



Industrial Cluster

(Tokyo-Yokohama)

World

No. 1

"The GII Top Science and Technology Clusters" in The
Global Innovation Index 2021 (p.35)

Research&Development

(Evaluated on R&D expenditures as a
percentage of GDP, the number of scientific
publications and citations, etc.)

World

No. 1

The Global Competitiveness Report 2019
(World Economic Forum)

Patent applications

(per million population)

World

No. 1

The Global Competitiveness Report 2019
(World Economic Forum)

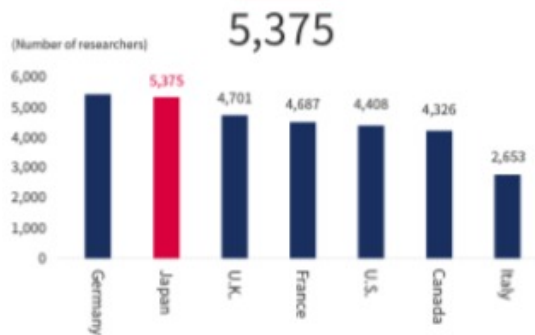
R&D expenditures as a percentage of GDP

No.1
among G7 countries

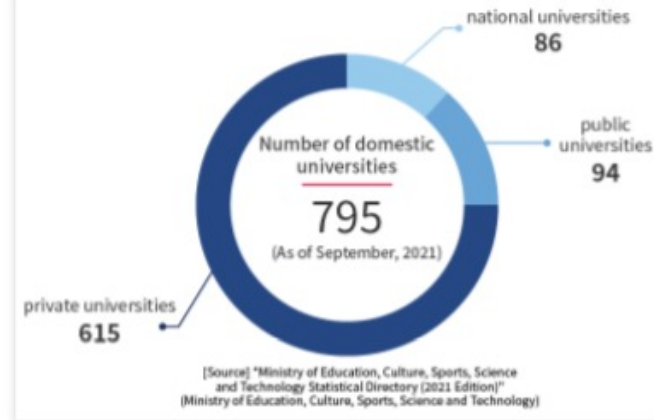
Ranking Country	R&D expenditures as a percentage of GDP
1. Japan 	3.2%
2. Germany 	3.2%
3. U.S. 	3.1%
4. France 	2.2%
5. U.K. 	1.8%
6. Canada 	1.5%
7. Italy 	1.4%

[Source] "Global Innovation Index2021"(World Intellectual Property Organization")

Number of Researchers per million population



[Source] "Global Innovation Index2021"(World Intellectual Property Organization")



[Source] "Ministry of Education, Culture, Sports, Science and Technology Statistical Directory (2021 Edition)"
(Ministry of Education, Culture, Sports, Science and Technology)

Digital Transformation (DX) Investment Promotion Tax Incentive



Digital Transformation (DX) Investment Promotion Tax Incentive has been established. For digital-related investments using cloud technology necessary to realize digital transformation, companies can select either a tax credit of 3% of the acquisition price (5% for data linkage with businesses outside the group) or a special depreciation of 30%.

[Applicable] until March 31, 2023

Name of Tax Incentive	Requirements	Eligible Facilities	Details of Measures
Digital Transformation (DX) Investment Promotion Tax Incentive	<p>Digital (D) requirements</p> <ul style="list-style-type: none"> Linking and sharing of data (linkage of data owned by other entities or data newly obtained by business operators using sensors with existing internal data) Utilization of cloud technology Acquiring of the certification graded by the Information-technology Promotion Agency, Japan (DX certification) 	<p>Software Deferred assets Machinery and equipment Furniture and fixtures</p>	<p>Tax credit of 3% (5% for data linkage with external parties) or, Special depreciation of 30%</p>
	<p>Corporate transformation (X) requirements</p> <ul style="list-style-type: none"> Reduction of product manufacturing costs by 8.8% or more, etc. Setting of targets for productivity improvement and sales growth <ul style="list-style-type: none"> Within the plan's effective period, an ROA increase by 1.5 percentage points compared to the base ROA (which equals the average ROA from 2014 to 2018). Within the plan's effective period, sales growth rate that exceeds the growth rate of the industry over the past five fiscal years by 5 percentage points or more. Total investment must be 0.1% or more of sales. 		

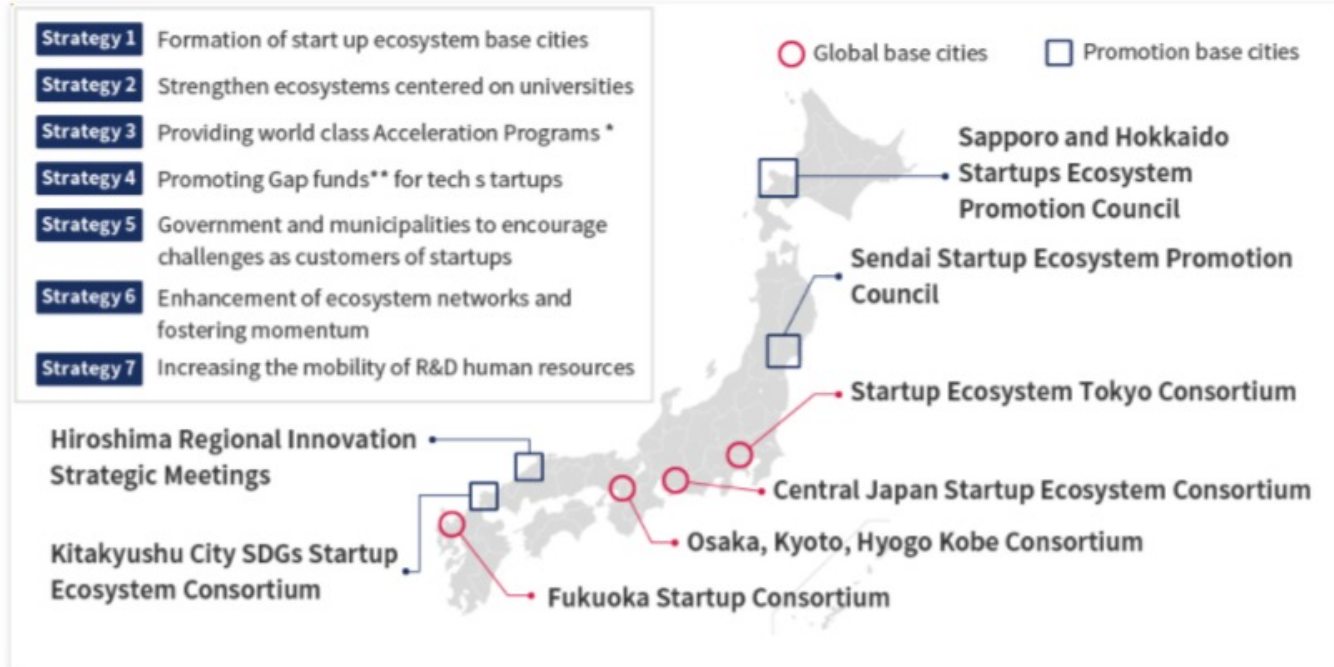
[N.B.] 1. The maximum amount of capital investment under the Digital Transformation (DX) Investment Promotion Tax Incentive is 30 billion yen. 2. The maximum tax credit applicable is 20% of the corporate tax amount in total of the investment promotion tax incentives for carbon neutrality and digital transformation.

[Source] Prepared based on "FY 2021 Tax Reform" (Ministry of Finance), and materials from the Agency for Natural Resources and Energy, METI

Startup Ecosystem



Japan will support startup ecosystems in eight cities under seven strategies over the next three years.



* Acceleration Programs : Programs to support refining startups' business models and accelerate growth.

** Funds to fill the gap between basic research and commercialization, such as prototype development costs

[Source] Prepared from materials from the Integrated Innovation Strategic Meetings (7th) and the Comprehensive Science, Technology and Innovation Event (50th)

Smartizing the whole city



Japan aims to provide highly convenient and efficient services by revising The National Strategic Special Zones Law and introducing advanced services such as drone delivery, tele medicine and nursing care, and autonomous driving.



[Source] Prepared from the "Supercity" concept (September 2020) of the Cabinet Office Regional Revitalization Promotion Secretariat

JETRO's support for collaboration between Japanese and overseas companies



JETRO launched a DX portal to support companies seeking to collaborate with overseas companies that utilize digital technologies.

DX platform-based support

We aim to develop cooperation and collaboration projects through online webinars ,
matching, hackathons, and other

Global Acceleration Hub

We have established the JETRO Global Acceleration Hub to support the global expansion
of Japanese startups in collaboration with leading local accelerators and other partners in
advanced startup ecosystems around the world.

Support for demonstration projects (pilot projects)

By promoting demonstration projects between ASEAN and Japanese companies, we
support companies in implementing digital technologies in their fields.

Open Innovation related events

We support cooperation and collaboration (open innovation) between promising startups
around the world and Japanese companies.

DX Related News & Related Measures

This section provides information on DX related businesses and related measures.

"J-Startup" public private intensive support program for startups

To boost the global expansion of Japanese startups utilizing overseas funding, human
resources, and technology, we will establish J-Startup pavilions at five leading overseas
startup-related events to support Japanese startups' participation.