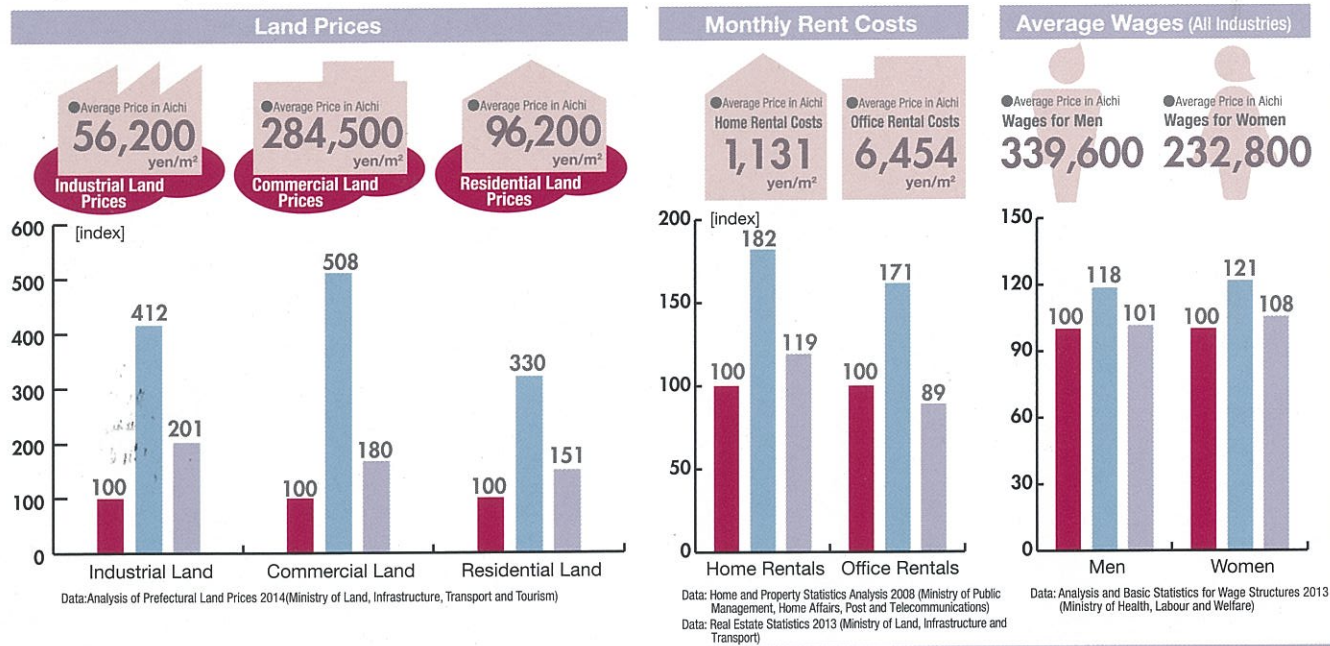


Low costs and good incentives make expansion easy.

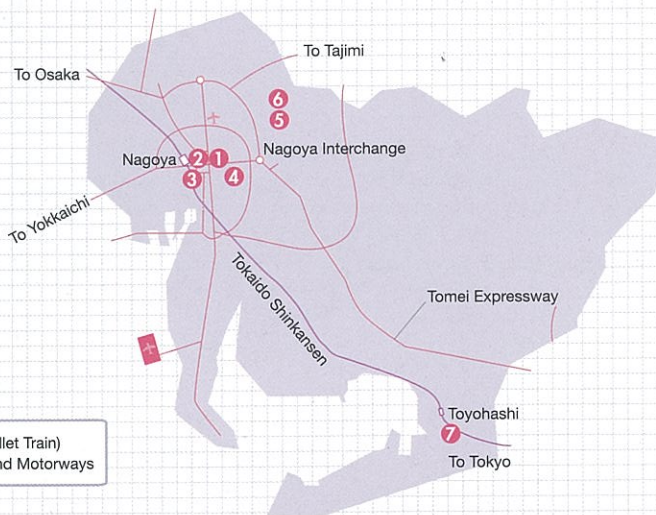
● Cost Comparison of Japan's Three Major Metropolitan Areas

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 Nagoya



7 Toyohashi Science Core

No.	Name	Area	Rooms	Cost to Tenants (Monthly)
1	Aichi Venture House	Naka-ku, Nagoya	25	Rent: free / actual: ¥3,000 (per m ²) or so
2	JETRO Invest Japan Business Support Center Nagoya	Nakamura, Nagoya	2	Rent: free / actual: transportation fares or so/ Tenancy period: Up to 50 business days in principle
3	Nagoya Business Incubator Kanayama	Nakagawa-ku, Nagoya	23	Rent: 2,300 yen–2,900 yen (per 1m ² , excl. tax)
4	Nagoya Business Incubator Shirakane	Showa-ku, Nagoya	47	Charge for common area: 900 yen (per 1m ² , excl. tax)
5	Creation Core Nagoya	Moriyama-ku, Nagoya	19	Rent: ¥134,784–525,312 or so
6	Science Exchange Plaza	Moriyama-ku, Nagoya	10	Rent: ¥65,232–81,162 or so
7	Toyohashi Science Core	Toyohashi	63	Rent: ¥21,000–240,000 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

Subsidy program to promote Investments in the Cutting-Edge Sectors of the 21st Century

Requirements for a subsidy	Applicable facilities	Expense of acquiring fixed property (excluding land)		Number of new hired full-time employees
	Factories	Large companies : 5 billion yen or more	SMEs : 200 million yen or more	
Research laboratories	Large companies : 500 million yen or more	SMEs : 200 million yen or more		
Eligible expenses	Expense of acquiring fixed property (excluding land)		Subsidy amount	up to 10 billion yen (For investments under 30 billion yen, subsidies up to 1 billion yen)
Subsidy rates	Factories	10% will be applied to new facilities, and 5% in existing facilities.		For investments under 30 billion yen, the amount above 30 billion yen receives a 5% subsidy.
	Research laboratories	20% will be applied to new facilities, and 10% in existing facilities.		
Applicable fields	1. aerospace 2. environment / new energies 3. health and longevity 4. advanced materials 5. nanotechnologies 6. biotechnologies 7. IT			

※ Application must be submitted by 30 days before commencement of construction works
※ A screening committee will approve the companies to be subsidized.

Subsidy program to promote Investments for the Creation of New Aichi

TypeA Support company reinvestment within the prefecture in collaboration with municipalities

Applicable fields	1. vehicle, aerospace, environment/new energies, robots, IT, health and longevity, and other fields approved by the Governor 2. All fields designated in the basic plan are based on the Act on Formation and Development of Regional Industrial Clusters through Promotion of Establishment of New Business Facilities.			
Requirements for a subsidy	Applicable fields	investment amount		Number of full-time employee
	Facilities operated in Aichi Prefecture for over 20 years	Large companies	2,5 billion yen or more	
	SMEs	100 million yen or more		25 or more must be maintained
Eligible expenses	Expenses for the acquisition of fixed assets (excluding land cost)		Amount Limit	1 billion (Support from the prefectural government: 500million yen)
Subsidy rates	10% (Support from the prefectural government: 5%)			

TypeB Support the establishment companies in fields at the core of the supply chain

Applicable fields	Regarding Point1, relevant fields are ① Fields of materials and parts at the core of the supply chain ② Fields belonging to expanding markets				
Requirements for a subsidy	Factories	investment amount		Number of full-time employee	
		Large companies	① 500 million yen or more ② 5 billion yen or more	20 or more increase in the number of full-time employees	
		SMEs	20 million yen or more	5 or more increase in the number of full-time employees	
Eligible expenses	Expenses for the acquisition of fixed assets (excluding land cost)		Amount Limit	1 billion yen	
Subsidy rates	10% (The rate is reduced to 5% for equipment investments at existing plants)				

※ Application must be submitted by 30 days before commencement of construction works
※ A screening committee will approve the companies to be subsidized.

Subsidy program to Support R&D for the Creation of New Aichi

Applicable fields	(1) next generation vehicle, aerospace, environment/new energies, robots, IT, health and longevity, and other field approved by the Governor (For R&D only) (2) All technology fields designated by the SME Manufacturing Technology Enhancement Law (3) All technology fields supports by Aichi Center for industry and Science Technology			
Subsidy requirements	Following types of R&D performed by companies, etc. which a facility in Aichi.		Applicable proving tests for companies, etc. to perform in Aichi.	
	① In the case of SMEs, consortiums, etc., in general, R&D is performed in collaboration with a public R&D institute. Including collaborations between companies from different industries and external institutions. ② In the case of Large companies, in general, R&D is performed by a consortium where industries, academia, and governments collaborate.			① Proving tests which utilize the technologies related to next generation growth field or local strength and are performed in collaboration with municipalities. Including collaborations between companies from different industries and external institutions. ② Proving tests which can enhance the technologies related to next-generation growth field, or commercially viable technologies that improve Aichi industry's competitiveness.
Eligible expenses	Parts/materials costs, machinery costs, commission/outsourcing costs, personnel expenses required for receiving technological support (except one's own labor costs), and travel expenses required for the implementation of collaboration among industries, etc.		Parts/materials costs, machinery costs, commission/outsourcing costs, personnel expenses required for demonstration tests, demonstration tests cooperation expenses, promotion expenses, overhead costs, personnel expenses required for receiving technological support (except one's own labor costs), and travel expenses required for the implementation of collaboration among industries, etc.	
Amount Limit	200 million yen In the case of SMEs, generally 100 million yen		Subsidy rates	In general, 1/2 for Large companies and 2/3 in all other cases

※ A screening committee will select the companies to be subsidized.

New Business Promotion Tax Incentives (Abatement of Real Estate Acquisition Tax)

Target business	Aerospace manufacturing	Businesses (e.g.manufacturing) designated by the governor for each target area
Target period	From the designated date to 31 March 2016	Same as on the left
Requirements	The establishment must have: 1. An amount of capital investment* of more than 100 million yen *Expenses to acquire buildings or depreciation assets (except land) 2. Five or more full-time employees 3. In principle, business operations must commence within six months after acquisition of a building. 4. The production volume or sales of products from business operations subject to exemption must be 50% or higher for the three-month period from the date of commencement of the business	Same as on the left (1, 2)
Mitigation cost	The amount of the real estate acquisition tax	Small-and-medium-sized companies 3/4 of the real estate acquisition tax Other (large-sized companies)..... 1/2 of the real estate acquisition tax

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 date of the contract)

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

Uses	For industrial/distribution use		Lease type	Fixed-term leasehold for business purposes (10-20 years)
Annual rent	Land price x 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 x rent for 12-24 months Key money: N/A			
Introductory areas	①Kinuura No.14 ②Mito No.1 ③Mito No.2 ④Jinno Nishi No.1 ⑤Tahara No.1(no.1 area and wharf area) Contact us for more information about 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, account, administrative consultant, and public consultant on social and labor insurance. (Translating expenses are included) ※ Tax and public dues such as the registration and licence tax and stamp fees are expended. 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 licence tax and stamp fees are excluded.	
Support funds	① up to 500,000 yen per company ② up to 500,000 yen per company	