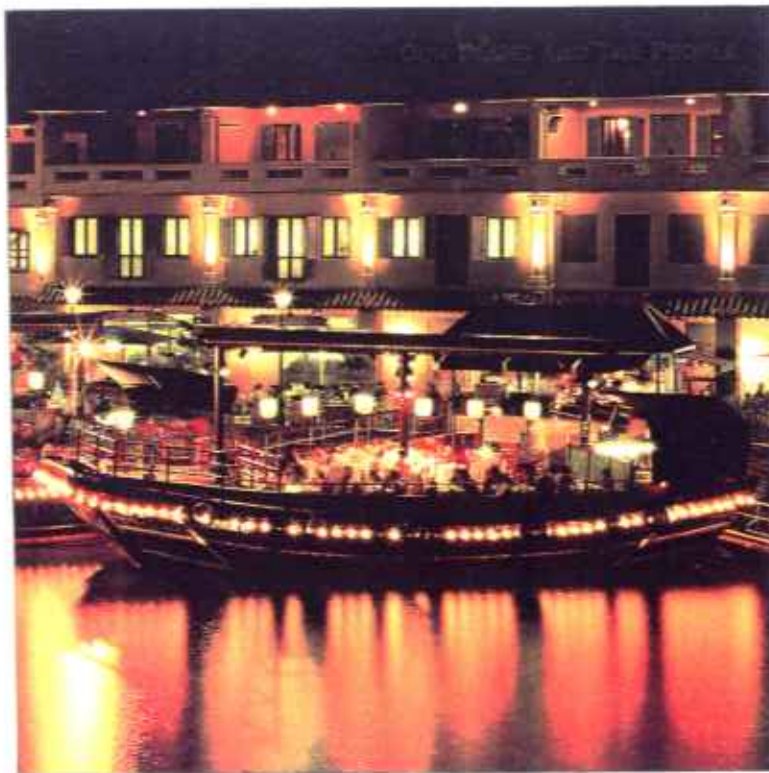


"Everybody would come, if it's really done."



The Enterprise Zone to Reactivate Kobe and Japan

SUPER STUDIO INC
Social Capital and Investment Research Group
&
Consortium Members

Hawkers Food and Entertainment Center

This Hawkers is indispensable for foreign students and workers as a life-supporting facility. It will provide food materials, cuisine variety, and low cost cooking facilities. More importantly, it will provide an enjoyable space for eating and relaxing.

The Hawkers - "Newton Circus, Japan" as a Food and Entertainment Complex (the name agreed upon by the Ministry of Environment and Chng Holdings)

A Hawkers food court originates in the gathering of food stands that had existed in Asian countries. Under the leadership of former Prime Minister Lee Kuan Yew, this style of eating place has undergone sophistication and modernization in Singapore. Today, Hawkers food courts are combined with other amusement facilities and serving as city amusement spots.

< Progress of Negotiations >

Since the end of 1994, We have been studying the possibility of inviting a Hawkers food court as a spearhead investor to promote other investors from the Asia and Pacific regions.

In the past year, several discussions have been held with Mr. Mah Bow Tan, Minister of the Environment. In September 1995, Mr. Goh Chin Tong, Head of Hawkers Department, was invited to give a lecture.

The scale and basic plan are designed based on the "Lau pa sat" style employed in Singapore. The total capacity of seats will be 2,000 including both indoor and outdoor seats.

For the management of the Hawkers, upon the Singapore government's recommendation, Chng Holdings Pte. Ltd. has expressed its interest in investment. A feasibility study is being undertaken.



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The Enterprise Zone to Reactivate Kobe and Japan

Rehabilitation of the areas stricken by the Hanshin-Awaji earthquake in January 1995, and in particular that of Kobe city is far beyond the capability and expertise conventionally applied for developing a local area.

Judging also from cases of other localities into which public investment has been generously poured as a means of economic rehabilitation in vain, it is clear that drastic, unprecedented restructuring measures should be taken to local economic rehabilitation.

We find potentiality in the proposed Enterprise Zone to be established in Kobe city (on Port Island 2nd phase premises) as becoming driving force for local rehabilitation. This proposal aims to present the structure of the Enterprise Zone as well as the process for the structure to take shape.

The Social Capital and Investment Study Group, proposer of this proposal, comprises executive officers of various ministries, opinion leaders in the private sector and interested heads of local governments. It proposed a "New Master Plan for Japan" in 1995 as a result of their discussions held since 1993.

Two priorities are presented in the proposal. First one is the need of establishing Japanese-style Economic Special Zones in Japan. Second one is the creation of an experimental place in which competition and co-existence with Asian countries.

During the discussions, it was noted that open-minded global ideas and foreign investment in Japan that supports free economy were essential to create such an experimental place.

The existing law to establish an import promotion zone (Free Access Zone, FAZ) will not suffice to activate economic rehabilitation of Kobe. Greater expectations must be placed on more practical incentives, a list of which was proposed by the Japan Foreign Investment Council.

A year-long feasibility study starting at the end of 1994 with the interested government offices and public corporations in Singapore indicates that the proposed list of incentives are still not sufficient.

In order to attract entrepreneurs from the Asia and Pacific region to

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Straits Steamship Land Limited



L&M Group
Investments Ltd

the Enterprise Zone, what are called "security incentives" are found to be required. The contents of the security incentives are also identified.

The security incentives will accept capital and expertise possessed by entrepreneurs themselves, guarantee their growth, and prepare to protect all kinds of their rights and to support their and their family lives.

Thus, the practical incentives proposed by the Japan Foreign Investment Council and security incentives are incorporated in the "Asia-Pacific Security Area."

In the "Asia-Pacific Security Area," currency, disaster prevention, public order and energy are to be secured. In addition, institutional securities will also be provided as a means to promote economic liberation: standards, authorization, custom procedures, deregulation, human resources development, technological propriety, free access to the market and capital market, and arbitration. Buildings to accommodate these security services will be made ready.

The team preparing this proposal proposes the creation of "East Asia Economic Sharing Zone" involving Singapore and Hong Kong and their investments in China, especially in Shanghai and other cities along the Cheung Kong river. Based on the separate negotiations with potential collaborators in the government sector and owners of economic groups during the past year, the team proposes a plan and construction plan for this initiative.

"Everybody would come, if it's really done."

Positive investments are being made by other countries in Asia to Shanghai and other cities along the Cheung Kong river. It is partially because of the historical characteristics of Shanghai as being a "land of hope."

Having been under alien control and at the mercy of social changes for quite a long time, Shanghai succeeded to develop as a place of "international competition and coexistence." Kobe has a common feature with Shanghai as it has also developed as a city embracing international communities within it. Hence, by linking Kobe with Shanghai, the process of rehabilitating and reactivating Kobe will be greatly encouraged.

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MINISTRY OF THE ENVIRONMENT

Amusement Facilities

An amusement complex that will be capable to mobilize customers and visitors from Kobe and other areas. Together with the Hawkers food court, it will emit synergic effect in mobilizing visitors.

For the amusement facilities to be housed in the Enterprise Zone, Namco Ltd., one member of the consortium is making a plan. Namco now gives a provisional title "New Type Power Center - Namco Wonderland" to the amusement complex that embraces an amusement center, a multimedia zone, a music and visual zone, a book zone, and a hobby zone. It will be operated as a "tenants mix" facility.

For the operations, we plan to request Straits Steamship Land Ltd., and Hong Leong Goup/RSP Architects Planners and Engineers of Singapore for their cooperation with their expertise that have succeeded in the operations of a latest large-scale complex there.

In order to meet the needs of a modern city, amusement systems will be created using a satellite and multimedia devices.



NAMCO TENANT MIX PLAN

NEW TYPE POWER CENTER NAMCO WONDER SQUARE (TEMPORARY NAME)

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HOPEWELL HOLDINGS LIMITED
合和實業有限公司



TOWARDS A TROPICAL CITY OF EXCELLENCE



SEMBAWANG
CORPORATION

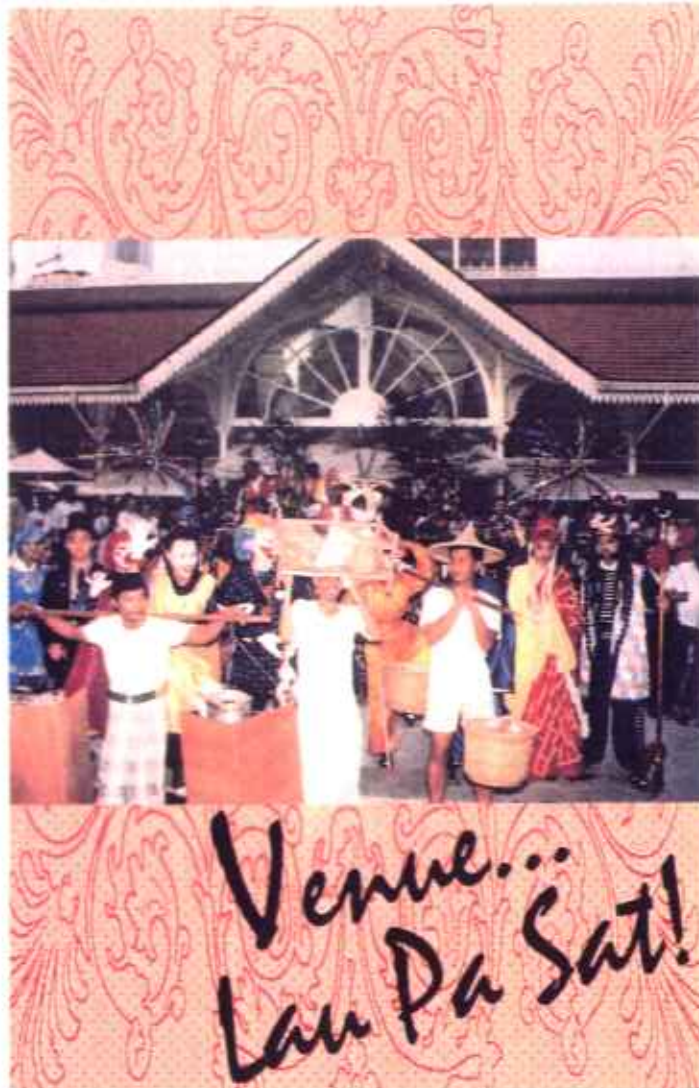
Outlet Market

A large-scale outlet market run by a group of large, medium and small trading houses and entrepreneurs of Hong Kong, Shanghai and Singapore.

The proposed companies are all engaged in manufacturing and marketing apparel and leather products. They have international competitiveness, some of which with annual turnover ranging 500 to 600 million yen.

Negotiations with representative companies are going on. Other smaller companies are expected to follow after they make decision to invest in the project.

Merchandising of other business genres is being discussed.



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Private Sector Trading Market

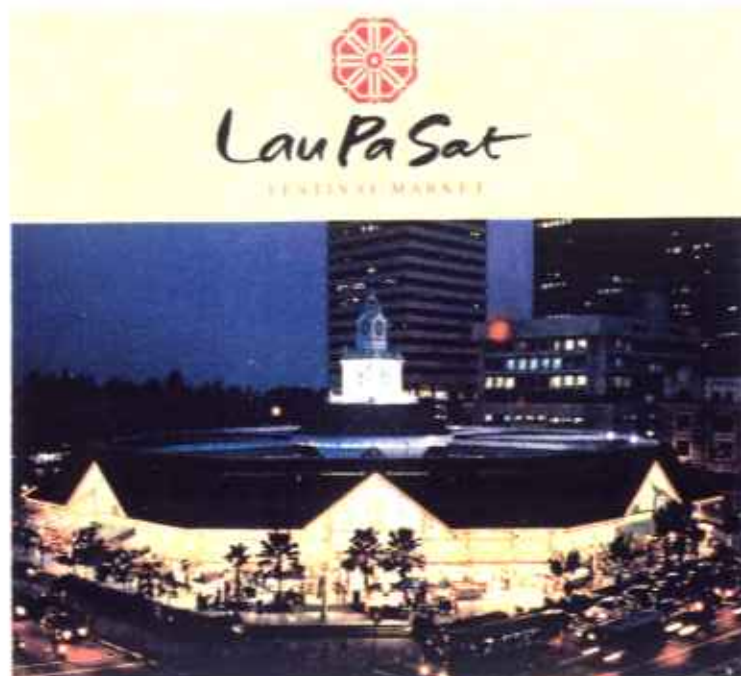
Possibility of inviting successful trading companies, manufacturers and retailers in Hong Kong, Shanghai, Singapore and Taiwan to invest in the Enterprise Zone is being studied.

By inviting a group of entrepreneurs, it is intended to stimulate the activities of medium and small manufacturers in Kobe which are working under the umbrellas of Kobe Steel, Kawasaki Steel and Mitsubishi Heavy Industry.

In order to see the possibility of developing the Trading Market as a satellite business center of the Suntec City Convention Center invested by Hong Kong's Cheung Kong Holdings and others, negotiations with the management of the Suntec City including Suntec Investment, Suntec City Development, Suntec International Convention & Exhibition and Suntec Resources.

For this Private Sector Trading Market to be established, a major reform of the existing trade system and greater incentives are necessary respecting the process of free trade advocated by the OECD, APEC and WTO. For this purpose, greater support measures should be made based on the temporary law to promote import and smoothen foreign investment.

The Social Capital and Investment Study Group worked out a list of incentives required to expand foreign investment based on its feasibility study with Singapore government and public corporations (see attached). This will be reflected in the consideration of the Japan Foreign Investment Council (in the Economic Planning Agency) from early 1996. It will also be used as a basis for our drive to expand incentives.



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Shopping Center and Services - Core Facilities

As a core business facility, a shopping center and services by the Daiei, a member of the consortium will be accommodated.

The target customers are foreign students, foreign workers and their families living within the Enterprise Zone, visitors and tourists, and consumers from around Kobe.

Amusement facilities, the large-scale outlet market and the private sector trading market will surround this center. Stable number of regular customers regardless of time range and season is expected to be ensured.

Being basically based on wholesale merchandising, the shopping center will expand its merchandise by dealing with lower-priced private brand products. For this purpose, it will take advantage of manufacturing and trading houses making investment in the Large-scale Outlet Market" and Private Sector Trading Market.

It will provide a testing field of manufacturing products for a limited number, and of mass-production systems aimed at a specific consumer target. Business chance to develop value-added private brand products may be found. Value-added private brand products are refined as consumer electric/electronic appliances and audio/visual apparatuses with expected demands for replacement.

As technological support and expertise are made readily available to help merchandising to respond to diversified consumer needs, 1) incorporation of a manufacturing system within a company (shop development division etc), and 2) approaching member companies of the consortium to ensure small-amount production systems to avoid large stock, will be effective.

In addition to the local customers, tourists from the importing sources, Hong Kong, Shanghai and Singapore, are also considered as customers. The middle-class people are growing rapidly in Asia, increasing number of them are going overseas for pleasure. To meet their shopping needs, product-specified shopping areas such as Akihabara and Shinjuku in Tokyo will be reproduced in smaller scales.

consortium & consortium study members

Foreign Student House + Asia-Pacific Center + Urban Revival Center

This group of facilities will constitute one of the core facilities of the Asia-Pacific Security Area. With security incentives, they are expected to become self-supporting by accommodating foreign students, training facilities to workers, and diplomatic offices.

<Asia-Pacific Center with a Hotel Complex >

Konan University (Chairman Ogawa), a consortium member, is promoting a plan to establish the Konan University International Department. This house will serve to accommodate foreign students of the university and other educational institutes in Kobe and surrounding cities that have foreign students.

A total of 800 foreign students (200 for each grade) are expected to live here from Konan University alone. Therefore, the total capacity of the Foreign Student House should be somewhere between 1500 and 2000.

< Foreign Student House >

Division by Function:

Business support area, daily life support area, foreign diplomatic area, etc.

This Center will serve to meet the needs of entrepreneurs and trainees visiting and living in the Enterprise Zone. It should be equipped with business support facilities to them.

Services to support international exchange and interaction, and facilities able to be equipped with satellite communications and digitalized communications systems need to be considered so as to invite even foreign diplomatic offices.

< Hotel Complex >

A hotel complex should be annexed to the Asia-Pacific Center. The capacity should be between 1000 and 2000. In Japan, low-priced hotels with full supporting services are insufficient. We intend to provide comfortable board and lodging facilities and business support services at low prices that will meet diverse needs of peoples from different backgrounds.

< Urban Revival Center >

This is a Research and Development Agency with executing power aiming for urban revival. It is not intended to be a traditional consultancy agency.

The reason for establishing this unprecedented research and action agency is that policies for local rehabilitation and Japan's economic reactivation are identical.

In order for Kobe and other localities in Japan to survive, concrete methodologies for "competition and co-existence with Asia" and strong initiatives to put them into practice are required.

The Center will seek project management methods to build new social capital. It will be an interdisciplinary organization to comprise people from government and private sectors with various expertise so as to plan and implement strategic and comprehensive policies covering economy, public administration, technology, and science.

The primary task for the Urban Revival Center is the define an operation method to materialize the Enterprise Zone as an "Asian city of excellence."

Satellite Broadcasting, Communications and Multimedia Center

We intend to incorporate satellite broadcasting services connecting Kobe with Asian cities, in particular, with Shanghai, to provide incentives to facilitate business exchange with Shanghai, Hong Kong and Singapore.

Negotiations are in progress with Star TV, a member of the consortium based in Hong Kong, and WOWOW Japan Satellite Broadcasting Inc., and St. Giga Satellite Digital Audio Broadcasting Co. Ltd, both based in Japan.

We would like to materialize this Center in connection with various security functions of the "Asia-Pacific Security Area," such as currency, disaster prevention, transport, information, daily life support and business support.

We intend to build multimedia businesses to connect the group of following facilities and further the Asia-Pacific region. We are assured of Singapore's cooperation in planning a proposal in this regard through our discussions with Mr. Mah Bow Tan, Minister of Transport and Communications.

Facilities to be covered:

- Foreign Student House, Asia-Pacific Center including Training Center
- Office and Business Support Facility
- Hawkers Food Court
- Amusement Facilities (planned by Namco)
- Hotel Complex (Asian capital)
- Convention Facility
- Large-scale Shopping Center (by Daiei)
- Multimedia Information Mart (customer mobilization, information exchange, logistics support, information transmission)
- Multimedia Center (R & D, research exchange, business support)
- Training Center for communications experts (software engineers)
- Communications Infrastructure (key network, broadcasting center, data communications service)
- Digital Network Service
- Digital Image Research Institute (R & D, training) u
- Extensive Translation Center (translation of all software products into Japanese and to other languages)

Satellite Broadcasting from Kobe to Asia

This broadcasting system is intended to transmit latest news to Japanese working and living in Asian countries to keep them updated with what is happening in Japan.

It also aims to transmit programs mainly in English and Chinese (Mandarin) to Japan as a means to support foreign communities in Japan in their business operations and daily life, and to Asian countries to help them well informed of the process of economic liberalization along with the discussions of the APEC, OECD, WTO, etc.

The broadcasting station is provisionally named "Shanghai TV."

Guidelines for TV Station:

- 1) Serve overseas Japanese in Asia with updated information in Japan.
- 2) Serve Asia people with news from Japan with an Asia Economic Bloc in perspective.
- 3) Establish a multi-national broadcasting system in the Enterprise Zone that can receive programs from various countries via AsiaSat and other satellites.
- 4) Involve all consortium members both in Japan and abroad in order to ensure audience and news sources. Negotiate with the Kobe and Hyogo governments to support the broadcasting system until such a time when it becomes self-supporting with a sufficient number of advertisers.

Business Facilities Aiming for New Business Creation

1. Definition of New Business Creation:

Every effort to be made to build expertise to realize "new richness" in life, and to make use of such expertise.

2. Proposal of a Facility to be Established by the Public Sector but Run by the Private Sector to Attract Investors:

For the base of new business creations, a facility established by the public sector but run by the private sector will be proposed. High efficiency will be sought by drawing investors from multilateral industries within the facility operated with low cost by small personnel and small organization.

3. Conditions for Creating Needs for New Richness:

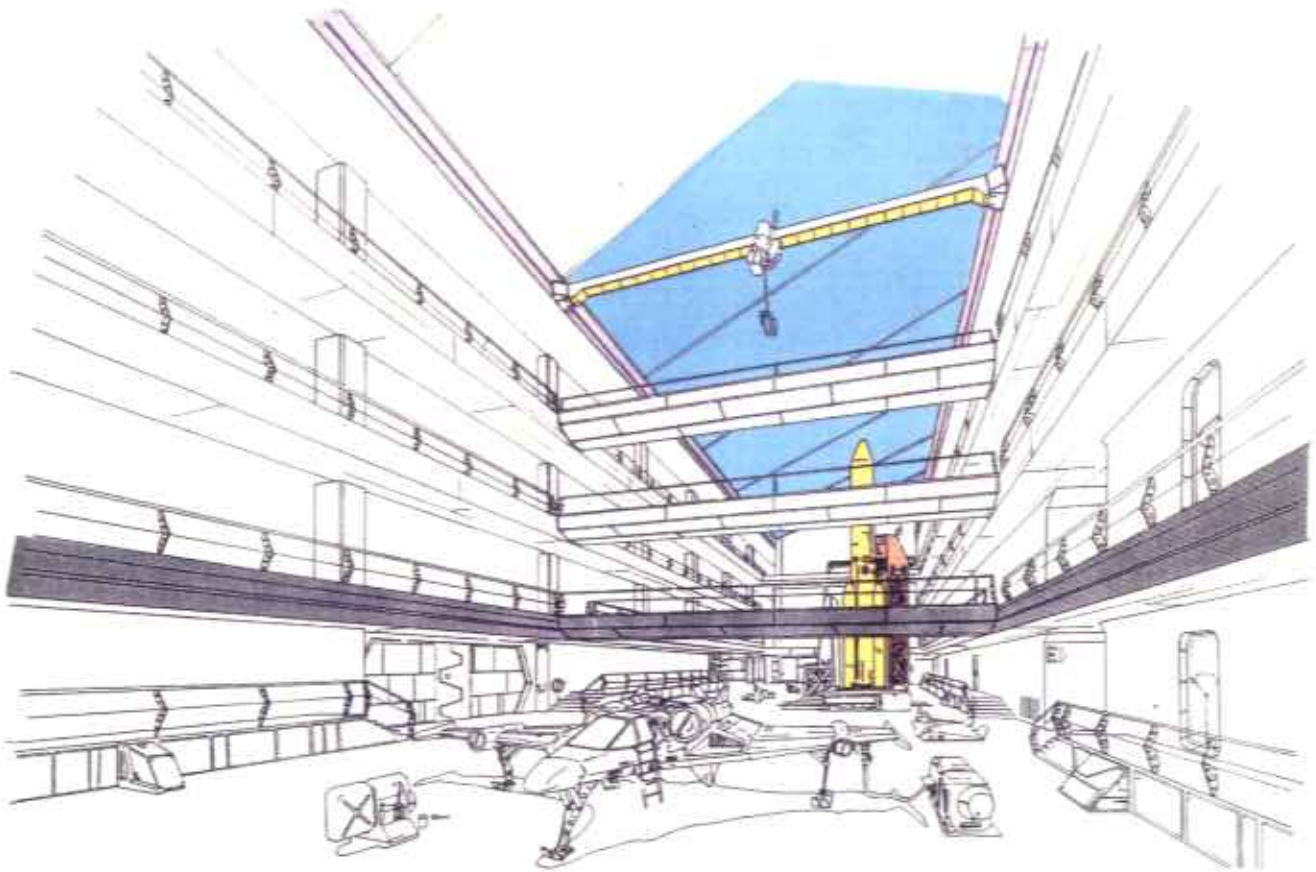
New scenario of creating a new business beyond/across the border of the existing business genres
Defense of individual life - new richness
Combination of technologies, expertise and tools of different industrial genres
Consumer needs = manufactures' needs
Pursuit of strong individual needs → personalization of manufacturing needs
Review of large-scale investment aiming for mass production
New business chance by integrating manufacturing and distribution business

Business Facilities Aiming for New Business Creation

4. Institutional Security

In addition to expanded incentives to attract entrepreneurs, there should be other securities to facilitate smooth entry of potential investors who may develop interest in the business menu to emerge within the area.

Institutional securities will be provided for standards, authorization, custom procedures, deregulation, human resources development, technological propriety, free access to the market and capital market, and arbitration.



Toward Establishment of Business Facilities

The commonly called "price destruction competition" among large-scale retailers in Japan spearheaded the movement toward narrowing gaps between prices in the Japanese and other markets, and pushed forward freer trade. Together with the excessive appreciation of the yen, however, it affected to bring much reduced profit to both distributing and manufacturing industries in Japan.

As a result, the production of value-added merchandise in the field of private product manufacturing is urgently demanded.

Pushed by forces for free trade, importation of low-cost, high quality merchandise from Asia is predicted to be accelerated. For manufacturers and distributors in Japan who are already suffering from the on-going capital exodus, technological synthesization specific to Japan is required.

New richness does not mean material affluence. New businesses, therefore, do not mean mass production businesses by great amount of capital input.

It means value-added products to allow individuals to choose to suit to their own lifestyles. In other words, it means "hand-made-type high value products."

By processing a product to a limited number of consumption, extra cost for stock keeping, storage, etc. will be reduced.

Such a manufacturing system will be made available only if the existing technologies accumulated by each industrial sector are made open and shared with each other.

The most desired new industrial products will only be identified in this technology sharing cooperation system.

We, therefore, intend to create a place in a facility established by the public sector and run by the private sector in which distributors and manufacturers can compete each other to develop new merchandise at a low cost.