



JETRO's Support for Business Expansion to Japan

April 7th, 2016

JETRO Toronto

Presentation Outline

1. Introduction of JETRO
2. Why Japan ? Invest Climate in Japan
3. JETRO's Service

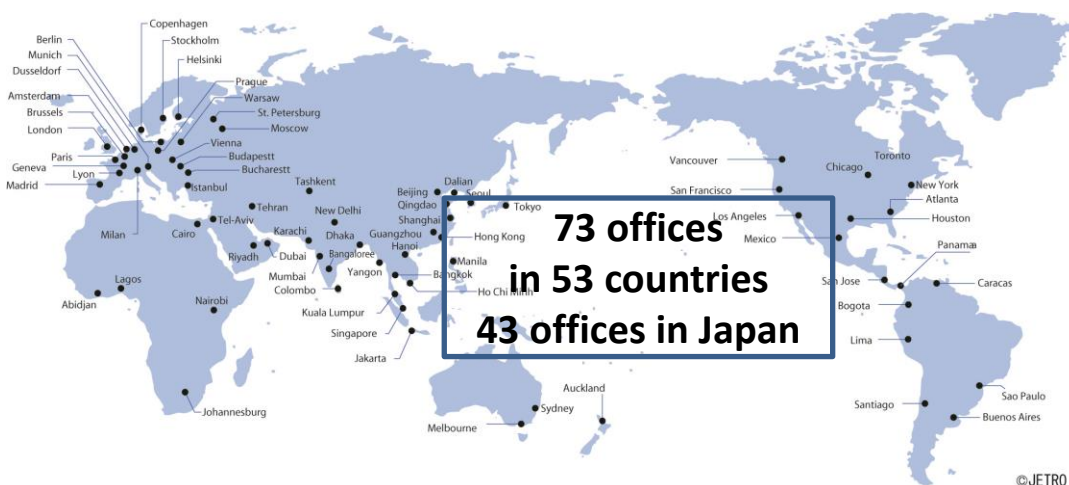
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Japan External Trade Organization

The Japan External Trade Organization (JETRO) is a Japanese governmental organization that promotes mutual trade and investment between Japan and the rest of the world

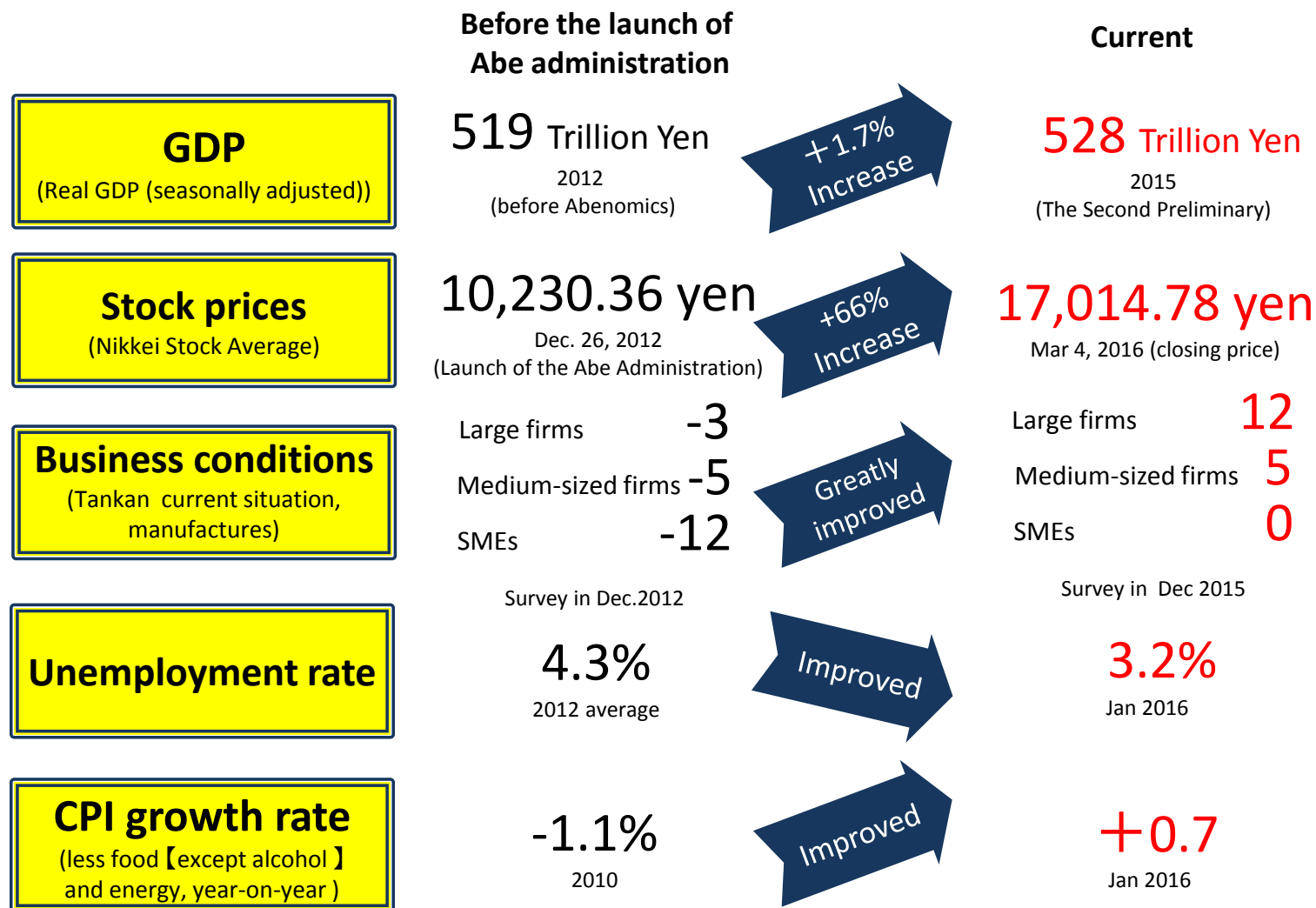
- JETRO helps foreign companies set up an office in Japan quickly and cost effectively by providing expertise, resources, and industry connections. As a Japanese governmental organization, JETRO offers its long menu of services free of cost.
- JETRO also assists Japanese companies by providing consultations, information and business matching opportunities to help their overseas business succeed.



8 locations in North America:

Toronto
Vancouver
New York
San Francisco
Chicago
Los Angeles
Atlanta
Houston

Improving Economic Indicators under Abenomics



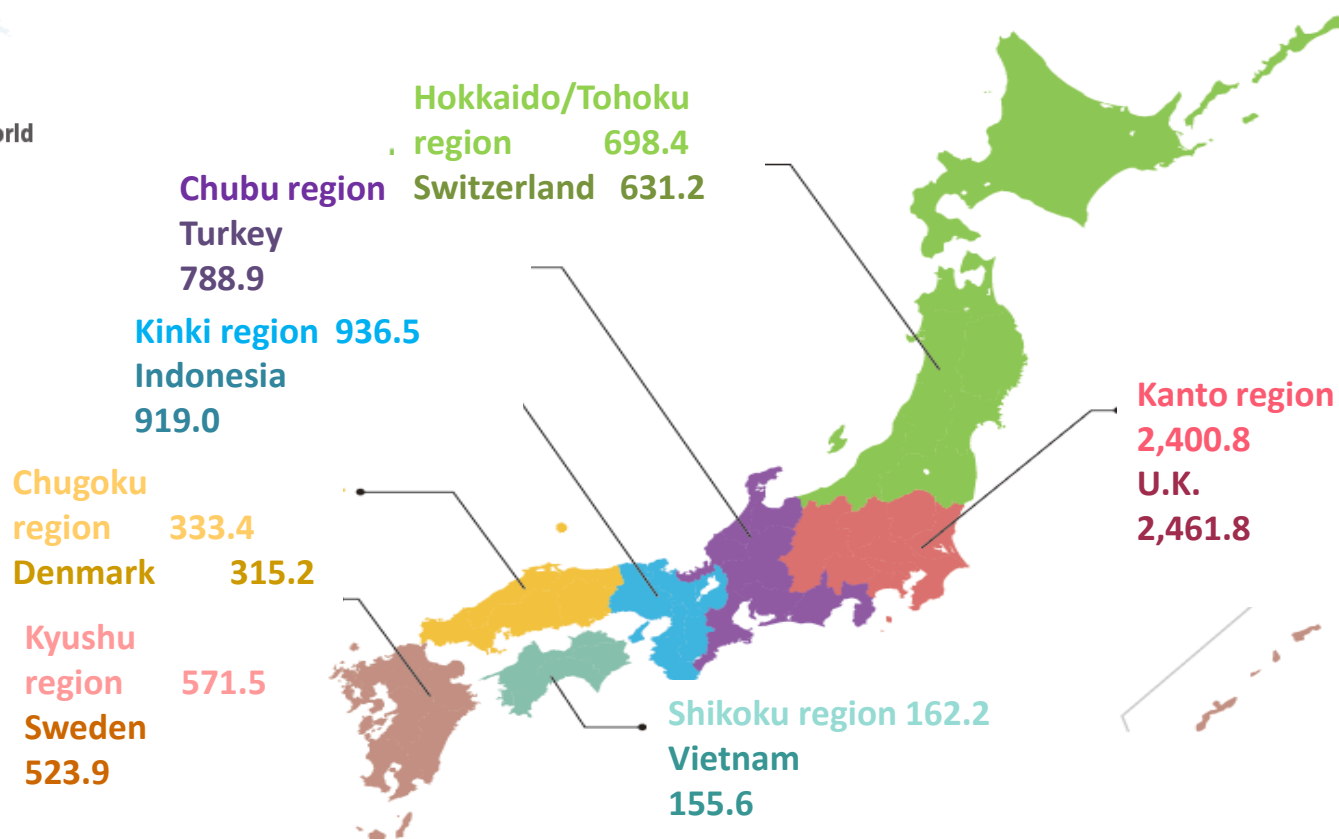
International comparison of Japanese regional gross production

(nominal, FY2012)

(Unit \$1 billion)

Source: Cabinet Office, "Report on Prefectural Accounts 2012" (FY2015)

RANK
3rd in the world



Research funding by country and percentage of GDP (G8 comparison)

| Rank | Country | Research funding (\$100 million) | Percentage of GDP (%) |
|------|---------|----------------------------------|-----------------------|
| 1 | Japan | 1,636 | 3.67 |
| 2 | Germany | 931 | 2.88 |
| 3 | U.S. | 4,152 | 2.77 |
| 4 | France | 519 | 2.24 |
| 5 | U.K. | 396 | 1.77 |
| 6 | Canada | 243 | 1.74 |
| 7 | Italy | 248 | 1.25 |
| 8 | Russia | 350 | 1.09 |

Number of researchers per 10,000 people (G8 comparison)

| Rank | Country | Number of researchers (unit: 10,000) | Number of researchers per 10,000 people |
|------|---------|--------------------------------------|---|
| 1 | Japan | 64.6 | 50.8 |
| 2 | U.S. | 141.3 | 46.8 |
| 3 | Canada | 14.9 | 43.7 |
| 4 | U.K. | 26.2 | 41.8 |
| 5 | Germany | 32.8 | 40.1 |
| 6 | France | 24.0 | 37.0 |
| 7 | Russia | 44.8 | 31.3 |
| 8 | Italy | 10.7 | 17.6 |

Source: Created from Ministry of Internal Affairs and Communication, "Survey Result on Science and Technology Research 2013"
Data source: OECD "Main Science and Technology Indicators," etc.

Innovation Hub



Business Friendly Infrastructure

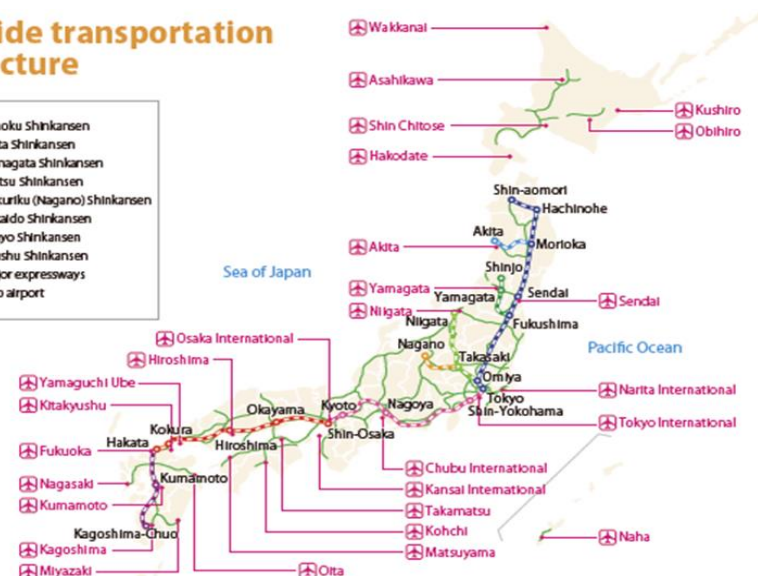
Business sophistication

RANK

1st
in the world
(144 countries)

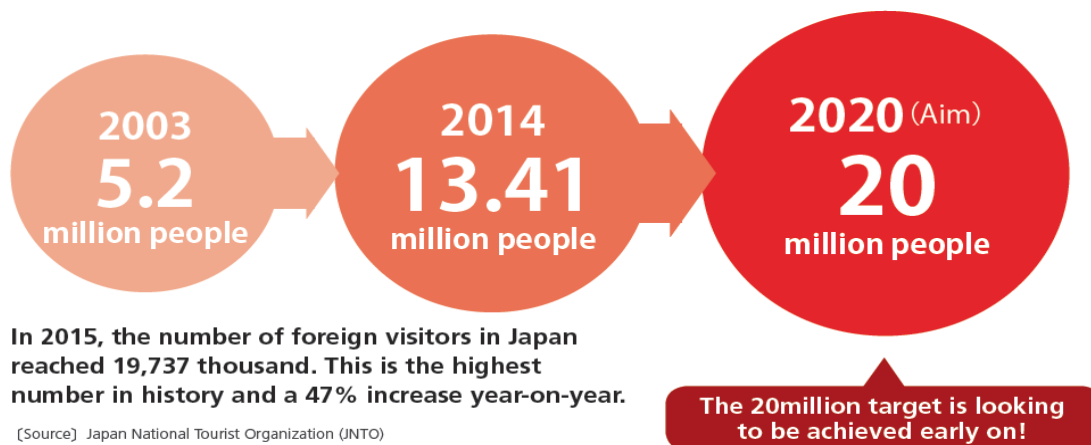
Nationwide transportation infrastructure

- Tohoku Shinkansen
- Akita Shinkansen
- Yamagata Shinkansen
- Joetsu Shinkansen
- Hokuriku (Nagano) Shinkansen
- Tokaido Shinkansen
- Sanyo Shinkansen
- Kyushu Shinkansen
- Major expressways
- Hub airport



*Hub airport: Airport that serves as a hub for the domestic air transportation network or international air transportation network.
Source: Created by JETRO based on the websites of the Ministry of Land, Infrastructure, Transport, and Tourism, and railway companies.

A Safe and peaceful Country

Rapidly expanding Japanese tourism market

Most livable cities

RANK

- 1. Tokyo**
2. Vienna
3. Berlin
4. Melbourne
5. Sydney
6. Stockholm
- 7. Vancouver**
8. Helsinki
- :

Source: MONOCLE, UK

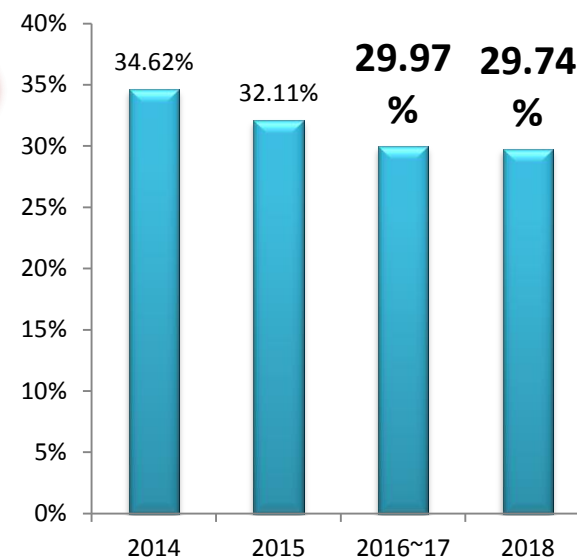
Corporate Tax Reform

FY2015 **32.11%** (year-on-year -2.51%)

FY2016～2017 29.97% (year-on-year -2.14%)

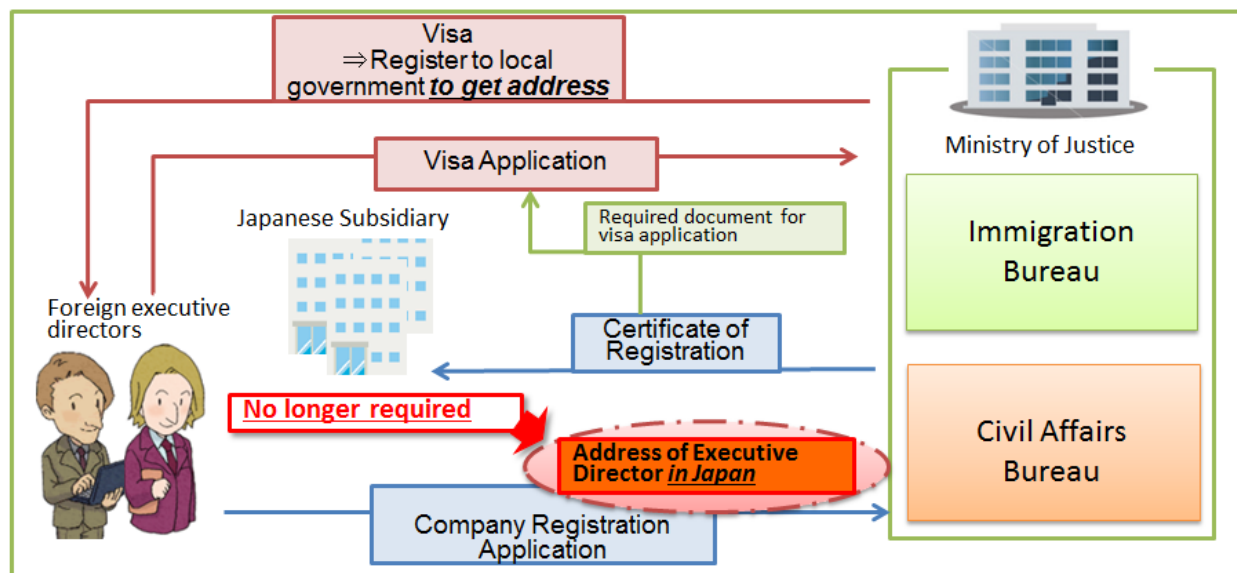
FY2018 **29.74%** (year-on-year -0.23%)

lower the
rate to 20's%



Rules of residency For Incorporation

Foreign people can set up business without their residency in Japan



➤ JETRO helps foreign companies set up an office in Japan quickly and cost effectively by providing expertise, resources, and industry connections. Because JETRO is an independent agency of the Japanese government, our services are offered free of cost

Information & Guidance

✓ Personalized Market information

- Industry specific market research information including market scale, trends, competitors
- Regulatory Information
- Advice for Market Entry

✓ Governmental / Regional Incentive Programs

- Information on Japanese government subsidy program and regional incentives
- JETRO is the sole secretariat for certain national incentive programs.

Hands-on Market Entry Support

✓ Free Incubator Office Space

- Free temporary office space “IBSC” in Tokyo and other major cities (Free for 50 business days)
- On site support and consultations

✓ Office Start-up Support

- Free consultations with business consultants including corporate registration, visa, tax/accounting, HR, and legal professionals etc.
- Introductions to bilingual service providers including real estates, staffing agencies, accountants, & legal support

Networking Support

✓ Business Partner Matching

- Facilitate partnering through our free business matching events and industry partnering programs
- Business matching databases

✓ Global Network

- Expansive network of company executives, advisors and more



Support Program for Global Innovation Sites Budget Amount: **1.0 billion JPY** (FY2015 Supplementary Budget)

- Target industries: Industries with high future growth potential such as regenerative medicine and IoT (Internet of Things)
- Target projects: Projects by foreign companies which collaborate with Japanese companies or organizations
 - ✓ Establishment of “Global Innovation Sites”
(Project costs such as equipment and machinery, rent, construction, etc.) ➤ **subsidy rate: 1/3**
 - ✓ Demonstration experiments in Japan
(Researchers’ personnel costs, outsourcing, equipment, business trip costs, etc.) ➤ **subsidy rate: 2/3**
 - ✓ Feasibility studies (F/S) in Japan
(Researchers’ personnel costs, outsourcing, business trip costs, etc.) ➤ **subsidy rate: fixed amount**
(up to 10 million JPY)



Support

JETRO

- ✓ 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 sites, demonstration experiments, F/S with Japanese companies or organizations
(Projects shall be continued for 3 years after the end of the subsidy)

Investment



Expected Effects

- ✓ Establishment of “high-value added sites” and “innovation center” in global value chains

- Maximum period of use: 75 business days
(free of charge up to 50 business days)
- Office hours: 8:00 a.m. to 10:00 p.m.
(excluding Saturdays, Sundays, and national holidays)
- Desks, chairs, telephones, fax, high speed internet connection
(telephone / fax charges borne by tenant)
- Receptionists, advisory service (on the Japanese market, industry, legal and accounting issues, human resources, etc.)
(advisory service on appointment basis)



Private office space

- 13.5 m² (two-person office)
- 18.0 m² (three-person office)
- 36.0 m² (six-person office)



Conference room



Refreshment space

Located in 6 major cities across Japan;
Tokyo, Yokohama, Nagoya, Osaka, Kobe, Fukuoka

FIND YOUR PARTNER THROUGH JETRO'S TECHNOLOGY PARTNERING JAPAN PROGRAM

JETRO invites you to participate in the Technology Partnering Japan Program, a free business matching program designed to give you direct access to leaders and innovators in Japan's technology industries.



Who Should Apply?

Any (non-Japanese) technology company who does not already have an exclusive partner in Japan.

Sectors may include but are not limited to:

- Advanced Materials
- Computer Hardware
- Computer Software
- Renewable Energy
- Energy Efficiency & Management
- Environmental Protection
- Photonics
- Semiconductors
- Telecommunications & Internet
- Other

How Does the Program Work?

JETRO will submit your company's information to Japanese companies who are seeking new technology. The Japanese companies will notify JETRO of their interest, after which time your nearest JETRO office will contact you with the Japanese companies' responses and contact information where appropriate.

How Do I Apply?

Obtain a program application from your nearest JETRO office and return your completed application to the same office. There is no application deadline, as this program is offered on an ongoing basis.

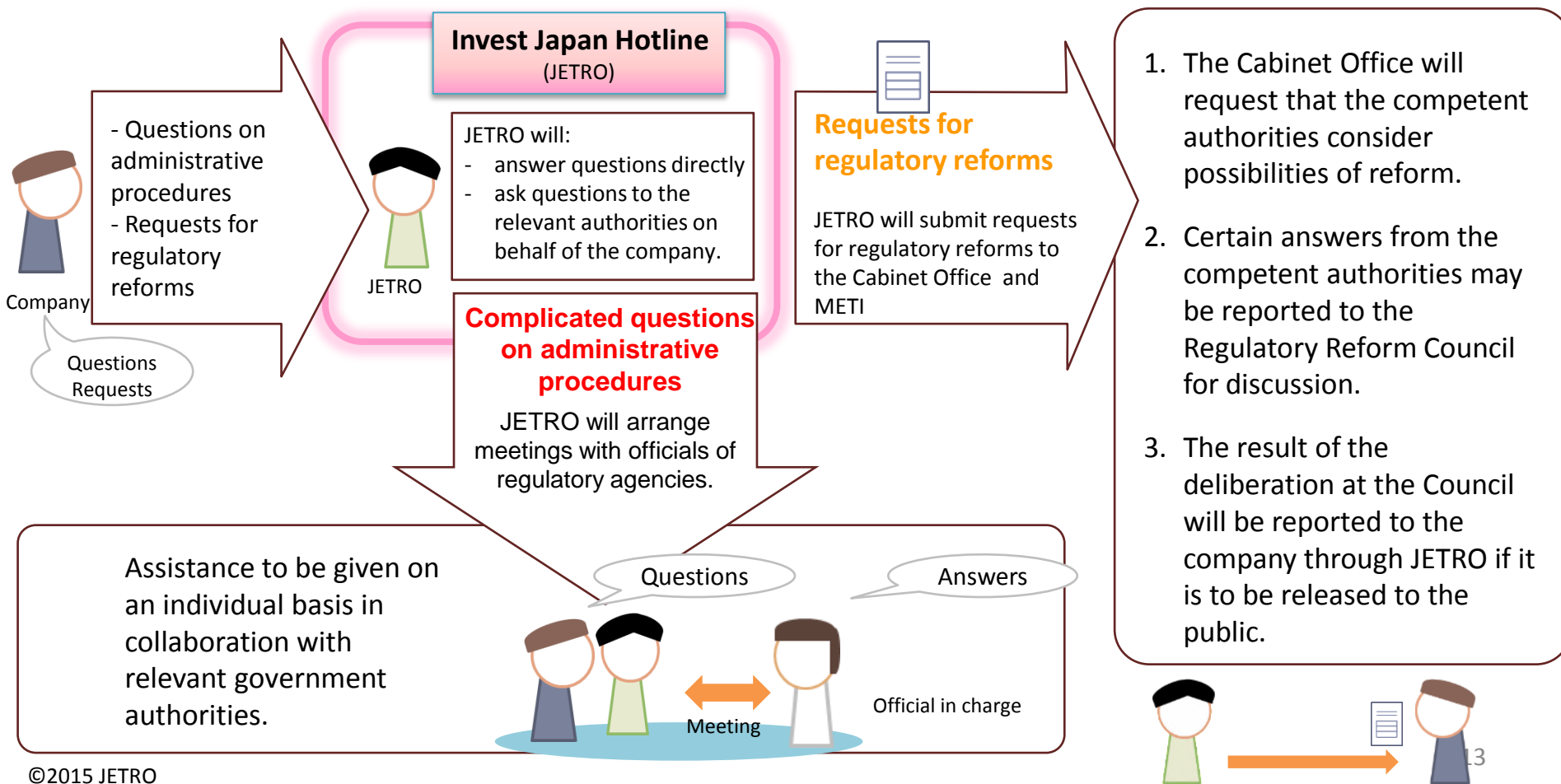
For contact information, visit <http://www.jetro.org>.

JETRO North America offices:

New York, San Francisco, Los Angeles, Chicago, Houston, Atlanta, Toronto, Vancouver

JETRO supports foreign companies by

- Giving consultation regarding administrative procedures required for FDI into Japan.
- Arranging meetings with officials of regulatory agencies if needed.
- Reporting to the Japanese government about requests for regulatory reforms.





Setting Up Business



Q&A

[More details](#)



How to Set up Business
in Japan

[More details](#)



JETRO IBSCs

[More details](#)



Regional Information

[More details](#)



Incentive Programs

[More details](#)



Success Stories

[More details](#)



<https://www.jetro.go.jp/en/>

From FY2003-2015, JETRO has supported the following:

Supported

14,127

over

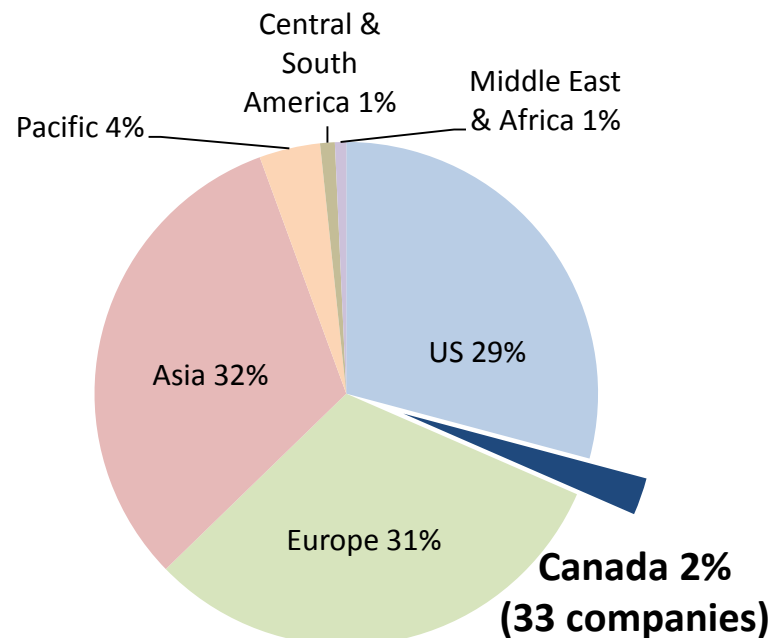
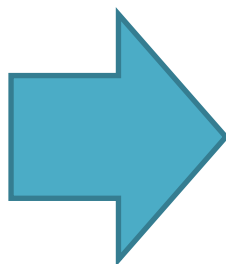
Projects



1,397

over

Foreign companies' startups



Supported Companies by JETRO Canada



Japan has prepared a variety of assistance and subsidies for the generation business, especially for renewable energy.

Renewable Energy

Renewable energy Feed-in Tariff (FIT) *1 < METI >

- Program in which the Japanese Government guarantees a fixed price at which power companies buy back power generated as renewable energy
- FY2014 budget US\$290M

[Subject electrical power and purchase price]

- Solar power
 - 10kW or more: ¥32 (+tax)
 - Up to 10kW (excess purchase): ¥37
 - Up to 10kW (double generation *5 • excess purchase): ¥30
- Wind power
 - 20kW or more: ¥22 (+tax)
 - Up to 20kW: ¥55 (+tax)
- Marine wind: ¥36 (+tax)
- Others, geothermal, hydro, biomass also subject

Power Generation Facilities

Middle/small hydropower, geothermal development expense subsidy *2 < METI >

Middle / small hydropower generation

- Subsidy to cover project expenses to set up middle/small hydropower generating equipment, as well as administrative expenses (labor, survey travel, creating documents, and other necessary business expenses)

Geothermal generation

- Subsidy for expenses related to survey well digging and setting up geothermal generation equipment (however, not for binary power generation), and partial subsidy for administrative expenses (labor, survey travel, creating documents, and other necessary business expenses)
- Acceptance for FY2014 has been completed, but this has been implemented every year since FY2011

Technology Development

Subsidy for development of technology needed for advanced ultra-supercritical power plants *3 < METI >

- Aiming to develop highly efficient coal burning power plant technology (advanced ultra-supercritical technology, A-USC) to replace aging coal burning plants that will increase in number after 2020
 - Period: FY2008 ~ FY2016
 - Total budget: ¥13,000 million
 - Foreign company implementing: ABB Bailey Japan

Coal gasification, fuel cell compound power generation demonstration expense subsidy *4 < METI >

- Verification testing of integrated gasification combined cycle technology (oxygen-blown IGCC), aiming to achieve low carbon power generation through the combination of highly efficient coal burning power plant technology IGFC (integrated gasification fuel cell) with CO2 separation and recovery,
- FY2014 budget: ¥6,500 million
 1. 2012 ~ 2018: Oxygen-blown IGCC verification
 2. 2016 ~ 2020: CO2 separation, recovery IGCC verification
 3. 2018 ~ 2021: CO2 separation, recovery IGFC verification

*1 Source: METI http://www.enecho.meti.go.jp/category/saving_and_new/saiene/kaitori/index.html *2 Source: New Energy Promotion Council http://www.nepc.or.jp/hydro_geothermal/index.html

*3 Source: METI http://www.meti.go.jp/committee/summary/0001640/034_05_09.pdf *4 Source: METI http://www.meti.go.jp/information_2/publicoffer/review2013/pdf/sh25_0494.pdf

*5: Power generation system combining photovoltaic systems, household fuel cells, and gas engine generators

Government agencies and local governments provide a variety of assistance to user side businesses to improve energy efficiency, with foreign businesses also seen participating

Government subsidies

Subsidy for energy use rationalization*₁ (METI)

- A project to increase efficient and effective energy conservation by replacing existing equipment and systems in factories and offices with EMS control equipment
- Will subsidize up to ½ of specified energy management business expenses
- **Foreign companies: Johnson Controls, Schneider Electric, Trane**

Subsidy for next-generation energy and social system demonstrations*₂ (METI)

- Supports the building and demonstration of CEMS, and DR demonstrations for 4 regions, Kita-Kyushu, Keihanna, Toyoda, and Yokohama
- Subsidies for selected business project expenses, either 1/2 to 2/3 of personnel expenses, or a fixed amount (differs according to the project)
- FY2011~FY2014
- **Foreign companies: Johnson Controls, Accenture, IBM, Schneider Electric**

Large HEMS information backbone project*₃ (METI)

- Introduce HEMS into 10,000 homes, and build, standardize the large information backbone to link those HEMS
- Newly established this fiscal year

Local government subsidies

Energy creation and management promotion*₄ (Tokyo)

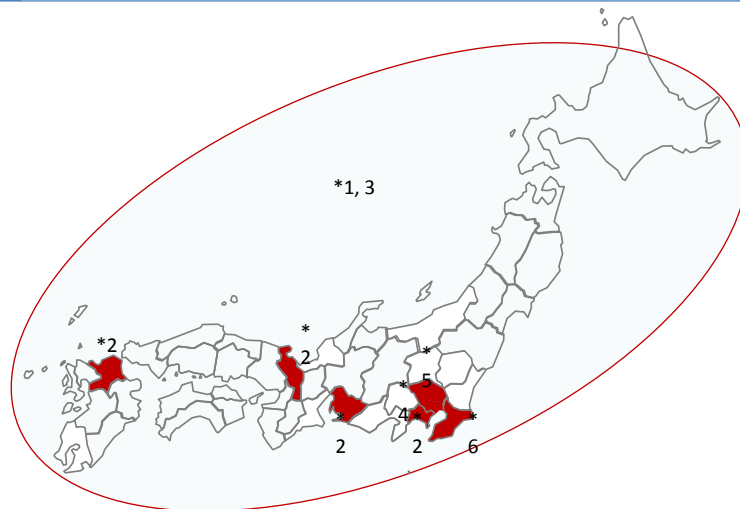
- Projects to promote household energy creation and management, subsidy to promote energy creation and management in office buildings and other workplaces, and projects to promote introduction of smart condominiums

Saitama Eco-town Project*₅ (Saitama Prefecture)

- Support for smart house, basic equipment to build regional EMS, and advanced energy creation equipment

Project to promote introduction of energy conservation equipment in households*₆ (Chiba Prefecture)

- Subsidizes portions of installation expenses for energy conservation equipment and solar power equipment for households



*1 Source: METI HP http://www.enecho.meti.go.jp/appli/public_offer/1406/140603a/,

Sustainable open Innovation Initiative HP <http://sii.or.jp/cutback26/first.html>

*2 Source: NEPC http://www.nepc.or.jp/topics/2014/0610_1.html

*3 Source: METI HP <http://www.meti.go.jp/information/publicoffer/kobo/k140226002.html>

*4 Source: Tokyo HP <http://www.metro.tokyo.jp/INET/KEIKAKU/2014/02/DATA/70o2i118.pdf>

*5 Source: Saitama Pref. HP <http://www.pref.saitama.lg.jp/uploaded/attachment/599526.pdf>

*6 Source: Chiba Pref. HP <http://www.pref.chiba.lg.jp/zaiei/futankin/documents/kankyo-hojyokin.pdf>

Numerous companies are jointly participating in public demonstration projects, especially Demand Response demonstrations taking place throughout Japan.

Demonstration projects of next-generation energy and social system

Electricity rate type

Implemented FY2011~
FY2014

Incentive type

Added from FY2013

TOU: Time of Use
CPP: Critical Peak Pricing
RTP: Real Time Pricing

Keihanna Eco City Next-generation Energy and Social Systems Demonstration Project

• DR Demonstration: TOU

Kita-Kyushu Smart Community Establishment Project

• DR Demonstration : CPP

Yokohama Smart City Project (YSCP)

• DR Demonstration : TOU, CPP

Toyoda City Low Carbon Society System Demonstration Project (Smart Merit)

• DR Demonstration : CPP, RTP

Incentive type DR Demonstrations

Conducting an incentive type DR demonstration in TEPCO district, added in FY2013, for one year in FY2014

[Demonstration]

Air conditioning, lighting, in-house generators, storage batteries, etc demand control

[Participating companies (**Red text: foreign companies**)]

- Eneres, TEPCO
- Global Engineering, Toko Electric, TEPCO
- Sojitz, **Schneider Electric**, TEPCO
- Toshiba, TEPCO
- Hitachi, Tokyo Gas, Daikin Industries, TEPCO
- Marubeni, **Enernoc**, TEPCO

Thank you for your Attention

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