

Japan Made Easier: Government Assistance for U.S. Companies Expanding in Japan

Japan External Trade Organization (JETRO)

March 13, 2013

About JETRO

- Founded: 1958
- Headquarters: Tokyo, Japan
- Purpose: Promote trade and investment between Japan and the rest of the world
- Domestic (Japan) offices: 38 offices
- Overseas offices: 70+ offices in 55 countries (including 6 offices in the U.S.)
- Employees: 1,500+



JETRO San Francisco Clientele

- 8-state region from N. California to Alaska
- 40 new clients per year (400 per year worldwide)
- Large and small, public and private
- Cleantech, IT, service, retail, manufacturing, other
- Past clients: Earthquake Protection Systems, SunPower, RAE Systems, other
- Realize Japan's advantages
- Export first → Invest later

Success Story (Tesla Motors)

- Business: luxury **electric vehicle** design, manufacturing, and sales
- Japan market entry: **export** then **invest** (sales and service center); investments from Toyota and Panasonic for development of EVs and next generation batteries
- JETRO services used: regulatory guidance, introductions, location finding, temporary office space



Success Story (NeoPhotonics)

- Business: **optical fiber module** design, manufacture, and sales
- Japan Market Entry: **export** then **invest** (sales and support, R&D, and supply)
- JETRO Services: temporary office space, incorporation, subsidy, referrals to service providers, PR support



NeoPhotonics

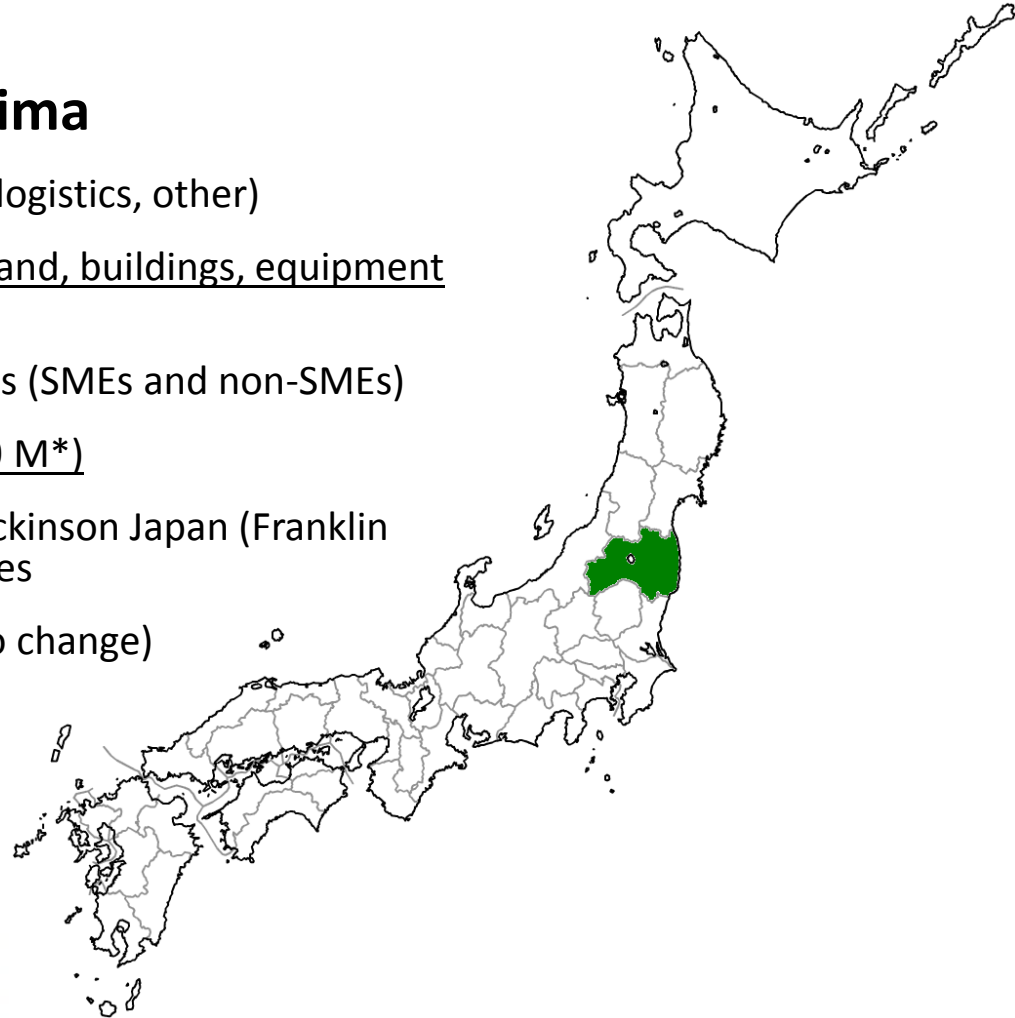
Free Services to Help U.S. Companies Expand in the Japanese Market

- Market intelligence
- Guidance on regulations
- Introductions to potential partners
- Guidance on cultural considerations
- Assistance with Japan office set-up
- PR support
- Information on incentives

Japan's Location-based Incentives

- **Subsidy for Locating in Fukushima**
 - For: establishment of companies (mfg, logistics, other)
 - Qualified costs: initial costs to acquire land, buildings, equipment (purchase or lease)
 - Subsidy rate: up to 3/4 of qualified costs (SMEs and non-SMEs)
 - Maximum amount: 20 billion yen (\$250 M*)
 - Example of selected project: Becton Dickinson Japan (Franklin Lakes, NJ-based parent) / Medical devices
 - Next offering: Summer 2013 (subject to change)

*At 80 yen per dollar

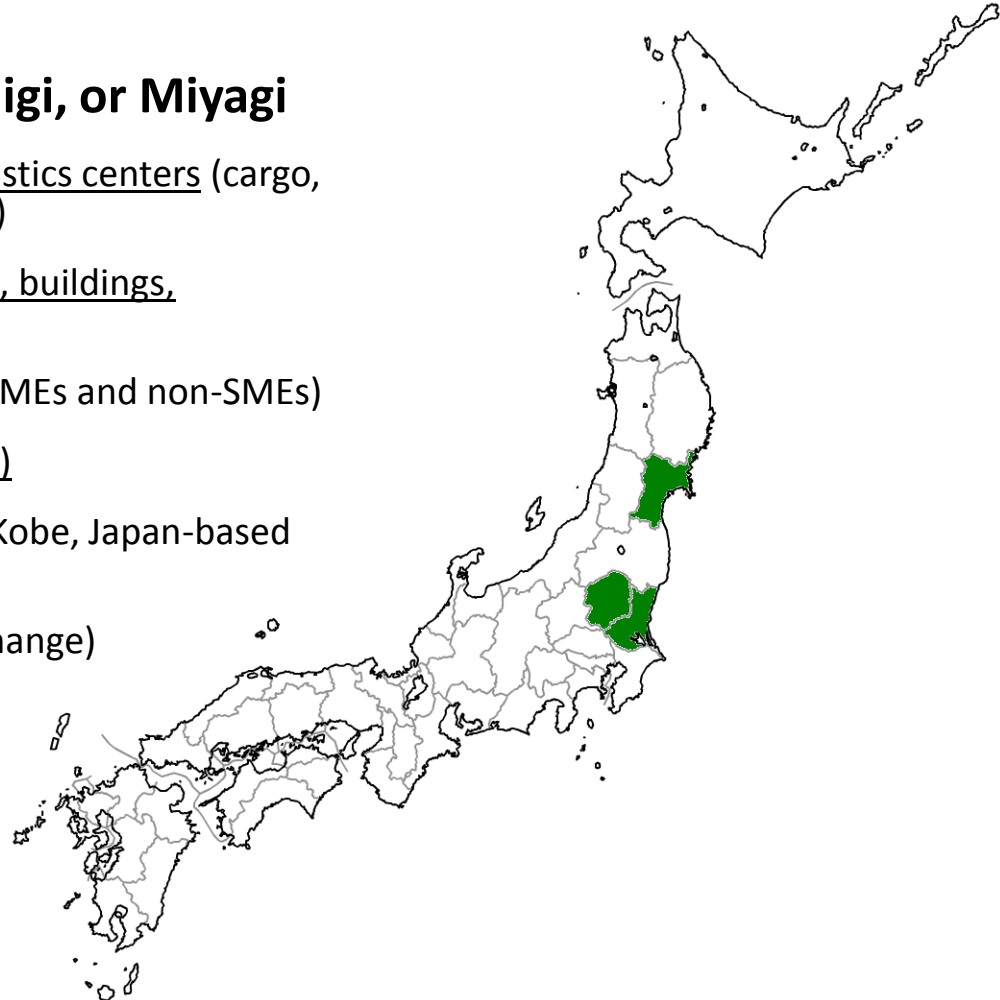


Japan's Location-based Incentives (cont.)

• Subsidy for Locating in Ibaraki, Tochigi, or Miyagi

- For: establishment of factories (any) or logistics centers (cargo, warehousing, forwarding, wholesale, other)
- Qualified costs: initial costs to acquire land, buildings, equipment (purchase or lease)
- Subsidy rate: up to 1/4 of qualified costs (SMEs and non-SMEs)
- Maximum amount: 3 billion yen (\$37.5 M*)
- Example of selected project: NEOS Japan (Kobe, Japan-based parent) / Eco-friendly chemicals / Tochigi
- Next offering: June-July 2013 (subject to change)

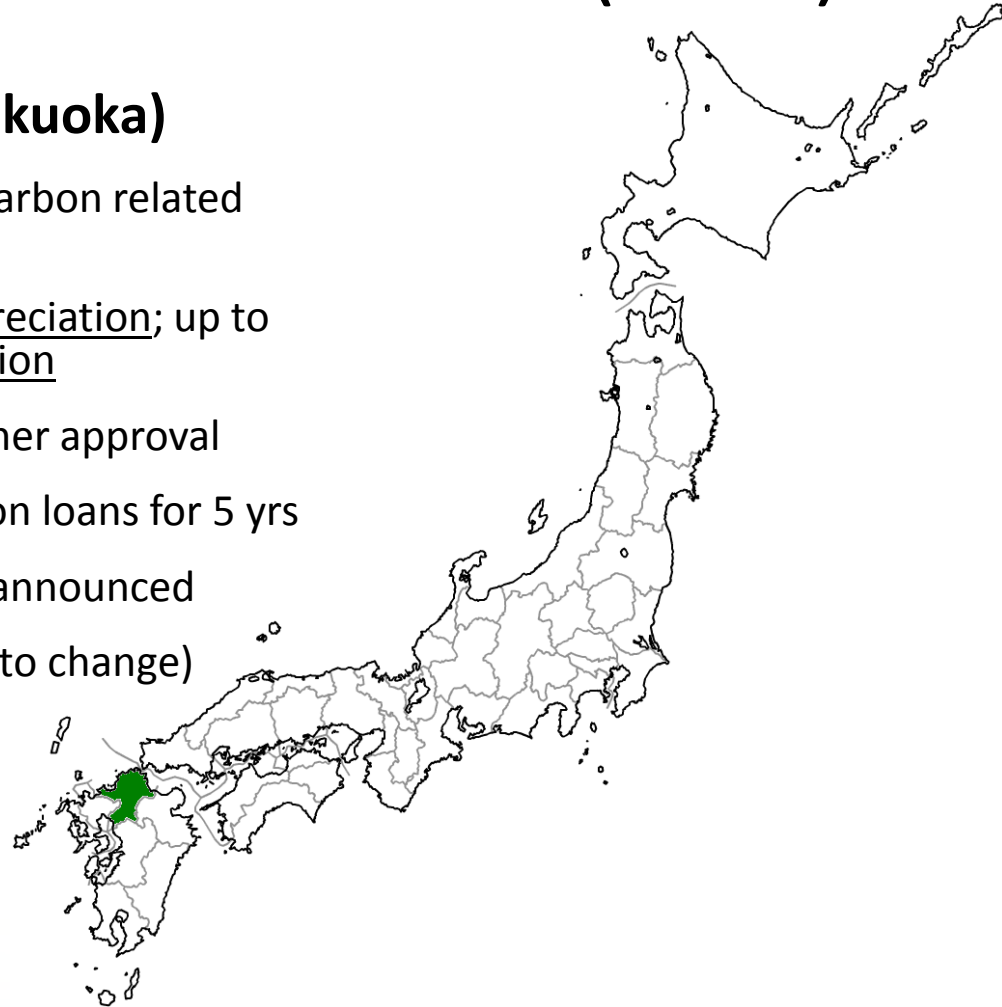
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Japan's Location-based Incentives (cont.)

- **Comprehensive Special Zone (Fukuoka)**

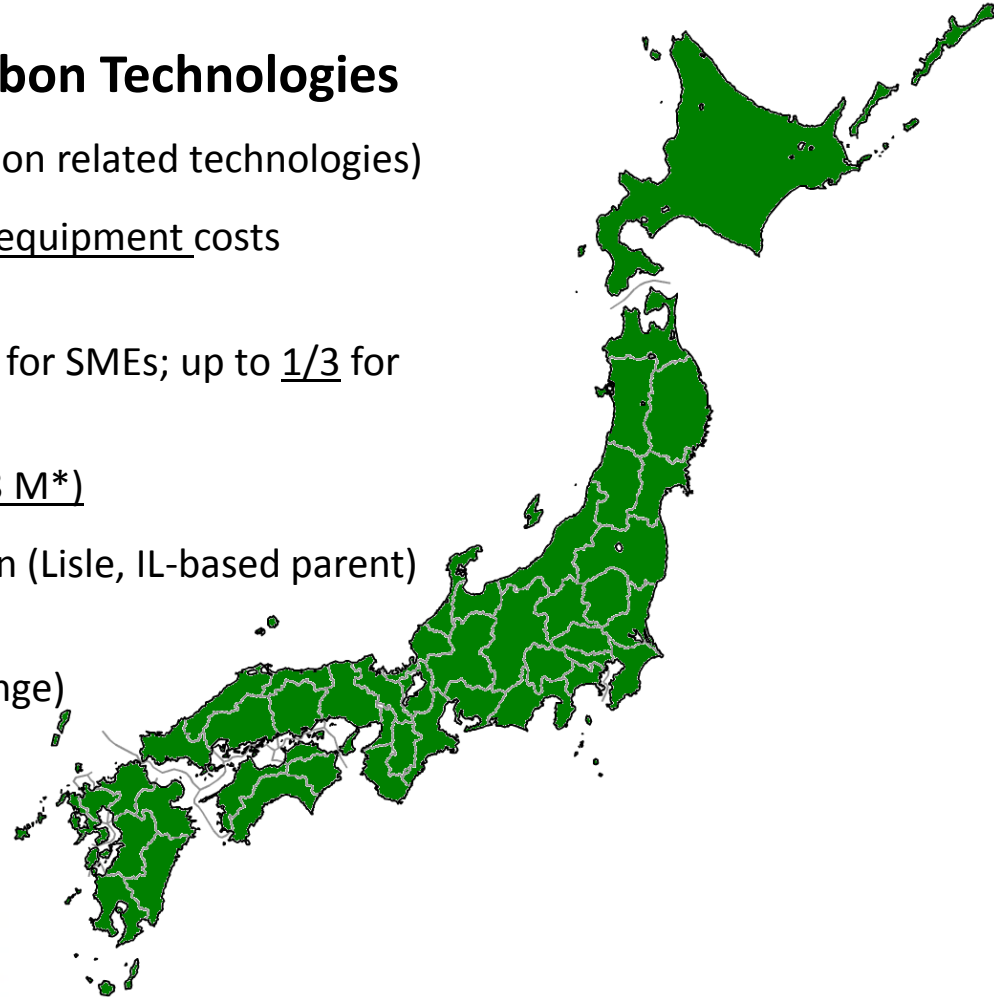
- For: establishment of factories (low-carbon related technologies)
- Tax incentives: up to 50% special depreciation; up to 15% tax credit; or 20% income deduction
- Regulatory exceptions: zoning and other approval
- Financial support: 0.7% interest rate on loans for 5 yrs
- Example of selected project: Not yet announced
- Next offering: Summer 2013 (subject to change)



Japan's Industry-based Incentives

- **Subsidy for Production of Low-Carbon Technologies**
 - For: establishment of factories (low-carbon related technologies)
 - Qualified costs: survey design costs and equipment costs (purchase or lease)
 - Subsidy rate: up to 1/2 of qualified costs for SMEs; up to 1/3 for non-SMEs
 - Maximum amount: 1.5 billion yen (\$18.8 M*)
 - Example of selected project: Molex Japan (Lisle, IL-based parent) / LED related materials / Kagoshima
 - Next offering: June 2013 (subject to change)

*At 80 yen per dollar



Japan's Industry-based Incentives (cont.)

- **Feed-in Tariff (renewable energy)**
 - For: generation of electricity from renewable sources

Solar	42 yen / kWh (>10 kWh)	42 yen / kWh (<10 kWh)
Wind	23.1 yen / kWh (>20 kWh)	57.75 yen / kWh (<20 kWh)
Hydro	25.2 yen / kWh (1k-30k kWh)	30.45 yen / kWh (200-1k kWh)
Geothermal	27.3 yen / kWh (>15k kWh)	42 yen / kWh (<15k kWh)
Biomass	Methane	40.95 yen / kWh
	Wood	25.2 yen / kWh

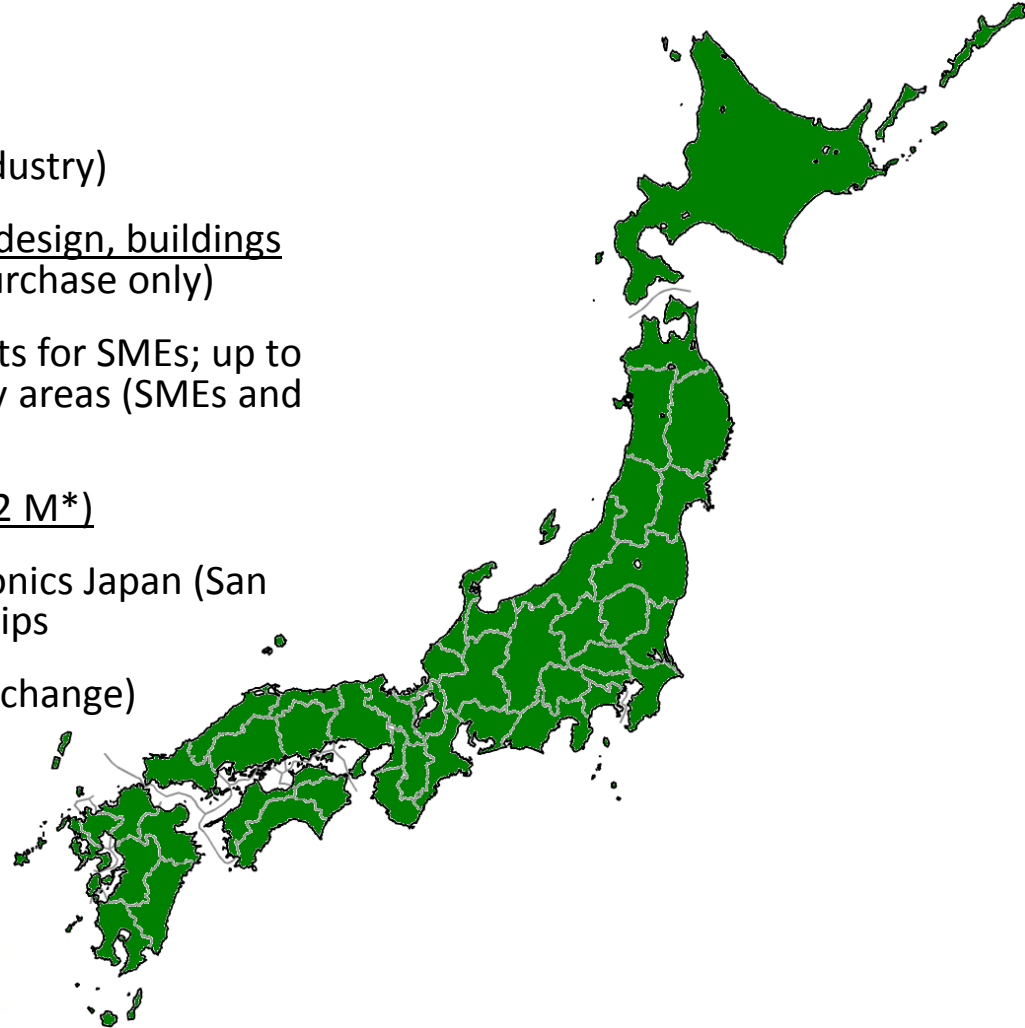
- Requirements: measurement system certification, maintenance system certification, contract with power company, and in some cases product certification (JIS)
- Rates locked for 10-20 years if accepted before April 1, 2013

Japan's Other Incentives

• Subsidy for R&D Site

- For: establishment of R&D site (any industry)
- Qualified costs: initial costs for survey design, buildings (purchase or lease), and equipment (purchase only)
- Subsidy rate: up to 1/2 of qualified costs for SMEs; up to 1/3 for non-SMEs; up to 2/3 in recovery areas (SMEs and non-SMEs)
- Maximum amount: 0.5 billion yen (\$6.2 M*)
- Example of selected project: NeoPhotonics Japan (San Jose, CA-based parent) / Photonic IC chips
- Next offering: August 2013 (subject to change)

*At 80 yen per dollar



Japan's Other Incentives (cont.)

- Preferential treatment for highly skilled **visa acquisition**
 - 5-year period of stay
 - Permission for multiple activities
 - Working permission for spouses
- Subsidy for **company registration** (any industry)
 - 20% of fees
- Subsidized **tax and legal consultation** (any industry)
- Subsidized **temporary office space** (any industry)
 - Select cities throughout Japan

Thank you

For questions:

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