon Bank, LTD	<u>SF 125 (62.5)*</u> <u>Total subscription 250</u>	● Operating the auberge and mail-order business by utilizing agricultural products in Aso region	January 15, 2016
Shoku no Gekidan, Co., Ltd. (Chiyoda, Tokyo)	A-FIVE	<u>A-FIVE 500</u> <u>Total subscription 1,000</u>	● Business which multiple domestic producers cooperate to export to Asian countries, to establish a local corporation, and to operate a restaurant	H28.2.12
Mikage Bioenergy, Co., Ltd. (Shimizu, Hokkaido)	The Hokkaido Bank, LTD	<u>SF 100 (50)*</u> <u>Total subscription 220</u>	● Bio gas power generation business by livestock farmers using livestock excrement as raw materials	February 12, 2016
Carrot & Vegetable, Co., Ltd. (Futtsu, Chiba)	The Chiba Bank, LTD	<u>SF 35.7 (17.9)*</u> <u>Total subscription 71.4</u>	● Sales of organic vegetables at a small scale store and restaurant business	March 11, 2016
Shinshu Takayama Winery, Co., Ltd. (Takayama, Nagano)	The Hachijuni Bank, LTD	<u>SF 35 (17.5)*</u> <u>Total subscription 70</u> <u>(Note 1)</u>	● Brewing and sales of wine using grapes for wine made from Takayama village in Nagano	March 11, 2016
MICHINARU Co.,Ltd (Takayama, Gifu)	The Juroku Bank, LTD	<u>SF 90 (45)*</u> <u>Total subscription 180</u>	● Refrigeration processing & sales business of agricultural products made in Hida such as spinach	March 11, 2016
KOTO KYOTO Co., Ltd. (Kyoto, Kyoto)	JA-group Bank of Kyoto, LTD And others, (Note 2)	<u>SF 40(20)*</u> <u>Total subscription 80</u>	● Processing & Sales business of frozen cut Kyoto vegetables such as kujo-negi (leek from Kujo)	March 11, 2016
Hiroshima Agri-Food Services Co., Ltd. (Hiroshima, Hiroshima)	The Hiroshima Bank, LTD	<u>SF 200 (100)*</u> <u>Total subscription 400</u>	● Food services business for schools and facilities for elderly by utilizing local agricultural products, etc.	March 11, 2016
Kuji Biomass Energy Co., Ltd. (Kuji, Iwate)	MichinokuBank, co.,LTD	<u>SF 25 (12.5)*</u> <u>Total subscription 73</u>	● Manufacturing and sales business of wood chips which utilize unused materials and waste mushroom bed as heat source	April 15, 2016

*: The inside of () is equivalent of A-FIVE subscrip (Note 1): Including stocks without voting rights (Note 2): Joint subscription from multiple sub-funds

About A-FIVE subscription projects (9)

Entity name	Sub-fund (SF) Major investors	Determined amounts for subscription by SF (unit: million yen)	Business	Subscription Consent Decision Date
Binan Food Co., Ltd. (Soja, Okayama)	Tomato Bank	<u>SF 10 (5)*</u> <u>Total subscription 20</u>	● Drying processing and sales business of domestically produced cloud ear mushrooms	April 15, 2016
Oki Beef Co., Ltd. (Ama town, Shimane)	The San-In Godo Bank, LTD	<u>SF 50 (25)*</u> <u>Total subscription 100</u>	● Restaurant (Japanese cuisine) business utilizing Oki beef and aquatic products taken locally	April 15, 2016
Minematsu Brewery Co., Ltd. (Kashima, Saga)	The Bank of Saga, LTD	<u>SF 14.8 (7.4)*</u> <u>Total subscription 29.8</u>	● Manufacturing and sales business of Japanese sake and rice confectionery using rice produced in Saga	April 15, 2016
WISHIA Co., Ltd. (Otofuke town, Hokkaido)	North Pacific, Bank, LTD	<u>SF 25 (12.5)*</u> <u>Total subscription 50</u>	● Developing restaurant business using "Mirai Memuro Ushi", etc.	May 13, 2016
JAPAN BEEF COMMUNICATION Co., Ltd. (Manno town, Kagawa)	The Kagawa Bank, LTD	<u>SF 32(16)*</u> <u>Total subscription 64</u> <u>(Note 1)</u>	● Business of exporting beef produced by livestock producers in Kagawa to Singapore	May 13, 2016
Food Labo Factory Co., Ltd. (Chita, Aichi)	The Bank of Nagoya, LTD	<u>SF 35(17.5)*</u> <u>Total subscription 70</u> <u>(Note 1)</u>	● Manufacturing and sales business of processing products which corporations newly participated in agriculture utilize western vegetables, etc.	June 10, 2016
Marine Link Co., Ltd. (Iheya village, Okinawa)	The Chugoku Bank, LTD	<u>SF 20 (10)*</u> <u>Total subscription 40</u>	● Sales business of yellowfin tunas locally taken and processing products	June 10, 2016
THE FARM (Katori, Chiba)	The Chiba Bank, LTD	<u>SF 45 (22.5)*</u> <u>Total subscription 90</u>	● Farm resort business such as camping utilizing local vegetables	July 13, 2016
MUSUBINO (Kyoto, Kyoto)	Bank of Kyoto, LTD	<u>SF 15(7.5)*</u> <u>Total subscription 30</u> <u>(Note 1)</u>	● Business of restaurant and sales of goods utilizing Kyoto vegetables, wild game, Uji tea	July 13, 2016
Kawagishi stock raising Co., Ltd. (Nishiwaki, Hyogo)	The Tajima Bank, LTD	<u>SF 20 (10)*</u> <u>Total subscription 40</u>	● Yakiniku restaurant and dressed meats businesses using Tajima beef, etc.	July 13, 2016

*: The inside of () is equivalent of A-FIVE subscription

(Note 1): Including stocks without voting rights

About A-FIVE subscription projects (10)

Entity name	Sub-fund (SF) Major investors	Determined amounts for subscription by SF (unit: million yen)	Business	Subscription Consent Decision Date
MJ Beef Co., Ltd. (Matsue, Shimane)	The San-In Godo Bank, LTD	<u>SF 30 (15)*</u> <u>Total subscription 60</u>	● Business of processing delivered cow of Japanese black beef to dry-aging beef and of sales to food business operators and consumers	September 9, 2016
Japan Caviar Co., Ltd. (Miyazaki, Miyazaki)	Miyazaki Bank, LTD	<u>SF 20 (10)*</u> <u>Total subscription 40</u>	● Processing and sales business of sturgeon's eggs (caviar) cultured in Miyazaki and fish meats	September 9, 2016
Sanriku Resort Co., Ltd. (Ofunato, Iwate)	The Bank of Iwate, LTD	<u>SF 10 (5)*</u> <u>Total subscription 20</u>	● Manufacturing processing products utilizing wakame seaweed and scallops produced in Sanriku and business of sales of aquatic products by corporating with local fisheries business operators	October 12, 2016
TSUNO WINE (Tsuno, Miyazaki)	AP COMPANY CO., LTD.	<u>SF 97.8(48.9)*</u> <u>Total subscription 195.6</u>	● Brewing and sales business of high-quality wine using dedicated grapes for wine made in Tsuno	October 12, 2016
Fuji no Kuni Nyugyo Co., Ltd. (Fujinomiya, Shizuoka)	The Shizuoka Bank, LTD	<u>SF 15 (7.5)*</u> <u>Total subscription 30</u>	● Manufacturing of cow milk and milk products limited to local raw milk, and sales business to school lunch, etc.	November 15, 2016
Buena Pinta Co., Ltd. (Naruto, Tokushima)	The Awa Bank, LTD	<u>SF 30 (15)*</u> <u>Total subscription 60</u>	● Manufacturing of primary processing products for restaurant utilizing local vegetables centering on Naruto in Tokushima and restaurant business	November 15, 2016
Sabondochino Co., Ltd. (Omura, Fukuoka)	The Nishi-Nippon Bank, LTD	<u>SF 50 (25)*</u> <u>Total subscription 100</u>	● Manufacturing and sales business of cosmetics such as framed soaps and hand cream whose raw materials are horse oil and camellia oil	December 12, 2016
ICHIKOTO Co., Ltd. (Miyoshi, Hiroshima)	The Hiroshima Bank, LTD	<u>SF 25 (12.5)*</u> <u>Total subscription 50</u>	● Providing cooking experience utilizing apples and strawberries and the restaurant business	January 18, 2017
Bamboo Material Co., Ltd. (Nankan town, Kumamoto)	The Bank of Fukuoka, LTD	<u>SF 400 (200)*</u> <u>Total subscription 800</u>	● Manufacturing and sales business of house construction materials whose raw materials are bamboo	January 18, 2017
Potager Co., Ltd. (Kinokawa, Wakayama)	Nanto Bank, LTD	<u>SF 45 (22.5)*</u> <u>Total subscription 90</u>	● Manufacturing and sales business of freeze-dried foods utilizing onions and cabbages	February 14, 2017

About A-FIVE subscription projects (10)

○ Projects that subscription is decided: 109, Subscription amount: 8.23 billion yen

A-FIVE direct subscription: 2 projects, Subscription amount: 1.501 billion yen

Sub-fund subscription: 107 projects, 6.729 billion yen (including A-FIVE portion, 3.365 billion yen)*

Total subscription 16.652 billion yen

* The number of sub-fund subscriptions does not include the sub-fund against A-FIVE direct subscription projects.

○ Capital subordinated loan: 27 projects, 2.102 billion yen

*: The inside of () is equivalent of A-FIVE subscription

(Reference) Example of Efforts for AFFriinnovation (1)

Development of various processing products of citrons through community-wide activity

(1) Umaji village agricultural cooperative organization

[Umaji village, Kochi]



Various processing products of citrons carrying the name of Umaji village

- Improving added value by developing processing products in order to make effective use of citrons which are difficult to ship due to bad shape.
- The village unites to tackle to develop products and to advertise them and puts the name of Umaji village at a forefront to establish its brand.
- Developing the cosmetics newly utilizing citron seeds through the joint research with Kochi University.
- Sales: approx. 0.1 billion yen (1989) ⇒ approx. 3.1 billion yen (2012)
- # of hired (# of staff) 19 (1989) ⇒ 96 (2013)
- Certification of Comprehensive business plan (October, 2014)

Production

• Purchasing all of the ingredient citrons from union members at higher price than the market price

Processing

• In order to make effective use of seeds, develop functional products by cooperating with the University

Sales

• With the unique name and package of the product, it also disseminates the attraction of Umaji village, expanding sales, revitalizing the village, and producing and processing and sale.

Developing functional foods of traditional vegetables to be tackled with the female point view

(2) Nakijin Zamami Farm, Co., Ltd.

[Nakijin village, Okinawa]



Processing products of Okinawa traditional vegetable, called "Kuwan-sou (daylily)" and experience of flower picking

- Focusing on the functionality of the Okinawa traditional vegetable which improvement of sleep efficiency can be expected, sell the primary processing products to pharmaceutical companies.
- Manufacturing and sales of processing products such as sweets at own company for aiming to improve added value.
- It made flower picking bus tour commercialization by cooperating with a local tourism company, and the number of visitors increased.
- Sales: 15 million yen (2011) ⇒ 18 million yen (2013)
- # of hired (including part-timers) 3 (2011) ⇒ 5 (2013)
- Certification of Comprehensive business plan (May 2012)

Production

• Focusing on the functionality of improvement of sleep efficiency, it expanded its production for processed materials.

Processing

• It developed processing products such as sweets with cooperating with food manufacturers

Sales

• It cooperated with tourism in feminine power of idea, and the numbers of visitors and sales have increased.
Production
Processing Sales

(Reference) Example of Efforts for AFFriinnovation (2)

Processing konnyaku potatoes in organic farming and expanding to overseas

(3) GREEN LEAF Co., Ltd.

[Showa village, Gunma]



Konnyaku product

Frozen spinach

- The company, which produces and processes organic JAS certified konnyaku potatoes, produces the konnyaku product called "Shirataki pasta" and exports them to overseas.
- With cooperating with a trading company, it investigated the needs of export destinations regarding shapes and weights. It implemented new manufacturing facilities in order to supply the products that meet needs.
- Besides konnyaku products, it conducted frozen processing of spinaches to produce in organic farming, and manufacturing pickles.
- Sales: 647 million yen (2010) ⇒ 654 million yen (2014)
of hired (including part-timers) 59 (2011) ⇒ 71 (2014)
- Certification of Comprehensive business plan (October 2014)

Production

- It produced organic JAS certified konnyaku potatoes
- Besides, it produced organic farming vegetables

Processing

- It develops various konnyaku products which meets the needs of user demands from organic JAS certified konnyaku potatoes

Sales

- It promotes "organic and healthy" which have appeal in overseas, and exports them to overseas

Developing of meat processing products in manufacturing methods of genuine preparation

(4) IKEDA FARM Inc.

[Toyama, Toyama]



Uncured ham and salami, etc.

- In order to diversify its management, it established the direct sales department of beef and the processing department of sausages, etc., and manufactured meat processing products.
- It reared better quality beef by self-supply roughage and improved meat quality and acquired manufacturing technique at an acquaintance's meat processing store.
- For rock salt, spice and manufacturing method, it stuck to Germany where is the home of meat processing, and it won the Gold prize in the contest in Germany.
- Sales: 80 million yen (2004) ⇒ 167 million yen (2012)
Number of hired (including part-timers):
4 (2004) ⇒ 7 (2012)
- Certification of Comprehensive business plan (May 2012)

Production

- It reared better quality beef by self-supply roughage and improved meat quality.

Processing

- It imported rock salt, spices and herbs from Germany, as well as processed in the manufacturing method of genuine preparation

Sales

- The consumer's evaluations were reflected to production, etc.
- It promoted the actual performance in the contest in Germany to earn more customers

(Reference) Example of utilizing Agriculture, forestry and fishery growth industrialization fund (1)

Auberge Project utilizing agricultural and livestock products produced in Biei

Farmers, forestry workers and fishery workers

Producing of Japanese beef and jersey milk and supplying of raw materials

Partners

Supporting for sales and attracting customers

BIEI Farmer's Market,
Co., Ltd.
[Biei town, Kamikawa gun,
Hokkaido]



- Livestock business operators cooperated with tourism business operators to operate the auberge (restaurant with accommodation).
- It develops retail business outside of Hokkaido, aiming for improving the brand value of agricultural and livestock products in Biei.
- Certification of Comprehensive business plan (August 2015)

Production

- Besides to supply livestock products, the producers in Biei supply vegetables, etc.

Processing

- It develops the menu using "Biei Japanese Beef", etc., and manufactures daily dishes (croquettes and hamburgs, etc.)

Sales

- For auberge, it utilizes the partner's know-how about customers acquisition
- It develops retail business outside of Hokkaido

Producing and Sales Project of export rice made in Niigata

Farmers, forestry workers and fishery workers

Providing production technique & sales channels

Niigata Noshu, Co.,
Ltd.
[Niigata, Niigata]



- The companies participated in agriculture and surrounding agricultural business operators export the rice made in Niigata to Asian countries.
- The participated company provides feedbacks the needs of overseas demands to the farmers, as well as realizes the production cost reduction and the shortening of labor hours through proactive implementation of production techniques which the company has.
- Certification of Comprehensive business plan (April 2015)

Production

- Producing the rice specialized in export rice
- Reducing the production cost by implementing direct sowing of iron coating, etc.

Distribution

- Unpolished rice is shipped as it is to overseas to provide very fresh product by polishing its rice at site

Sales

- Conduct the sales cooperating with a local corporation.
- Expanding the sales channels for consumers, in addition to for restaurants.

(Reference) Example of utilizing Agriculture, forestry and fishery growth industrialization fund (2)

Processing and Sales Project of sweet potatoes and chestnuts made in Ibaraki

Farmers, forestry workers and fishery workers

Partners

Supplying sweet potatoes & chestnuts

Providing sales channels & processing know-how

Mottainebe, Co., Ltd.

[Mito, Ibaragi]



- Developing new products such as dried sweet potatoes as that the sweet potatoes and chestnuts made in Ibaraki are ingredient, and selling inside and outside of the prefecture.
- For dried sweet potatoes, realizing a year-round production and supply by using not solar drying but vacuum dryer, as well as increasing good flavor, and even added value in terms of quality such as keeping color.
- Certification of Comprehensive business plan (January 2015)

Production

- Providing a new breed with high sugar content and good taste to differentiate from conventional breed
- Utilizing non-standard products

Processing

- Realizing a year-round supply by implementing facilities such as a storage cabinet and vacuum dryer

Sales

- Expanding the sales channels inside and outside in the prefecture such as department stores, famous cake shops, accommodation business operators, etc.

Restaurant, Processing and Sales Project by fisheries organizations, etc.

Farmers, forestry workers and fishery workers

Partners

Providing aquatic products such as Japanese amberjacks

Providing sales channels

JFA. Co, Ltd.

[Nagashima town, Izumi gun, Kagoshima]



(Example of the menu to provide)

- With the cooperation of a partner company having wide range of sales channels, selling the processing products utilizing the "Buri Ou" brand
- Operating a restaurant for tourists, and to develop and provide a menu utilizing fresh seafoods
- Certification of Comprehensive business plan (October 2015)

Production

- Providing the processing products of Japanese amberjacks produced in JF Azuma town as the "Buri Ou" brand

Processing

- Spreading fish meals through developing a menu and providing a recipe by a nutritionist

Sales

- Providing them at restaurants for tourists
- Sales of processing products utilizing the sales channels of the partner company