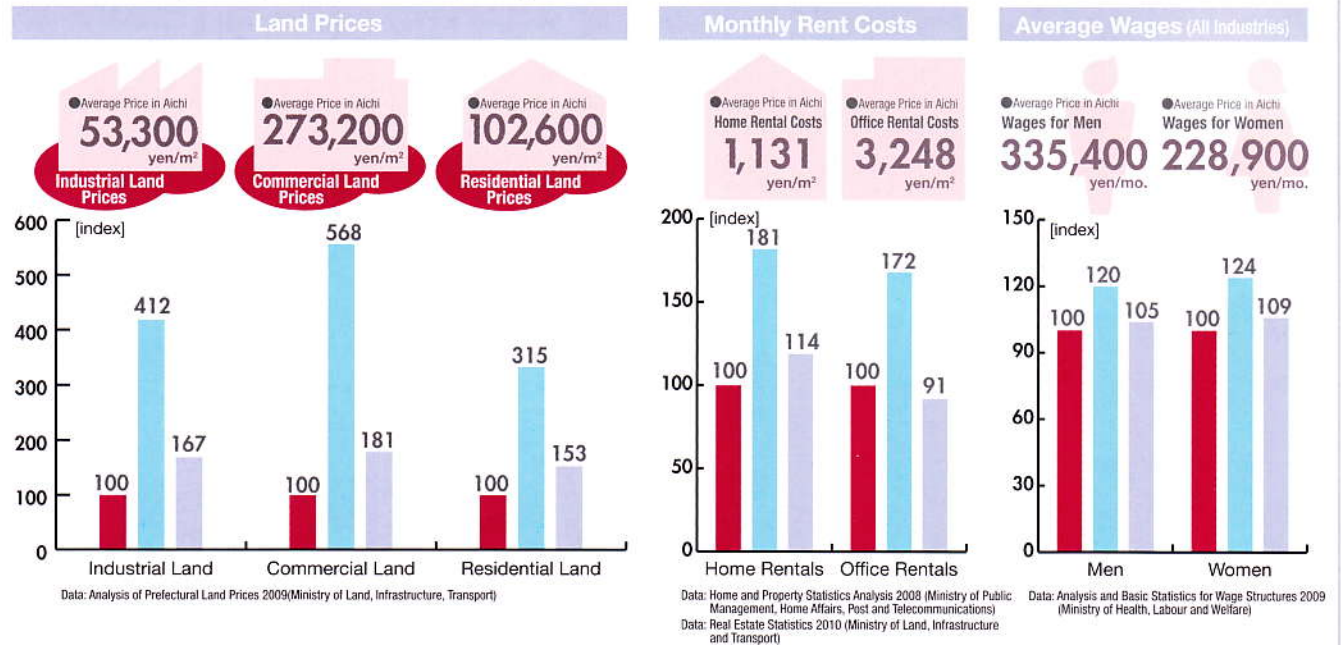


Low costs and good incentives make expansion easy.

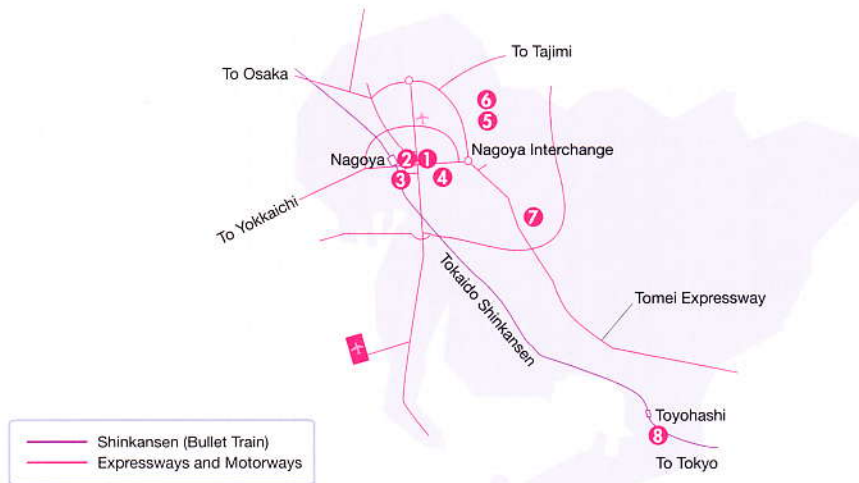
● Cost Comparison of Japan's Three Major Metropolitan Areas

Among the three major metropolises, the ease of expanding into Aichi stands out.



● Information and Office Space for Entrepreneurs

Support is available in Aichi for entrepreneurs and for small and medium-sized businesses branching into new areas.



1 Aichi Venture House



2 JETRO Invest Japan Business Support Center



3 Toyohashi Science Core

No.	Name	Area	Rooms	Cost to Tenants (Monthly)
1	Aichi Venture House	Naka-ku, Nagoya	25	Rent: free / actual: ¥2,500 (per m ²) or so
2	JETRO Invest Japan Business Support Center	Naka-ku, Nagoya	4	Rent: free / actual: transportation fares or so
3	Nagoya Business Incubator Kanayama	Nakagawa-ku, Nagoya	24	Rent: ¥2,900 / service fee: ¥1,100 (per m ²) or so
4	Nagoya Business Incubator Shirakane	Showa-ku, Nagoya	48	Rent: ¥2,900 / service fee: ¥1,100 (per m ²) or so
5	Creation Core Nagoya	Moriyama-ku, Nagoya	19	Rent: ¥131,040-510,720 or so
6	Science Exchange Plaza	Moriyama-ku, Nagoya	10	Rent: ¥63,420-78,907 or so
7	Toyota New Industry Plaza e-Office	Toyota	7	Rent: free / service fee: ¥10,000-15,000 or so
8	Toyohashi Science Core	Toyohashi	27	Rent: ¥21,000-164,673 or so

Note: There may be times when all facilities are booked, and hence unavailable. Please do not hesitate to contact I-BAC. (See back cover for details.) There are many other incubator facilities in addition to above mentioned facilities.

Aichi is the most affordable of Japan's three major metropolitan areas for property prices, rent, and wages. There's also a system in place to provide support and subsidies for expanding businesses.

Incentives Overview

Subsidies for Cutting-Edge Industries

1. Direct subsidies for businesses

Requirements for a subsidy	Applicable facilities	Expense of acquiring fixed property (excluding land)	Number of new employees
	Factories	5 billion yen or more	20 or more
	Research laboratories	Large companies: 500 million yen or more, Small and medium-sized companies: 200 million yen or more	No requirement
Expenses to be subsidized	Expense of acquiring fixed property (excluding land)		Subsidy amount
	Factories	Up to 10% of applicable expenses (up to 5% of expenses if you install new facilities in existing factories)	Up to 1 billion yen
	Research laboratories	Up to 20% of applicable expenses (up to 10% of expenses if you install new facilities in existing research laboratory)	
Applicable fields	1. health and longevity 2. energy and the environment 3. aerospace 4. advanced materials 5. nanotechnology 6. biotechnology 7. information technology 8. and other highly advanced technology fields as approved by the governor		

2. Indirect municipal subsidies

Requirements for a subsidy	Applicable facilities	Applicable companies	Expense of acquiring fixed property (excluding land)	Number of new employees
	Factories	Small and medium-sized companies	200 million yen or more	5 or more
Expenses to be subsidized	Expense of acquiring fixed property (excluding land)		Subsidy amount	Up to 500 million yen
Subsidy rates	Up to 10% of applicable expenses (5% of factory leasing costs) or up to half the value of the subsidy given by the municipality (one-quarter of the subsidy amount given by the city if you install new facilities in existing factories), whichever is less			
Applicable fields	1. health and longevity 2. energy and the environment 3. aerospace 4. advanced materials 5. nanotechnology 6. biotechnology 7. information technology 8. and other highly advanced technology fields as approved by the governor			

New Business Promotion Tax Incentives (Abatement of real estate acquisition tax)

Applicable period	The period from the date an area is designated until March 31, 2013
Prerequisites	To qualify, your business must fall under either of the following categories: 1. Investment in facilities* amounts to 100,000 yen or more. *Premises and depreciating fixed assets (excluding land) 2. Your business has at least 5 full-time employees.
Reduction Amount	Small and medium-sized business owners: an amount equal to three-quarters of your property acquisition tax Other (large companies): an amount equal to one-half of your property acquisition tax.

Fund Loan Program for Attracting Companies

Loan eligibility	① Small and medium-sized companies located in Aichi and engaged in manufacturing and in need of a "suitably located" factory, in goods distribution (limited to road freight transport, water transport, warehousing, and subsidiary service for transport), in printing (newspapers and publishers excluded), in software, or in information processing services can qualify. "Suitable locations" for factories include: 1. Locations listed by the Factory Location Act 2. Factory zones, standard industrial zones, and special industrial zones designated by the City Planning Law 3. Industrial sites developed by the Aichi Public Enterprise Bureau or Aichi municipalities (including service associations, regional public corporations, and public enterprises) 4. Vacant lots where factories were previously situated 5. Other areas designated by the governor as suitable industrial sites ② Small and medium-sized companies approved under the New Business Facilities Establishment Plan and the Business Innovation Plan under the Business Facilities Promotion Law.
Maximum amount	One billion yen (200 million yen normally, one billion yen until March 31, 2013)
Objectives	To be used for equipment expenses and working capital required for setting up or purchasing new plants etc.
Periods and interest rates	① Equipment expenses 3 years: 1.6% annually, up to 5 years: 1.7% annually, up to 7 years: 1.8% annually, up to 10 years: 1.9% annually ② Equipment expenses and working capital 3 years: 1.6% annually, up to 5 years: 1.7% annually, up to 7 years: 1.8% annually (Note: interest rates may be subject to change.)

Tax Incentives for New Businesses Under the Business Facilities Promotion Law

Applicable requirements	Facilities that will contribute to greater improvement in the production and manufacturing of new products, and which cost the following amounts: • Buildings: buildings that cost 500 million yen or more (*50 million yen or more) to acquire • Machinery: machinery that costs 10 million yen (*5 million yen) or more per unit to acquire, and costs 300 million yen (*40 million yen) or more in total. *The lower amounts apply to food producers and companies in the agriculture, forestry, and fishing sectors.
Special depreciation rates	Buildings: 8%, machinery: 15%

Long-Term Installment Payment System for Real Estate Subdivisions (applicable to industrial sites owned by the Aichi Public Enterprise Bureau)

Period	Up to 10 years (up to ten times including the initial payment)
Amount of initial payment	10% or more of the contracted amount (to be paid within 15 days from the day after the contract is concluded)
Payment method	Payment must be made in equal annual installments of the amount remaining after deducting the initial payment from the contracted amount (payment date: the response deadline date of the contract)

Land Lease System (applicable to industrial sites owned by the Aichi Public Enterprise Bureau)

Uses	For industrial/distribution/commercial use	Lease type	Enterprise lease (10-20 years)
Annual rent	Land price × 3% + tax and public dues (Note: Tax and public dues are the amount equivalent to fixed property taxes.) A 50% discount on the annual lease fee is applicable during construction of facilities for a maximum of six months.		
One-time payment	Deposit: Monthly rent × rent for 12-24 months	Key money: N/A	
Introductory areas	<ul style="list-style-type: none"> Inland areas: (1) Nukata Nambu (2) Toyohashi-Ishimaki-Nishigawa (3) Miyoshi-Kurozasa (4) Shinshiro Nambu (5) Toyohashi-Wakamatsu Coastal areas: (1) Mito No. 2 (2) Kinuura No. 14 (3) Tahara No. 1 Central Japan Airport City 		

Foreign Company Incentive Program (*Support through the Greater Nagoya Initiative)

Eligible companies	Companies that are at least 50% foreign-owned, and that are establishing new companies or branches in the Greater Nagoya region (Aichi, Gifu, and Mie Prefectures)
Eligible expenses	① Costs for procedural requirements for establishing the company in the Greater Nagoya area: Consultation and expenses for specialists in company registration and visa applications, including legal advisors, judicial scrivener, certified public accountant, licensed tax accountant, administrative consultant, and public consultant on social and labor insurance. (Translating expenses are included) *Tax and public dues such as the registration and license tax and stamp fees are excluded. ② Expenses necessary for personnel recruitment, brokerage costs for leasing office, market relevance etc. research expenses, consultant fee for the market research etc *Tax and public dues such as the registration and license tax and stamp fees are excluded.
Support funds	① up to 500,000 yen per company ② up to 1 million yen per company