



An Incentives Guide to

BUSINESS IN YOKOHAMA



JETRO

JAPAN EXTERNAL TRADE ORGANIZATION

TABLE OF CONTENTS

01		A. REGIONAL OVERVIEW
02		B. LOGISTICS & INFRASTRUCTURE
04		C. INDUSTRIAL INFORMATION
05		D. BUSINESS INCENTIVES OVERVIEW
06		E. SUBSIDY PROGRAMS
10		F. INTERNATIONAL BUSINESS FACILITIES
14		G. BUSINESS SUPPORT PROGRAMS
17		H. JETRO BUSINESS ASSISTANCE

A. REGIONAL OVERVIEW

I. OVERVIEW

Since opening its port to international trade in 1859 (the first port in Japan to do so in 220 years), Yokohama has established itself as an international setting for business, trade, and innovation. Now a modern metropolis of 3.7 million people and a GDP (PPP) of approximately \$125 billion, Yokohama continues to draw international businesses and new technologies to itself.¹

II. YOKOHAMA FACTS

Yokohama has a GDP (PPP) of \$125 billion, almost equal to Sacramento or Copenhagen.²

The second largest city in Japan after Tokyo, with 3.7 million inhabitants.³

Within average commuting distance for nearly one-third of Japan's total population.⁴

The average cost of office rent in Yokohama is 60% than that of Tokyo.⁵

1 Institute for Global Environmental Strategies: http://www.iges.or.jp/isap/2014/PDF/pl11/pl11_09_nomura.pdf

2 Brookings Institute: <http://www.brookings.edu/research/reports2/2015/01/22-global-metro-monitor>

3 Japan External Trade Organization: <https://www.jetro.go.jp/en/invest/region/yokohama-city.html>

4 Ministry of Internal Affairs and Communications via Hatena Blog: <http://bit.ly/1RcGf4r>

5 City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/pdf/pamphulet-en.pdf>

B. YOKOHAMA TRANSPORTATION

I. OVERVIEW

Yokohama enjoys much of the same high-quality urban planning that nearby Tokyo does. The city is a 30 minute trip from the international Haneda Airport and a 40 minute trip from Tokyo Station by the JR line.

Yokohama is also connected to its surrounding wards by several major expressways, including the scenic Bayshore Route. Yokohama's most famous transportation, however, comes from its Port. Yokohama is the third-busiest port in Japan, pulling in more cargo and ships than the Port of Tokyo or Port of Osaka-Kobe.¹



¹ America Association of Port Authorities: <http://www.aapa-ports.org/Industry/content.cfm?ItemNumber=900>

B. YOKOHAMA TRANSPORTATION

II. TRANSPORTATION FACTS

A thirty-minute trip from downtown Yokohama to Haneda International Airport; Haneda is the only airport in proximity open 24/7, with multiple international flights to Europe, the Americas, and the Middle East every day. Haneda international flights are often scheduled to help businessmen avoid traveling during normal business hours.¹

Connected to Tokyo and Nagoya by the Shinkansen high-speed rail. The trip from Yokohama to Tokyo is 15 minutes by Shinkansen and 25 minutes by the regular JR line.²

The Port of Yokohama is the third-busiest port in Japan; in 2013, the port saw over 119 million tons of cargo handled, more than the Port of New York/New Jersey.³

The city is connected to Tokyo and the Chiba Prefecture by several major routes, including the prominent Bayshore Route.

1 Ministry of Land, Infrastructure, Transport and Tourism: http://www.mlit.go.jp/koku/15_hf_000051.html

2 Japan Guide: <http://www.japan-guide.com/e/e2360.html>

3 America Association of Port Authorities: <http://www.aapa-ports.org/Industry/content.cfm?ItemNumber=900>

C. INDUSTRIAL INFORMATION

I. OVERVIEW

Yokohama attracts businesses of various sizes and industries, from world class enterprises to small and medium sized companies with advanced technologies. Although the city promotes a diverse range of industries, Yokohama has made a name for itself in the IT and life sciences industries; nearly 3,500 IT-related companies call Yokohama home, including a Samsung Research Institute, Apple Inc. research and development center, and Taiwan Semiconductor Manufacturing Company Ltd.¹

Yokohama is the second most-favored city for foreign companies after Tokyo due to its biotech industry concentration, lower rent rates, and close proximity to Japan's capital.

I. PRINCIPAL INDUSTRIES²

IT
Semiconductor
Biotechnology & Life Sciences
Wholesale/Retail
Transportation & Telecommunications

II. FOREIGN COMPANIES²

Bosch
ARM K.K.
Cadence Design Systems, Japan
Wipro Ltd.
Thermo Fisher Scientific K.K

1 City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/industries.html>

2 Japan External Trade Organization: <https://www.jetro.go.jp/en/invest/region/yokohama-city/icinfo.html>

D. BUSINESS INCENTIVES OVERVIEW

I. OVERVIEW

To boost international competitiveness, the City of Yokohama has established several programs to assist foreign businesses seeking to establish an office in Yokohama.

These programs include a series of subsidy programs designed to lighten the cost of business set up, as well as business support programs and local industry networking opportunities.

II. PROGRAMS

E. LOCAL SUBSIDY PROGRAMS

F. INTERNATIONAL BUSINESS FACILITIES

G. BUSINESS SUPPORT PROGRAMS

E. SUBSIDY PROGRAMS OVERVIEW

I. OVERVIEW

With over ten Science and Engineering Graduate Schools¹, numerous research and development facilities, and a high concentration of both domestic and foreign-affiliated technology companies, the City of Yokohama has established itself as a growing focal point for companies seeking a cutting-edge research and development environment.²

To further attract foreign-affiliated companies to the area, the City has developed several subsidy programs designed to reduce the cost of burden on companies during the set up process.

II. SUBSIDY PROGRAM TYPES:

- **Business Location Incentives for Specially Designated Areas**
 - Land Purchase/Building Construction
 - Lease of Office Space or R&D Center
- **Growth Industries Program**

1 City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/pdf/pamphulet-en.pdf>

2 City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/industries.html>

E. SUBSIDY PROGRAMS

LAND PURCHASE & BUILDING CONSTRUCTION SUBSIDY¹

This subsidy program is available to foreign companies who purchase land or intend to construct a building in a specially designated area for the purpose of establishing offices, factories, research centers.*

Foreign companies who qualify for this subsidy can receive:

- 1) Tax reductions**
- 2) A subsidy of up to 5 billion yen**
- 3) Grant money for hiring citizens and subcontracting with local service providers**

* Eligibility for this subsidy does not exclude foreign companies from eligibility for other, similar subsidies offered by the Japanese government.

1 City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/pdf/pamphulet-en.pdf>

E. SUBSIDY PROGRAMS

LEASE OF OFFICE SPACE OR R&D CENTER SUBSIDY¹

Foreign companies who:

- 1) **Lease offices in the specially designated areas for the purpose of establishing a regional headquarters** OR
- 2) **Lease a research center for the purpose of conducting ongoing research and development**

are eligible for subsidies of up to 500 million yen, as well as grant money for hiring Japanese citizens.

¹ City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/pdf/pamphulet-en.pdf>

E. SUBSIDY PROGRAMS

GROWTH INDUSTRIES PROGRAM SUBSIDY¹

Foreign companies who invest in:

- 1) **Environment & Energy**
- 2) **Healthcare & Medical**
- 3) **MICE***

and lease an office space with the intent to promote such industries are eligible for a subsidy of up to 20 million yen.

*MICE: Meetings, Incentives, Conferences, and Exhibitions

1 City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/pdf/pamphulet-en.pdf>

F. INTERNATIONAL BUSINESS FACILITIES OVERVIEW

I. OVERVIEW

As part of developing itself as an international city, Yokohama offers several excellent office and research facilities designed to connect foreign-affiliated companies with other foreign and domestic talent.¹

II. INTERNATIONAL BUSINESS FACILITY TYPES:

- British Industry Center
- Canadian Industry and Trade Center
- FEMAC Business Center
- German Industry Park
- U.S.-Japan Technology Village Partnership

¹ City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/facilities.html>

F. INTERNATIONAL BUSINESS FACILITIES



BRITISH INDUSTRY CENTRE¹

The British Industry Centre (BIC) was opened in Yokohama Business Park (YBP) in 1997 as part of the "Action Japan" campaign launched by the British Department of Trade and Industry. The campaign was designed to promote exports to Japan while offering a local environment for British companies to establish themselves.

This Industry Centre provides common spaces for British companies and to facilitate their smooth participation in the Japanese market.

1 City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/facilities.html>

F. INTERNATIONAL BUSINESS FACILITIES



CANADIAN INDUSTRY & TRADE CENTER¹

The Canadian Industry & Trade Centre (CITC) was opened in Yokohama Business Park (YBP) in 2001 to provide common space for Canadian companies in order to reduce start-up costs and facilitate foreign participation in the Japanese market.

¹ City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/facilities.html>

F. INTERNATIONAL BUSINESS FACILITIES



FEMAC BUSINESS CENTER¹

FEMAC (Fast and Efficient Market Access) Business Center provides transitional office spaces for foreign companies that aim to enter the Japanese market. The FEMAC office spaces are fully furnished and designed to help businesses run efficiently on arrival. In addition, the business center hosts bilingual services, including secretaries who can handle phone calls, emails, receptions, and local travel arrangements. Fees for bilingual administrative services, access to meeting rooms, and audio- and video- conferencing studios are included in the office rent.

¹ City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/facilities.html>

F. INTERNATIONAL BUSINESS FACILITIES



GERMAN INDUSTRY PARK¹

The German Industry Park (GIP) is a facility offering leased space to companies for research and development activities. The building was constructed on a 1 hectare (2.47 acre) site within the Hakusan High-tech Park.

The main use of the building is advanced technology research, management and other services, manufacturing, distribution and processing, product displays, and warehousing. GIP is playing a very important part in the activities of R&D-based companies.

¹ City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/facilities.html>

F. INTERNATIONAL BUSINESS FACILITIES



US-JAPAN TECHNOLOGY VILLAGE PARTNERSHIP¹

The US-Japan Technology Village Partnership (TVP) project was started to provide common space for US companies seeking to establish a space in Yokohama at a reduced cost.

TVP tenant members enjoy various functions, including: office space, research and development, testing and storage, and processing and assembly. The added benefit of TVP is that all functions are available in a single building, further reducing travel and set up costs.

¹ City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/facilities.html>

G. BUSINESS SUPPORT PROGRAMS

I. YOKOHAMA WORLD BUSINESS SUPPORT CENTER (WBC)¹

The Yokohama World Business Support Center was established by the City of Yokohama to help foreign companies:

- Identify the information needed to successfully establish an office in Yokohama
- Connect with experts on international business set up, taxation policies, office establishment, and talent recruitment
- Find transitional offices for foreign companies who need to quickly establish a physical presence within the city

1 City of Yokohama Official Website: <http://www.city.yokohama.lg.jp/keizai/yuchi/sinsyutu-e/support1.html>

H. JETRO SUPPORT PILLARS

I. BUSINESS CONSULTATIONS

JETRO provides foreign companies with free consultations on the legal system, cost estimation, taxation policies, market regulation, business practices, human resources, optimal locations, and the subsidy application process. As part of its consulting platform, JETRO also connects companies with business experts who can provide additional insight on the international market-entry process.

II. MARKET RESEARCH AND COST INFORMATION

As part of its support system, JETRO provides companies with up-to-date market reports, access to its business match database (which allows companies to establish potential business partnerships with local businesses), a personal business advisor, and JETRO's established network of professionals in the greater Tokyo area.

III. LAWS & REGULATIONS HOTLINE

JETRO's position as a government-supported non-profit gives it access to the latest information on regulation and de-regulation policies. JETRO helps mediate business questions and concerns with various government ministries and cabinet offices. In addition, JETRO can submit deregulation requests to regulatory authorities.

IV. TEMPORARY OFFICE SPACE

For businesses seeking to quickly establish a temporary office in Japan, JETRO offers temporary office space fully equipped with business supplies. These office spaces are available for use in Japan's six major cities (Tokyo, Yokohama, Nagoya, Osaka, Kobe, and Fukuoka), and come prepared with a reception area, conference rooms, event halls, office supplies, work PCs, printers, and scanners. Office spaces are available for free for the first 50 days.

H. JETRO PAST CLIENTS¹



Worked with JETRO to quickly set up a temporary office space in Tokyo after securing an OEM partnership with Hitachi.



JETRO's extensive business network allowed Shire to identify licensed Japanese partners to sell its products through.



With JETRO assistance, Tommy Bahama opened their first store in Ginza, Tokyo, one of the most competitive fashion districts in Japan.



Opened a research and development office in Hachioji, Japan, with a focus on R&D, sales support, and part procurement support.

¹ Japan External Trade Organization: https://www.jetro.go.jp/en/invest/success_stories/

H. READY TO TAKE THE NEXT STEP?

I. CONTACT JETRO

JETRO staff offers bilingual assistance to businesses seeking to learn more about entering the Japanese market. To begin a dialogue, please fill out our [Business Inquiry Form](#) or find your local office on our JETRO website (www.jetro.go.jp/usa).



JAPAN EXTERNAL TRADE ORGANIZATION