

# Subsidy Program for Global Innovation Centers

Japan External Trade Organization (JETRO)

# Subsidy Program for Global Innovation Centers

Subsidy Program for Global Innovation Centers Budget Amount: **1.0 billion JPY** (FY2015 Supplementary Budget)

➤ Target industries: Regenerative medicine and IoT (Internet of Things) (which are industries with high future growth potential)

➤ Target projects: Projects by foreign companies which collaborate with Japanese companies or other organizations

✓ Establishment of global innovation centers  
(Costs for equipment and facility purchase, rent, construction, etc.)

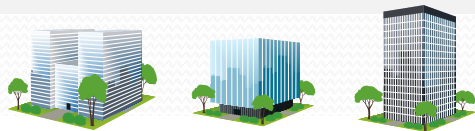
▶ **subsidy rate:1/3**

✓ Experimental studies  
(Costs for researchers' employment, outsourcing, equipment, business trip, etc.)

▶ **subsidy rate:2/3**

✓ Feasibility studies (F/S)  
(Costs for researchers' employment, outsourcing, business trip, etc.)

▶ **subsidy rate: fixed amount**  
(up to 10 million JPY)



Support

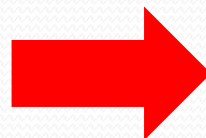


✓ Target: Foreign companies who possess advanced technology/resources  
(Corporate status in Japan is not necessary at the time of application)

✓ Target industries: Regenerative medicine/ IoT

✓ Target projects: Establishment of innovation centers, experimental studies, feasibility studies (F/S) with Japanese companies or other organizations

Investment



## Expected Effects

✓ Making Japan a "high-value added hub" and "innovation base" for global value chains

## (Eligible Companies)

1. The subsidized company must be a company whose parent company, or ultimate parent company, is a corporation founded or organized under the law of a foreign country and currently engaged in active operations.
2. The research related to the subsidized project must be connected to regenerative medicine or IoT.
3. The subsidized company must have favorable prospects of capital or business collaboration with Japanese companies, universities, public research institutions or other organizations.
4. The investment plan submitted for this subsidy program should not have been announced or commenced before the cabinet decision on the FY2015 Supplementary Budget Plan made on December 18, 2015. (However, if there is a supplementary investment plan added to a prior plan which had already been announced or commenced before the date of cabinet decision, and the supplementary investment plan has not been announced or commenced, then the supplementary investment plan alone can be eligible for the subsidy.)  
<By the time of the grant petition after the selection >
5. The subsidized company must have corporate status in Japan.

1. The subsidized company shall obtain approval in advance if the subsidized company intends to make any changes to the allocation of the subsidized costs or contents of the subsidized project or to suspend or terminate the subsidized project after the decision to grant a subsidy is made.
2. If a progress report on the subsidized project is requested during the year of the subsidy grant, the subsidized company shall provide a report without delay.
3. When the subsidized project is completed, the subsidized company shall provide a Subsidized Project Result Report either within 30 days from the project completion date, or by Wednesday February 8, 2017 whichever comes first.
4. The subsidized company must provide a report on the status of the continuing operations related to the subsidized project for three years after the end of the subsidized company's financial year during which the subsidized project was completed.
5. The subsidized company shall do reasonable management with regard to acquired assets or the assets with increased utility as a result of the subsidized project.
6. With regard to accounting related to the subsidized project, the subsidized company shall prepare evidential documents providing detailed balance sheets of the project and retain such documents for five years after the end of the Japanese government's financial year during which the subsidized project was completed.

# Flow chart of procedures toward the payment of grant

## (1) Application

Subsidized company → JETRO



## (2) Project screening

JETRO → Subsidized company



## (3) Grant petition

Subsidized company → JETRO



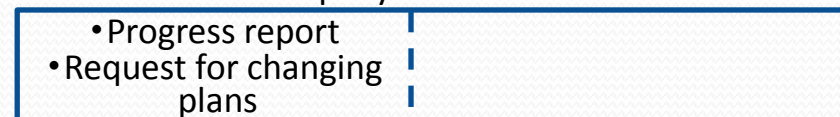
## (4) Notification of grant decision

JETRO → Subsidized company



## (5) Start of project

Subsidized company



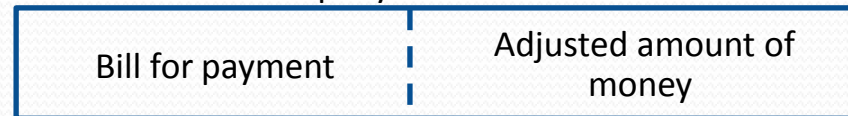
## (9) Payment of grant

JETRO → Subsidized company



## (8) Request for payment

Subsidized company → JETRO



## (7) Fixing

JETRO → Subsidized company



## (6) Completion of project

Subsidized company → JETRO



# Examples (The applied amount will not always be the same as the amount of money paid.)



## Company A

Applied amount : 100 million JPY



Petitioned amount : 100 million JPY



Decided amount : 90 million JPY



Actual amount : 90 million JPY



Fixed amount : 90 million JPY



Requested/ paid amount : 90 million JPY

Amount was corrected at the time of grant decision because some expenses not covered by the subsidy were included.



## Company B

Applied amount : 10 million JPY



Petitioned amount : 10 million JPY



Decided amount : 10 million JPY



Actual amount : 10 million JPY



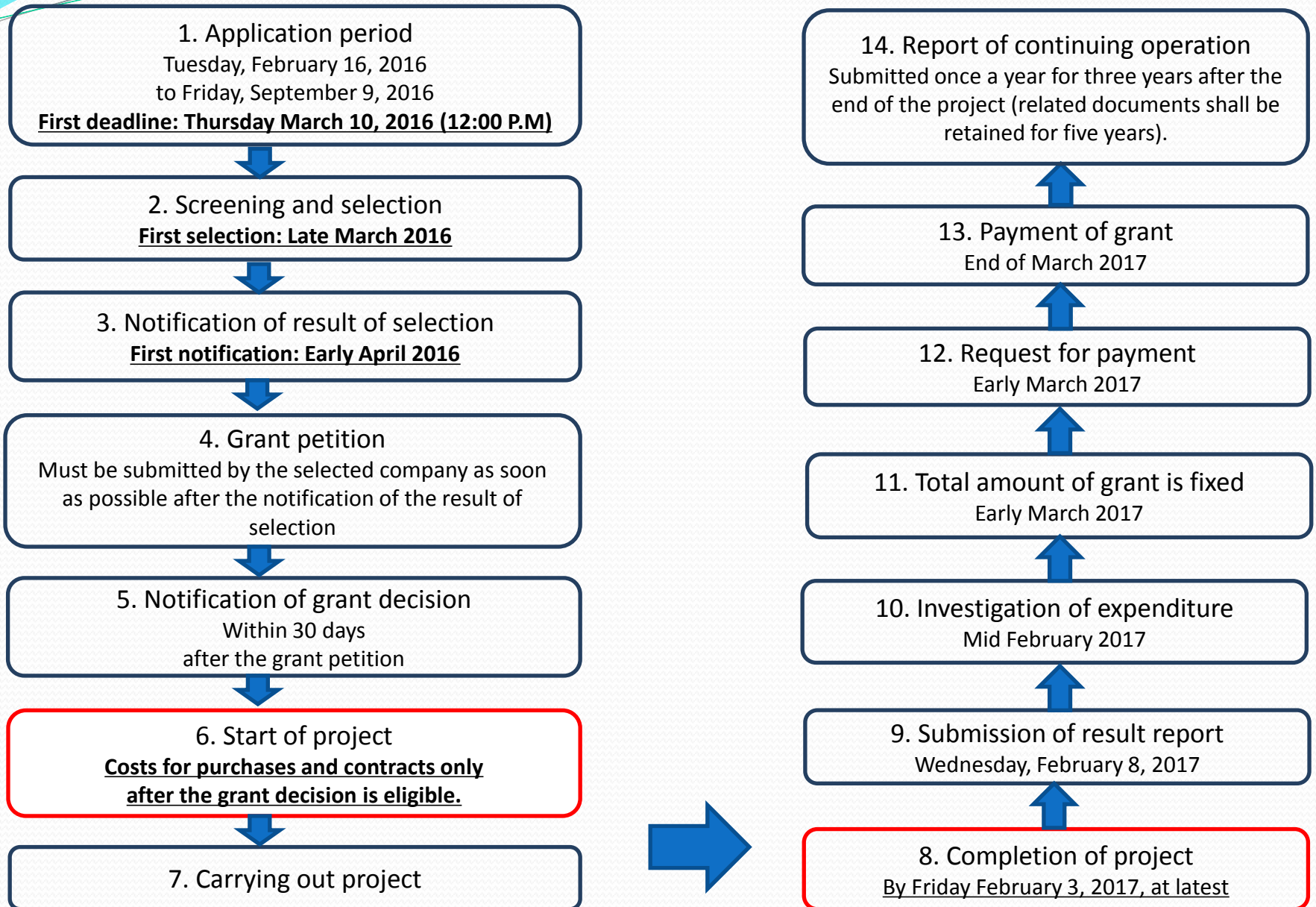
Fixed amount : 8.5 million JPY



Requested/ paid amount : 8.5 million JPY

Although the project was completed as scheduled, some expenses were judged as ineligible and thus the amount was reduced.

# Schedule





# Eligible costs

Grant decision date

Completion of the subsidized project deadline (Friday, February 3, 2017)

Eligibility	Steps for accounting process									
	Quotation	Order	Delivery	Acceptance inspection	Request for payment	Payment				
×	Quotation	Order	Delivery	Acceptance inspection	Request for payment	Payment				
○		Quotation	Order	Delivery	Acceptance inspection	Request for payment	Payment			
○			Quotation	Order	Delivery	Acceptance inspection	Request for payment	Payment		
△				Quotation	Order	Delivery	Acceptance inspection	Request for payment	Payment	
×					Quotation	Order	Delivery	Acceptance inspection	Request for payment	Payment



# List of documents to be submitted

1. Application for Japanese Fiscal Year 2015 Subsidy Program for Projects Promoting Foreign Direct Investment, Site Location and Regional Development in Japan (Subsidy Program for Global Innovation Centers) → Form 1
2. Company description(+brochures) → Attachment 1
3. Contents of the candidate project → Attachment 2
4. Effects of the candidate project → Attachment 3
5. Cost of the candidate project  
\*Please attach documents that justify incurred costs (price estimates, product catalogs, etc.) → Attachment 4
6. Financial statements (Balance Sheet and Income Statement) for the past three years (Non-consolidated statements of the candidate. However, if consolidated statements are available, they shall also be submitted.)  
\*If the company is not yet established in Japan, or three years have not passed since establishment of the company, their ultimate parent company's financial statements shall be submitted. → Free format
7. Layout plan and floor plan of the facilities (Only for projects to set up centers) → Free format
8. Outline documents of establishment of global innovation centers, experimental studies or feasibility studies(F/S)with a visual explanation like brochures or PowerPoint. → Free format

**First deadline: Thursday, March 10, 2016 12:00 P.M**

1. Application forms shall be submitted to JETRO by mail or in person. Applications submitted via fax or e-mail will not be accepted. If the application forms are incomplete, they will not be included in the screening.
2. The application forms can be prepared and submitted in English.
3. Candidates must use the specified forms by JETRO in English or in Japanese. The documents shall be printed in A4 size.
4. One original and ten hard copies of each document, as well as an electronic version (CD-R with “submission documents” saved in Word format), shall be submitted. The name of the candidate should be printed on the CD-R. A sequential page number shall be typed in the center of each page of the submission documents.
5. Candidates will initially be screened by document. If needed, interviews may be conducted. Candidates may be requested to submit additional materials.
6. The documents to be submitted listed in the “List of Documents to be Submitted” and additional materials will not be returned.