



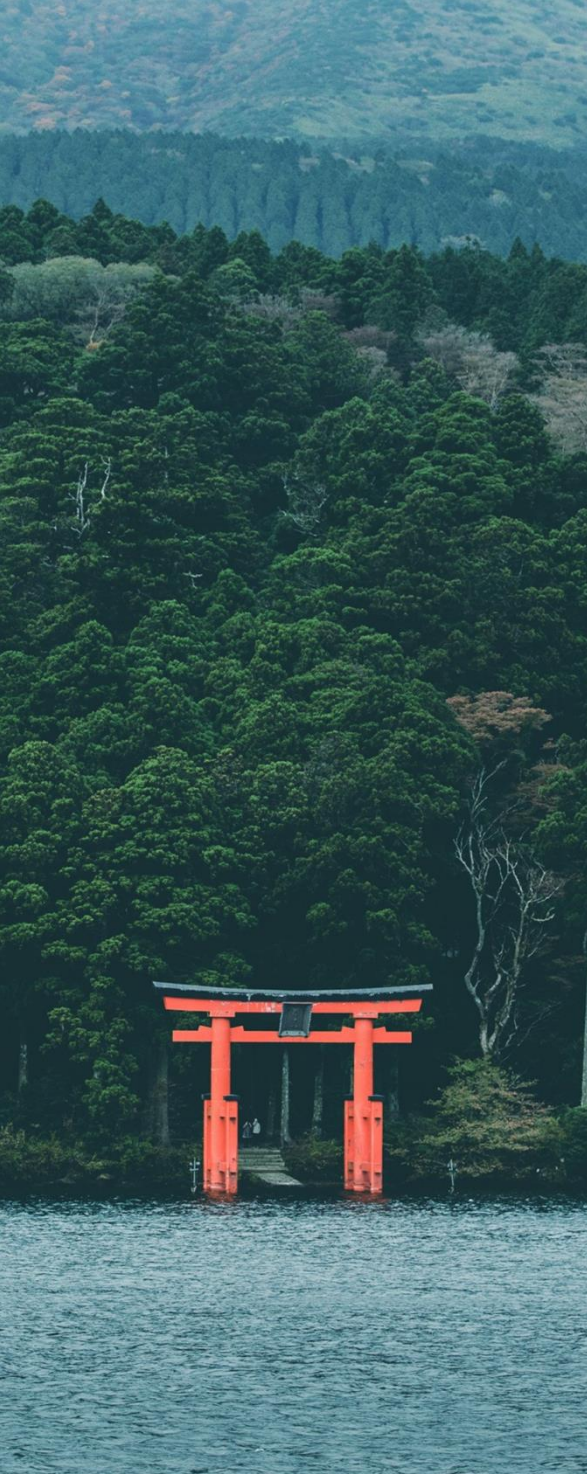
An Incentives Guide to
BUSINESS IN NAGOYA

JETRO

JAPAN EXTERNAL TRADE ORGANIZATION

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A. REGIONAL OVERVIEW

I. OVERVIEW

Although not officially recognized as a city until 1889, the city of Nagoya has served as a major focal point for trade in Japan since the 1600s. Its halfway location between Osaka and Tokyo made it an ideal stop for travelers and merchants moving through the country on business.

Since the 20th century, Nagoya has continued to build itself as an important city for national and international trade in Japan. The city is now the fourth-largest city in Japan, with a greater area population of 9 million inhabitants and an annual GDP of \$363 billion. Nagoya is known for its extensive automotive, aerospace, and robotics industries, as well as its world-renowned research and development institutes.

II. GENERAL FACTS

Fourth-largest city in Japan with a greater area population of 9.06 million.¹

Annual GDP of \$363 billion, more than San Francisco, Boston, or Philadelphia.²

Home to 23 universities, including top research institute Nagoya University.³

The aerospace industrial center for all of Asia. Over 150 aerospace-related corporations are housed in Nagoya, including Mitsubishi and Kawasaki Heavy Industries.⁴



B. LOGISTICS & INFRASTRUCTURE

I. OVERVIEW

As part of solidifying its economic importance in the 20th century, Nagoya established a strong transportation network to streamline travel on a domestic and international level. Modern transportation in Nagoya offers travelers a network of expressways and JR railway lines to choose from, as well as a Shinkansen station connecting the city to Osaka, Kyoto, and Tokyo. The city is also home to one of Japan's largest (and busiest) ports¹, as well as two local airports.⁵

II. TRANSPORTATION FACTS

The city is served by two major airports: the Central Japan International Airport ("Centrair") and the Nagoya Airport. Centrair is a first-class airport with 24-hour service for international and domestic flights. Nagoya Airport is a smaller strip that accommodates private charters and business jets.⁶

The Port of Nagoya is one of Japan's largest and busiest export ports. In 2014, the port moved 208 million tons of cargo; the total trade value accounted for 17 trillion yen, or approximately 11% of Japan's total trade value.⁷

Nagoya is connected to Tokyo and Osaka by the Shinkansen high-speed express; the 95-minute trip to Tokyo and 50-minute trip to Osaka make it easy for business executives to arrange same-day trips to other major cities in Japan.⁸

Nagoya has over six major expressways laid out in a radial fashion, making the city highly accessible by car.⁹



C. INDUSTRIAL INFORMATION

I. OVERVIEW

Nagoya has a diversified economy spread out over a variety of industries. These include automotive, aerospace, robotics, machine tool manufacturing, and ceramics. Of the estimated 121,000 businesses located in Greater Nagoya, nearly 600 are foreign-affiliated. In addition to its sound economic base, Nagoya is supported by a strong research and development environment; local research institutes include the renowned Nagoya University and Nagoya Institute of Technology.¹⁰

II. MAJOR LOCAL INDUSTRIES

Automobiles
Aerospace
Fine Ceramics
Machine Tools Manufacturing

III. FOREIGN COMPANIES WITH AN OFFICE IN NAGOYA¹¹

Cooper Standard Automotive
Scuderia Group
Magnate Technology Co. Ltd.
HAWE Daido Hydraulics Co. Ltd.



D. BUSINESS INCENTIVES

I. OVERVIEW

To boost international competitiveness, the City of Nagoya has established several programs to assist foreign companies seeking to establish or expand a business presence in the Greater Nagoya area.

These programs include subsidies, incubation facilities equipped with product research and development tools, and a variety of business support programs designed to assist businesses entering the Nagoya market.

II. PROGRAMS

E. Nagoya Subsidy Programs

F. Incubation Facilities

G. Business Support Programs



E. SUBSIDY PROGRAMS

I. OVERVIEW

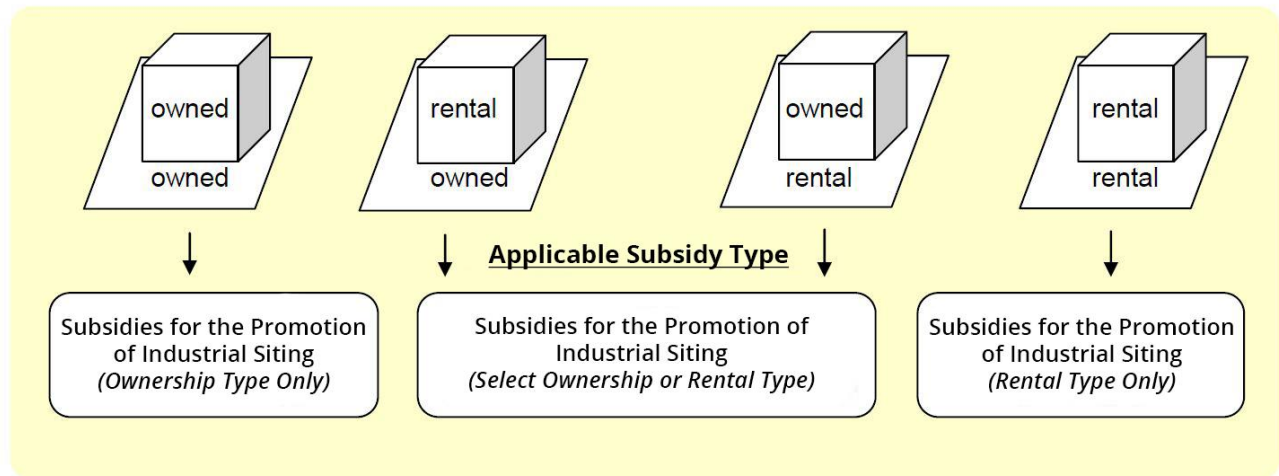
The City of Nagoya provides a series of subsidies to foreign companies who acquire or lease land or buildings within Nagoya's jurisdiction. Each subsidy program helps cover a portion of the expenses accrued with site purchase/lease and business establishment.

These subsidies apply to businesses that have been in operation for three or more years, with some exceptions.¹²

II. TYPES OF PROGRAMS

Rental Type

Ownership Type





E. RENTAL TYPE SUBSIDY

CONDITIONS OF ELIGIBILITY¹³

This subsidy is available to foreign businesses who:

- 1) **Acquire or lease offices, research facilities, or factory space as part of expanding/opening operations in Nagoya**
- 2) **Set up the office or research facility within Nagoya's city limits OR, in the case of a factory, set up within one of the pre-designated districts dedicated to industrial use**
- 3) **Pay rent for at least one of the following: land, office, research facility, or factory space**
- 4) **Operate in a priority industrial field (manufacturing is included)**

In addition to the above, all leased spaces must meet the following conditions*:

- 1) **Total floor area of office, factory, or research facility must be at least 50m² OR business must employ five full-time employees (only entities entering Nagoya for the first time are eligible for the second option)**
- 2) **Total floor area of office, factory, or research facility must be at least 100m² OR business must employ at least five new, full-time employees (only entities relocating within Nagoya are eligible for the second option)**

* Offices must be upgraded to headquarters, and the scope of business must be expanded. To view these conditions in more detail, please visit the City of Nagoya website.



E. RENTAL TYPE SUBSIDY

SUBSIDY BENEFITS¹⁴

Companies who qualify for the Rental subsidy program are eligible to receive:

- 1) **A subsidy amount equivalent to three months' worth of land, building, and machinery rental fees (can be extended to six months' worth for research facilities)***

* Companies can receive a maximum subsidy amount of 3 million yen per company or 6 million yen for research facilities.

APPLICATION PROCESS FOR RENTAL SUBSIDY

Applications for the Rental Type subsidy are accepted at any time. However, applications that require the approval of a business plan must be completed and submitted no later than one day prior to the conclusion of a rental contract for any given land or building.

E. OWNERSHIP TYPE SUBSIDY

CONDITIONS OF ELIGIBILITY¹⁵

This subsidy is available to foreign businesses who:

- 1) **Acquire offices, research facilities, or factory space as part of expanding/opening operations in Nagoya**
- 2) **Set up the office or research facility anywhere within city limits OR, in the case of a factory, set up within one of the pre-designated districts dedicated to industrial use**
- 3) **Own at least one of the following: land, office, research facility, or factory space**
- 4) **Operate in a priority industrial field (manufacturing is included)**

In addition, all acquired spaces must meet the following conditions*:

1) **Large Companies:**

- 1) Acquisition of land, buildings, or machinery must cost a minimum of 1,000,000,000 yen. In addition, the entity must hire five new full-time employees as part of their operations.

2) **Small and Medium-Sized Enterprises:**

- 1) Acquisition of land, buildings, or machinery must cost a minimum of 50,000,000 yen.

* To view these conditions in more detail, please visit the City of Nagoya website.



E. OWNERSHIP TYPE SUBSIDY

SUBSIDY BENEFITS¹⁶

Companies who qualify for the Ownership subsidy program are eligible to receive:

- 1) **A subsidy amount equivalent to the fixed property tax and city planning tax for newly-acquired land, buildings, and machinery (machinery rental fees are not eligible in the event that there are no other fees)**
 - 1) Equivalent is measured as three years' worth of property tax and city planning tax for offices and factories. Research factories are eligible for five years' equivalency.

* Companies can receive a maximum subsidy amount of 1,000,000,000 yen per company.

APPLICATION PROCESS FOR OWNERSHIP SUBSIDY

Applications for the Ownership subsidy are accepted at any time. However, applications that require the approval of a business plan must be completed and submitted no later than one day prior to the conclusion of a purchase contract for any given land or building, or, in the case of land development, one day prior to the beginning of construction.



F. INCUBATION FACILITIES

I. OVERVIEW

As part of spurring technological innovation, the City of Nagoya promotes two incubation facilities for development and research purposes. These incubation facilities are available to companies seeking to expand current operations or enter a new industry. Each facility comes equipped with a variety of specially-designed rooms for product development and testing. Technical and management support is also available on request; this includes consultation opportunities with specialists in various tech and manufacturing fields.

II. NAGOYA LIFE SCIENCE INCUBATOR (NALIC)¹⁷

The Nagoya Life Science Incubator (NALIC) supports the commercialization of technological seeds through joint research with universities. It has a well-equipped laboratory and is available for IT and R&D-type venture enterprises.

III. CREATION CORE NAGOYA¹⁸

The Creation Core Nagoya facility supports small and medium-sized enterprises working on the development of new businesses. It has a variety of specially-designed rooms for product development and is available for IT and R&D-type venture enterprises.



G. BUSINESS SUPPORT PROGRAMS

I. AICHI-NAGOYA INTERNATIONAL BUSINESS ACCESS CENTER¹⁹

Established by the Aichi Prefectural Government and the City of Nagoya, the Aichi-Nagoya International Business Access Center (I-BAC) offers a one-stop service system for foreign-affiliated companies interested in setting up or expanding existing facilities in the Greater Nagoya area. As part of its program, I-BAC offers information on: the Aichi-Nagoya region, business partner matching services, information on the latest regional incentive programs, and information on HR hiring policies, industrial and commercial office space, and Nagoya living arrangements for foreign employees. All I-BAC services are offered in English and Japanese.

II. GREATER NAGOYA INITIATIVE²⁰

The Greater Nagoya Initiative provides a “one-stop” service to foreign-affiliated companies interested in starting or expanding business into the Greater Nagoya area. Additionally, the Greater Nagoya Initiative offers multiple business support services, including business matching and start-up support programs designed to help foreign companies establish their first office in the Nagoya region.

III. NAGOYA INTERNATIONAL CENTER²¹

The Nagoya International Center promotes multi-cultural harmony through free information and consultation services to foreign residents moving or living in the Nagoya area. All services are available in eight languages, including English and Japanese. The Nagoya International Center provides free legal consultations, civic advisory service, personal counseling, and educational counseling. Other services include conference and exhibition room rentals, interpretation services (also available by phone for individuals who cannot come to the office in person), cultural classes, city guides, and internet access.



H. JETRO SUPPORT SERVICES

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 & SUBSIDY PROGRAM INFORMATION

JETRO's market-entry services include market analysis and trend reports, access to our platform of professional service providers, and a personal business advisor to help assist your business endeavors. Companies that utilize JETRO resources can also work utilize JETRO's close government ties to identify new and upcoming subsidy programs offered by local and federal government agencies.

III. LAW & REGULATION UPDATES

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. FREE TEMPORARY OFFICE SPACE

For businesses ready to take the next step, JETRO provides temporary office space in six major cities across Japan (Tokyo, Yokohama, Nagoya, Osaka, Kobe, and Fukuoka). All offices are fully equipped and include conference room services, shared reception services, and PC rooms with printers and scanners. Office space can be utilized for free for 50 days; after the first 50 days, businesses can request to extend their use of JETRO's office space for a subsidized rent rate.

H. JETRO PAST CLIENTS



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.

READY TO TAKE
THE NEXT
STEP?

JETRO connects businesses with the resources they need to successfully establish a business presence in Japan.

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[Linkedin.com/jetrousa](https://www.linkedin.com/company/jetro-usa)

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