

NAHA PORT



Naha Port Authority

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Japan's Largest Marine Resort

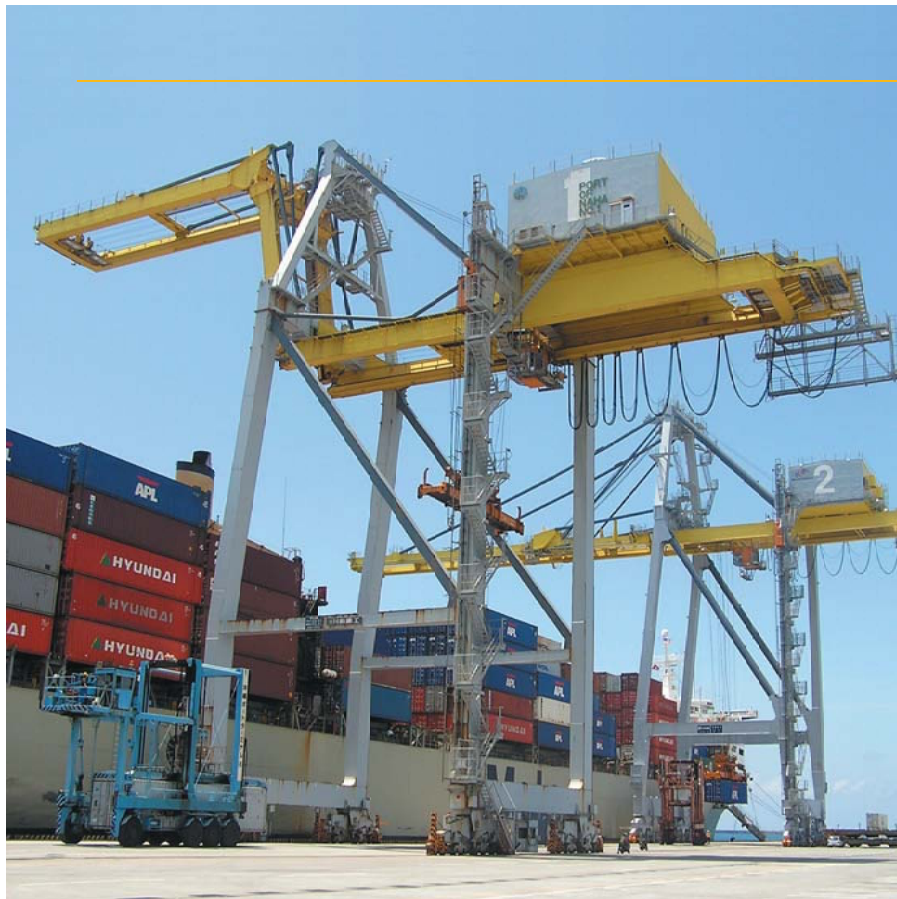
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Building a Transshipment Port That Links East Asia and the Rest of the World

Naha Port is located quite close to Shanghai and is almost at the halfway point between Busan and Kaohsiung, and because of this, the port is geographically ideal for the redirecting of traffic from China to U.S.A. and Europe. Nowadays, the privatization of ports is a global trend. In January 2006, a wholly private corporation run by a global operator began operating the international container terminal of Naha Port for the first time in Japan's history. Naha Port will play a major role in the international logistics of East Asia.



Naha Port International Container Terminal

Naha Port is located quite close to Shanghai and is almost at the halfway point between Busan and Kaohsiung, and because of this, the port is geographically ideal for the redirecting of traffic from China to U.S.A. and Europe. The international container terminal with maximum depth of 15m, berth of 600m, and 21ha in total area - was privatized through international public offering, and as a result a wholly private terminal operator was selected for the first time in Japan's history. In January 2006, a private corporation run by a global operator began operating the international container terminal, declaring its birth as an international logistics hub of East Asia.



History of Naha Port and Its Geographical Advantages

Trading Hub of East Asia

Naha Port is the logistical center of Okinawa, Japan's southernmost prefecture. It originated in 1264 when the then King of Chuzan, who governed the interior region of mainland Okinawa, built an official mansion (Tomari Goten) and temple (Seigenji) at Tomari Port (present Tomari Wharf).

Trade with China began in the 14th Century, and after Shohashi - the King of Chuzan - united the Ryukyus to establish the Ryukyu Kingdom, trade with Japan, China, Korea, and other countries in Southeast Asia began to really prosper. The port has continued to develop as an important trading hub of East Asia ever since.



Ryukyu Kingdom's Trade Routes



Tribute Ship (Okinawa Prefectural Museum)

Keystone

Naha Port International Container Terminal is located approximately 820km from Shanghai - China's largest mercantile city whose economy is growing at a rapid rate - and is almost at the mid - point between Korea's Busan Port and Taiwan's Kaohsiung Port. Economic growth in the East Asian region is directly linked to the massive traffic of container cargos, and it is only expected to increase in the future.

What this means is that Naha Port is ideally located to function as a transshipment port, especially for cargos from East Asia, primarily China, to North America and Europe.



Location of Naha Port

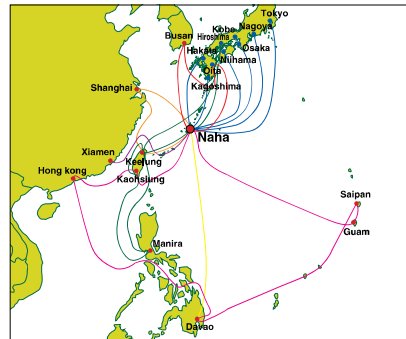
Naha Port International Container Terminal Project

Present State of Naha Port

With shipping routes, including 6 international container routes, Naha Port has served as the gateway to Okinawa Prefecture, supporting the economic activities of over 40 Okinawan Islands.

In 2007, the Port handled a total of 10.40 million tons of cargo — 1.15 million tons (international) and 9.25 million tons (domestic). Of this total, international and domestic container cargos accounted for 69 thousand TEUs and 352 thousand TEUs respectively.

No. of Regular Routes (as of 1 March 2009)	
Overseas	6
Mainland Japan	25
In-prefecture	15
Total	46



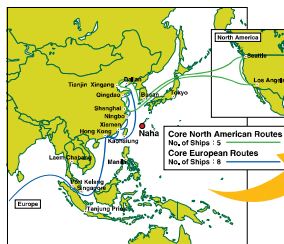
Regular Routes (as of 1 March 2009)

Viability of Naha Port Container Transshipment Port

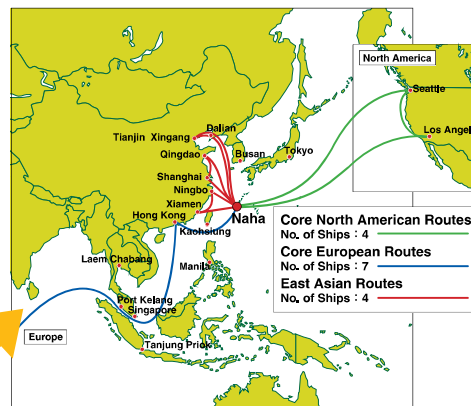
In order to consider a transshipment container terminal at Naha Port as a viable option, it must produce economic benefits in terms of container logistics. China's economic growth is directly linked to the massive traffic of container cargos in the East Asian region, and it is only expected to increase in the future.

Targeting this ever-increasing cargo traffic, Naha Port will have to promote itself as a transshipment port and encourage existing direct routes from Chinese coastal ports to North America and Europe to transit through Naha. This way, shipping companies can minimize the number of days in operation per route of expensive mother ships on U.S. and Europe routes, and even reduce the number of such ships in operation. We believe that the cost of transshipment through Naha Port is highly competitive compared with direct transport methods, even after taking account the effect of feeder transport by small vessels.

The demand is expected to increase from a total of nearly 69 thousand TEUs handled in 2007 up to 600 thousand TEUs, including 400 thousand TEUs of transshipment volume, by the late 2010s.



Present



Naha Port Transshipment Model (Proposed)

Naha Port International Container Terminal Project

Transshipment to Kyushu and Honshu Islands of Japan

As the first step to achieving the transshipment initiative, we aim to develop businesses to transship port cargos that travel through the southeast regions of China, south of Shanghai, and to the Kyushu and Honshu Islands at Naha Port by making use of numerous shipping routes listed below.

Furthermore, as recommended by the Okinawa International Logistics Strategic Team, we are pursuing implementation of a social experiment to place new shipping routes between Naha and overseas in service in collaboration with related organizations in order to realize such a transport system to connect Overseas, Naha and Mainland Japan.



Regular Service Routes (Naha Port)

As of March 1st, 2009

Destination	Routes	Service Frequency	Traveling Hours	Ship Owner	Contact Information (+81)
Domestic Service	Naha—(Yoron)—(Naze)—Shibushi—Tokyo—Shibushi—(Naze)—(Yoron)—Naha	3/2 weeks	48H	Marue Ferry	098-861-1881
	Naha—Osaka—Tokyo—Osaka—Naha	1/week	85H	Kinkai Yusen	098-862-4130
	Naha—Osaka—Tokyo—Osaka—Naha	1/week	60H	Ryukyu Kaiun	098-868-3203
	Naha—Kagoshima—Tokyo—Kagoshima—Naha	1/week	50H	Ryukyu Kaiun	098-868-3203
	Naha—(Shibushi)—Tokyo—(Shibushi)—Naha	3/2 weeks	48H	Marue Ferry	098-861-1881
	Naha—Nagoya—Kagoshima—Naha	1/4 days	36H	Fuji Trans Corporation	098-861-1566
	Naha—Osaka—Naha	1/week	36H	Ryukyu Kaiun	098-868-3203
	Naha—Osaka—Kagoshima—Naha	1/week	37.5H	Kaniyaku Corporation	098-876-3300
	Naha—Osaka—Kagoshima—Naha	1/week	33H	Kaniyaku Corporation	098-876-3300
	Naha—(Iyomishima)—Osaka—Naha	3/2 weeks	36H	Marusan Kalun	098-942-5260
	Naha—Osaka—Kagoshima—Naha	3/2 weeks	36H	Marusan Kalun	098-942-5260
	Naha—Mizushima—(Takamatsu)—Osaka—Naha	1/week	53H	Osaka Asahi Kaiun	098-867-1314
	Naha—(Yoron)—(Wadomari)—(Kametoku)—Naze—Osaka—Kobe—Osaka—Naze—(Kametoku)—(Wadomari)—(Yoron)—Naha	3/2 weeks	38H	Marue Ferry	098-861-1881
	Naha—Kure—Mishima—Tomashima—Takamatsu—Niihama—Naha	1/week	42.5H	Fuji Asahi	098-876-3300
	Naha—Kure—Mishima—Tomashima—Takamatsu—Niihama—Naha	2/week	24.5H	Ryukyu Kaiun	098-868-3203
Foreign Service	Naha—Hakata—Naha	1/week	24H	Ryukyu Kaiun	098-868-3203
	Naha—Hakata—Naha	1/week	24.5H	Ryukyu Kaiun	098-868-3203
	Naha—Hakata—Kagoshima—Naha	1/week	32H	Kaniyaku Corporation	098-876-3300
	Naha—Hakata—Kagoshima—Naha	1/week	24H	Kaniyaku Corporation	098-876-3300
	Naha—Hakata—(Mitake)—(Kagoshima)—Naha	2/week	29H	Minami Nihon Kisen	098-876-3300
	Naha—Kagoshima—Naha	1/week	21H	Ryukyu Kaiun	098-868-3203
	Naha—Motobu—Yoron—Wadomari—Kametoku—Naze—Kagoshima—Naze—Kametoku—Wadomari—Yoron—Motobu—Naha	1/4 days	25.5H	Marue Ferry	098-861-1881
	Naha—Motobu—Yoron—Wadomari—Kametoku—Naze—Kagoshima—Naze—Kametoku—Wadomari—Yoron—Motobu—Naha	1/4 days	25.5H	Marue Ferry	098-861-1881
	Naha—Motobu—Yoron—Wadomari—Kametoku—Naze—Kagoshima—Naze—Kametoku—Wadomari—Yoron—Motobu—Naha	1/4 days	25H	Marix Line	098-868-9598
	Naha—Hososhima—Oita—Busan—Naha	1/week	90H	APL	098-861-4701
	Naha—Hirara—Ishigaki—Xiamen—Naha	2—3/Month	35H	Nansei Kaiun	098-868-1848
	Naha—Keelung—(Taichung)—Shanghai—Naha	1/week	84H	HASCO	098-869-6618
	Naha—(Kobe)—(Hakata)—(Korea)—(China)—Davao, Philippines—Naha	1/2 week	72H	Fresh Carriers	098-868-3203
	Naha—Guam—Saipan—Yap—Koror—General Santos—Davao—Cebu—Hong Kong—Kaohsiung—Naha	1/week	18.5D	Mariana Express Lines	098-860-1926
	Naha—Shibushi—Mojito—Mitajirinanoseki—Matsushima—Hiroshima—Hososhima—Keelung—Manila—Kaohsiung—Keelung—Naha	1/week	14D	Ehime Ocean-Line	098-868-3203

Naha Port International Container Terminal Project

Terminal Operation by a Wholly Private Corporation

In accordance with the Law on the Special Zones for Structural Reform, we privatized terminal operations to be run by a wholly private corporation. Naha Port International Container Terminal is being operated by Naha International Container Terminal, Inc. (NICTI) since January 2006, and will be for the next 10 years.

NICTI is an international company where 60% is capitalized by International Container Terminal Services, Inc. (ICTSI), a Philippines-based global terminal operator, and the other 40% by six local harbor transportation companies.

ICTSI has been growing steadily since its establishment in 1987, penetrating markets in the Philippines, Brazil, Poland, and Madagascar, and has ventured into Argentina, Mexico and Saudi Arabia in the past, all the while accumulating a wealth of international experience.

The company is expected to bring efficiency and quality management to Naha Port, by fully utilizing its international network and sophisticated management know-how. NICTI's operating target will include:

- (1) Productivity of vessel operations;
- (2) Absence of berthing delays;
- (3) Quick turn around time for trucks;
- (4) Timeliness of data exchange between the Terminal and the Line;
- (5) Elimination of data errors;
- (6) Elimination of damage or loss to cargo, containers and ships equipment; and
- (7) Fail-safe system for the control, receipt, and release of cargo and containers.

Naha International Container Terminal, Inc. and Naha Port will together take off into the sky of success.



■ Signing of Basic Agreement



Naha International Container Terminal, Inc. (NICTI)

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(in the Container Terminal Bldg)

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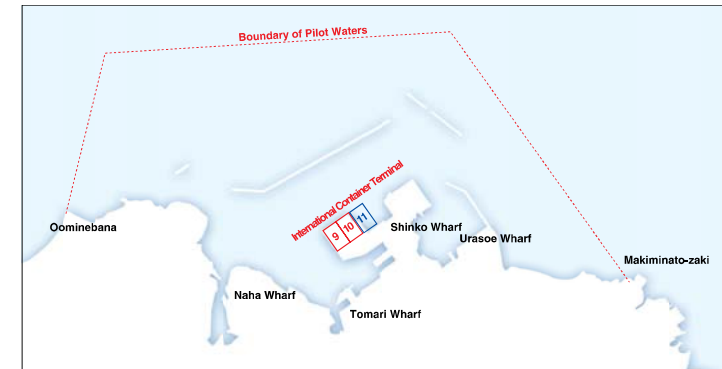
■ Naha Port International Container Terminal (Concept Design)

Naha Port International Container Terminal Project

Facility Overview of International Container Terminal

Naha Port International Container Terminal is comprised of 21ha of yard facilities including Wharf No. 9 (14m depth) and Wharf No. 10 (15m depth) that stretch 600m long in the Shinko Wharf region, 2 gantry cranes, and 48 reefer plug slots, etc., and is capable of handling 450,000TEU per year.

A plan is also in the works to build Wharf No. 11, 350m long and more than 15m deep - at the north side of Wharf No. 10 when the increasing cargo volume reaches a certain point. With this new wharf, the terminal's container handling ability will rise to 800,000TEU.



■ Naha Port Ground Plan

[Facility Overview of International Container Terminal]

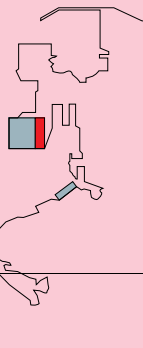
Naha Port International Container Terminal	Wharf No.9	Wharf No.10	Wharf No.11 (planned)
Put to Service	1987	January 2008	—
Wharf Length	300m	300m	350m
Width	350m	350m	500m
Depth (Wharf No.11 - planned)	14m	15m	Deeper than 15 m
Container Handling Capability (estimate)	450,000TEU/year		350,000TEU/year
Area	210,000㎡ 2 units		175,000㎡ —
Gantry Crane	Unit one: 40t 13-row correspondence Unit two: 40t 18-row correspondence		—
Reefer Plug Slots	220V:28 slots 440V:22 slots		—
Terminal Operator	Naha International ContainerTerminal, Inc. (NICTI)		NICTI has the preferential right of negotiation





Development of International Logistics Capabilities at Naha Port

With solid sea/air transport networks with mainland Japan, and Japan having the world's second largest economy, Naha Port has excellent geographical conditions as an international logistics hub in Japan and East Asia. In addition to the transshipment of international container cargos, the one-stop logistics intermodal support of cargos from East Asia to Japan that includes carry-in and handling, distributive processing, and customs clearing, enables reduced distribution costs.



Naha Port International Logistics Hub Development Project

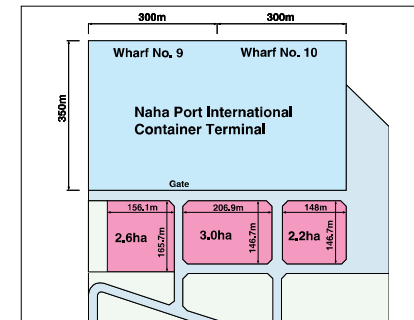
Hinterland Development by Public Offering

(Naha Port International Logistics Facilities Improvement and Management Project)

The Naha Port Authority will take advantage of Naha Port's geographical advantages to develop it as an international logistics hub and a node of international logistics, drawing traffic from various locations.

Naha Port already boasts 25 domestic routes to major Japanese cities including Tokyo, Nagoya, Osaka and Hakata. Naha International Airport, located next to the port, is the gateway to Okinawa - Japan's largest marine resort destination - for visitors arriving by air. More than six million tourists visit the prefecture every year. The rich network features 23 flights per day to Tokyo, and connection to 20 other cities in Japan as well as 4 major foreign cities (Taipei, Shanghai, Seoul, and Hong Kong).

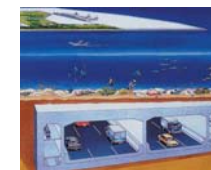
Behind the international container terminal is a 7.7ha port-owned land, which is adjacent to the wharf for domestic cargos, located on the east side. The Naha Port Authority is going to lease the land to private corporations through public offering, to improve Naha Port's international logistics capabilities and benefit from its synergistic effects with the Naha Port International Container Terminal.



Land to be Placed on Public Offering

Undersea Tunnel Linking Sea and Sky

An underwater tunnel is currently under construction that will link Naha Port and Naha International Airport. The tunnel should significantly improve the synergy between the port and the airport (expected to open in 2011). Also, to accommodate the increasing number of tourists, an airport expansion plan that includes a second runway is being deliberated, which should enhance the airport's logistics capabilities dramatically.



Underwater Tunnel



Naha International Airport

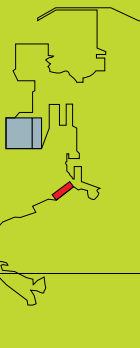
Airline's Naha Airport Cargo Hub Initiative

As an initiative to build an international air logistics network capable of competing on a global level that enables point-to-multipoint connections between Japan and other Asian countries, a Japanese air carrier has proposed a plan to establish an air cargo hub linking major cities of Asia and Japan at Naha Airport. It is expected that efficient transport services (scheduled to launch in 2009) will be readily available.



Promotion of Cruise Tourism

Naha Port is located about 650km away from Kyushu, the southernmost region of mainland Japan, 620km from Taiwan, and 820km from Shanghai - ideal for an island hopping tour on cruise ships. Okinawa's vast sea area stretches for 1,000km east to west, and for 400km north to south, is replete with coral reefs and stocked with a cornucopia of natural wonders. Numerous islands large and small with unique cultures are scattered in the area. Naha Port, as a gateway to this magnificent place, is grabbing worldwide attention as an international cruise tourism base of East Asia.



Cruise Ships and Resort Concept

Exclusive Berth for Cruise Ships

Generating nearly 60 regular and occasional international cruise ship visits a year, Naha Port is one of Japan's most popular cruise ship stops, and the number is expected to continually increase in coming years.

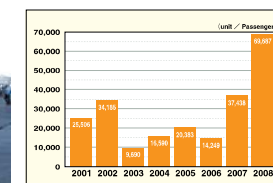
The port is currently not equipped with a special quay to accommodate large cruise ships and necessitates the use of the general cargo quay. It was consequently decided to build a new cruise ship berth in the Tomari Wharf area (Wakasa green park site) located near the city center. The construction started in November 2007, with service launch scheduled for 2009.

From the new cruise ship berth, it is only a 15-minute stroll to downtown Naha and Kokusai Main Street. How about relaxing on Naminoue beach of dazzling white sand or at Fukushuen Chinese Garden?

We aspire to become the international exchange hub of southern Japan and to develop our facilities as an international cruise hub.



The Diamond Princess (110,000ton) at Naha Port



Trends in No. of Passengers on Cruise Ships Entering Naha Port



Exclusive Cruise Ship Berth (Image)

Japan's Largest Marine Resort

Resort Okinawa

Some of the most popular resort destinations like Taiwan, the northern Hawaii Islands, the California Peninsula, the Florida Peninsula, Miami, and the Bahamas are all located on the same latitude as Okinawa.

About 1.3 million people live on the total land area of 2,200km², comprised of 60 odd islands large and small. The main four islands, however, are mainland Okinawa, where Naha Port is located, Miyako Island, Ishigaki Island, and Iriomote Island. Yonaguni Island, famously known for its "mysterious underwater ruins," is situated just by the border and is only 101km away from Taiwan. One could see the island shadow of Taiwan in the western horizon on a fine day.

Average temperature is 22.4°C, and annual mean precipitation is 2,000mm. It is the only prefecture in Japan that has a subtropical oceanic climate, and because of the warm current (Kuroshio) on the equator, winters in Okinawa are warm and the temperature rarely ever slips below 10°C. In the summer Okinawa turns into a marine resort for mainly families and young adults who come to enjoy diving and fun on the beach, and in the winter it welcomes senior adults who fly in to escape the bitter weather in mainland Japan. Professional baseball teams and other sports teams hold their spring training in Okinawa also. All this makes Okinawa one of Japan's best resort destinations, with more than six million visitors each year and events throughout the year.

This is Okinawa - the island where time freezes.



Snorkeling



Resort Hotel



Ecotourism



Beach

Culture of the Ryukyu Kingdom and Tourism

World Heritage

Okinawa is not only about coral reefs and nature. In the 15th Century, the Ryukyu Kingdom prospered through tribute trade with China, and it reached its pinnacle through "intermediary trade," linking Korea, Southeastern countries, and Japan.

Through the trade with Asian countries, various techniques and cultures such as pottery, textile weaving, and lacquerware were imported and disseminated among Okinawa people, and by integrating them, a distinct and unique culture unseen in mainland Japan was born.

In December 2000, nine sites - Gusuku Sites and Related Properties of the Kingdom of Ryukyu - were registered as world heritages, which included Shuri Castle and its thickly lined ramparts, Shikina-En, which was a second house of the royal family, and the Royal Mausoleum, which demonstrates the brilliant stonework techniques of the Kingdom era.



Shuri Castle



Shikina-En



Katsuren Castle Ruins

Tourist Spots

Okinawa Churaumi Aquarium is famous for the world's largest acrylic glass panel on its main water tank, and getting a panoramic view of a 7m-long whale shark swim about is truly an overwhelming experience.

Okinawa also boasts Japan's best limestone cave, with more than 950,000 stalactites, and a theme park where visitors can experience traditional craftwork like pottery and glass art, as well as traditional performing arts. There is also an outlet shopping mall that mainly features European luxury brands, having 55 shops and 70 brands in total, and golf courses with fine grass even in the winter. Restaurants come in all cuisine styles, where visitors can indulge in various delicacies of the world, including Japanese beef steak, which has become a world-famous luxury brand in itself.

Accommodation facilities are abundant as well and come in all sizes and forms, from luxurious resort hotels where Asian millionaires are known to stay in anonymity, to hostels for backpackers.



Okinawa Churaumi Aquarium



Whale Watching



Golf Course