



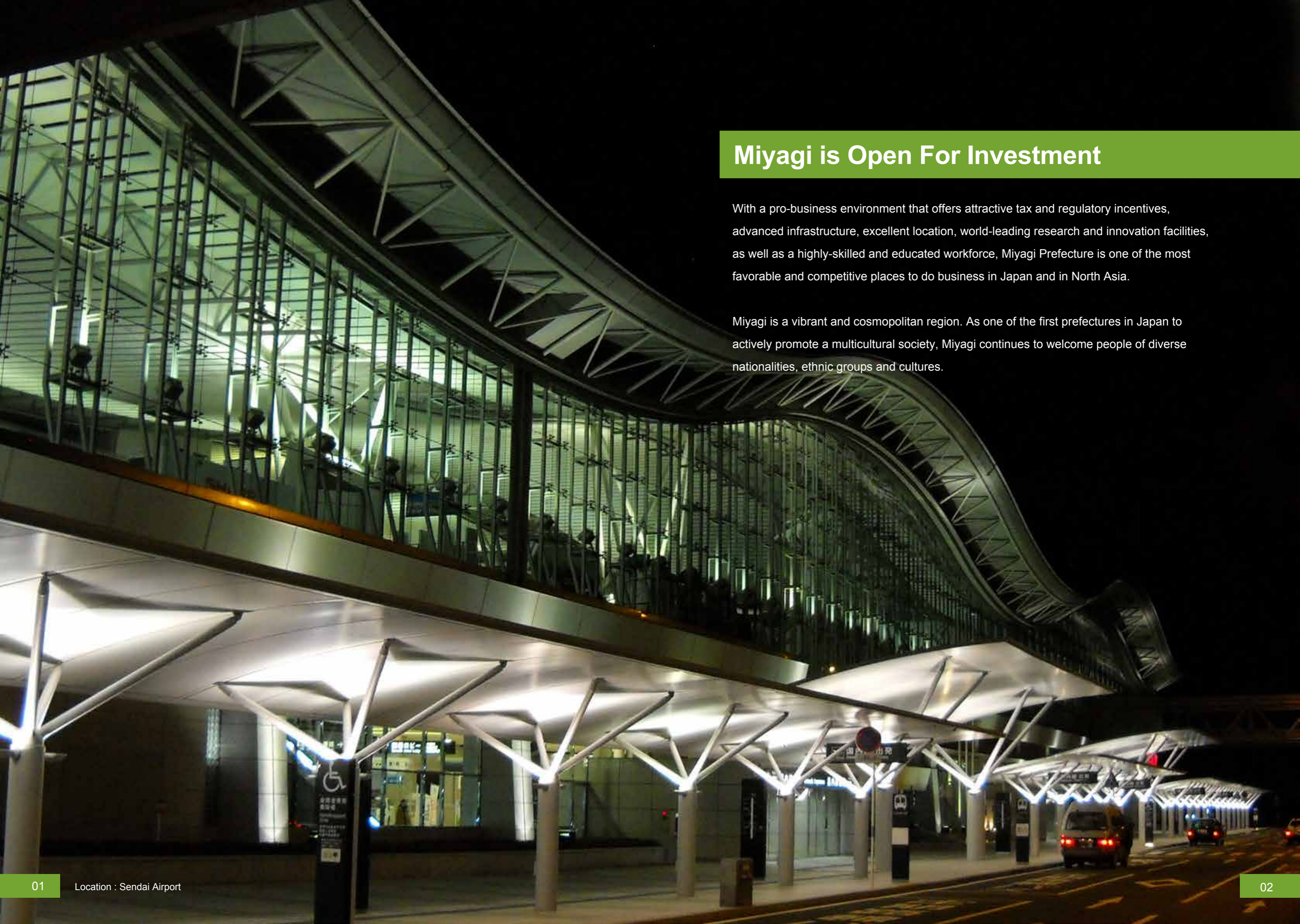
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# Invest Miyagi

Miyagi Prefectural Government

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Miyagi Prefecture  
Foreign Investment Guide



## Miyagi is Open For Investment

With a pro-business environment that offers attractive tax and regulatory incentives, advanced infrastructure, excellent location, world-leading research and innovation facilities, as well as a highly-skilled and educated workforce, Miyagi Prefecture is one of the most favorable and competitive places to do business in Japan and in North Asia.

Miyagi is a vibrant and cosmopolitan region. As one of the first prefectures in Japan to actively promote a multicultural society, Miyagi continues to welcome people of diverse nationalities, ethnic groups and cultures.

## Highly Skilled and Educated Workforce

Miyagi enjoys a highly skilled and educated workforce.

In Miyagi, companies are sure to find the right people they need for driving success.



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### Educated Workforce

Miyagi has a diverse pool of highly skilled, educated and reliable workers. It has a proven track record in successfully providing skilled workers for a wide range of industries including manufacturing and knowledge-intensive service sectors.

Miyagi is home to a variety of higher education institutions – 14 universities, several junior and technical colleges, and vocational schools. Universities offer a complete range of programs in arts and sciences as well as graduate and professional programs. Among them, Tohoku University has diverse and rigorous programs backed by world-class research facilities, focusing on nurturing Japan's next generation of scientists, researchers and entrepreneurs. Tohoku University continues to attract students from all over the world.

Furthermore, technical colleges and vocational schools provide more specific, practical and job-related training. These schools collaborate closely with Miyagi-based businesses and industries to develop training courses that meet existing and future needs. Workers in Miyagi have solid and practical skills you can rely on, which ultimately lead to lower training costs.

### Miyagi's People and Culture

Miyagi's unique culture promotes a business-friendly environment that values hard work and professionalism. Miyagi's workforce is characterized by relatively young and eager workers with a strong work ethic and low turnover. Miyagi's workforce has superior levels of productivity and the typical wage rates are significantly lower than those in Tokyo and the national average, which enables further cost-savings.

*"We enjoy a low rate of turnover - employees stay with us for a remarkably long time. This is crucial for technology-oriented factories like ours, as we rely on a skilled workforce to improve techniques over a long period of time, passing their knowledge down to the next generation. Miyagi Prefecture values the making of both goods and people. The local government is focused on infrastructure and is attractive to foreign companies."*

**Hiroyuki Fujii**  
Chairman, Sandvik Tooling Supply Japan K.K.



*"Our strong connection with Tohoku University provided access to challenging new areas, advanced technology and a strong network of qualified, educated people. Without the people at Tohoku University, the success of the company would not have been possible. In fact about 25 percent of our staff are Tohoku University graduates."*

**Glenn Mansfield Keeni**  
President, Cyber Solutions Inc.





## World Class Infrastructure

Connected to the world by a variety of reliable and high quality infrastructure, Miyagi is a hub for international shipping and trade routes, bullet-train and rail connections, and domestic and international flights.

Located only 1.5 hours from Tokyo by train, Miyagi's capital, Sendai, offers many of the same benefits at a fraction of the cost. Miyagi-based businesses enjoy easy access to one of the largest domestic markets in the world, as well as the vast network of regional markets across Asia-Pacific.

There are a number of industrial parks available in Miyagi, with major areas of focus in the high tech electronics and auto industries. Many can be customized to meet specific needs of investors.



*"We decided to base our factory in Miyagi Prefecture for the dependable and high quality infrastructure offered in the region. The area is fully equipped with a reliable supply of electricity, gas and water for high powered industry, enabling us to minimize expensive downtime. The transportation options are also excellent with many highways, trains and ports to support easy management of our supply chain."*

**Takeshi Shirane**  
President, Toyota Motor East Japan, Inc.



## Cost Competitiveness

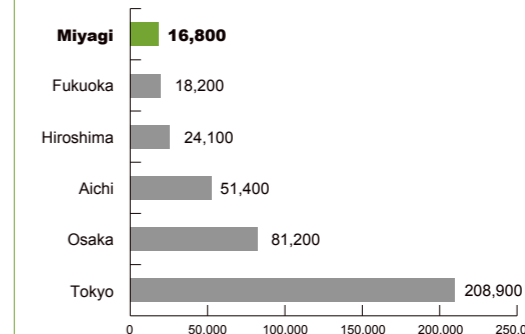


In terms of cost competitiveness, demand opportunities and growth potential, Miyagi offers a variety of attractive benefits while also being a gateway to Japan's dynamic, developed economy and markets.

In comparison with other investment destinations across the country, Miyagi offers a highly competitive average wage as well as a cost-friendly investment base. Miyagi-based corporations benefit from the prefecture's low wage average and abundance of eager and well-trained young job seekers.

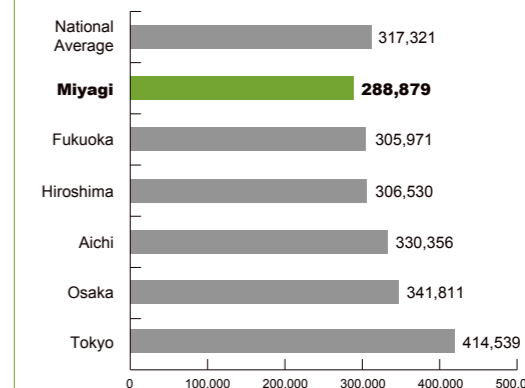
Miyagi's land prices are also highly competitive. In 2011, the cost of industrial and residential land was among the lowest in Japan and continues to remain lower than average.

### Market Values of Industrial Sites



2011 Market values of standard sites by prefectural government (The Ministry of Land, Infrastructure, Transport and Tourism)

### Monthly Cash Wages



2010 Monthly Labour Survey: Establishments with more than 5 employees (The Ministry of Health, Labour and Welfare)

## Investment Incentives



Miyagi offers a range of attractive incentives to businesses establishing and expanding operations in the prefecture, with special additional investment benefits also now available.

Miyagi is committed to helping companies identify the best incentives for their particular industry. A dedicated team is ready to provide advice on how to maximize available benefits, at both a national and local level.

### Special Investment Zones

Special investment zones have been created as destinations for new investment, offering an extremely beneficial environment backed by substantial incentives. These special zones are exclusive to the North East region of Japan, including Miyagi. Investors may enjoy waivers on land use and simplified approval procedures, tax breaks and financial backing - among other benefits.

### Investment Incentives for New Businesses

Miyagi offers a range of beneficial tax incentives, focused on promoting the establishment of new businesses. The following business areas have been selected as target sectors for growth in Miyagi: autos, clean energy, high tech electronics, medical equipment / life science, aerospace, shipping, food, lumber and ICT.

### Various Investment Benefits

#### Benefits for Manufacturing and IT industries

- A range of subsidies on fixed asset investments for new facilities, equipment, R&D for manufacturing and IT (dependent on location, amount of financial investment and jobs created)
- Subsidies for the establishment and expansion of freight transport and warehouse distribution centers
- New fixed asset investment subsidies as well as office and equipment rentals for ICT companies

#### Special Benefits Offered by Municipalities

- Sendai City offers subsidies for manufacturing, R&D facilities, call center / back office facilities, data center, software businesses, content-creation businesses and leisure-related facilities
- Job creation grants available

#### Incentives for Renewable Energy Projects

- Feed-in-tariff
- Subsidies for power facility installment and introduction of smart energy systems

# Tohoku University's World Leading R&D and Innovation



Tohoku University is a world leading research institution with a longstanding tradition of scientific, engineering and medical excellence. Through its many university-industry collaborations, it specializes in transferring basic scientific research and knowledge to practical real world applications, fostering a spirit of innovative entrepreneurialism throughout Miyagi Prefecture. The university's engaging programs are dedicated to nurturing Japan's next generation of prestigious scientists, researchers and entrepreneurs.

Tohoku University is also globally renowned for its cutting-edge research in Material Sciences, Semiconductor Technology and Life Sciences.

*"The main reason why we established an office in Miyagi was because of its proximity to excellent universities, as our business requires high tech capabilities and we found the opportunity to collaborate with the academic world in the region very attractive. Tohoku University is well known for its research capabilities in semiconductor technology, an area that is very important to our business. Miyagi is full of great universities and secondary schools with programs to cultivate highly skilled workers in the science and technology sectors, which is a great resource when developing human capital."*

**Hiromichi Ito**  
President and CEO, Tokyo Electron Miyagi Limited



## Material Sciences

Tohoku University's many affiliated research institutes cover a variety of materials including metals, ceramics and semiconductor materials used in a diverse range of industries with an aim to develop high-functioning and high-performance new materials and material technologies.



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## Semiconductor Technology

Through a global university-industry collaboration involving foreign and domestic companies, Tohoku University is working to develop next generation semiconductor memory technology together with prompt commercialization of new technologies and research results.



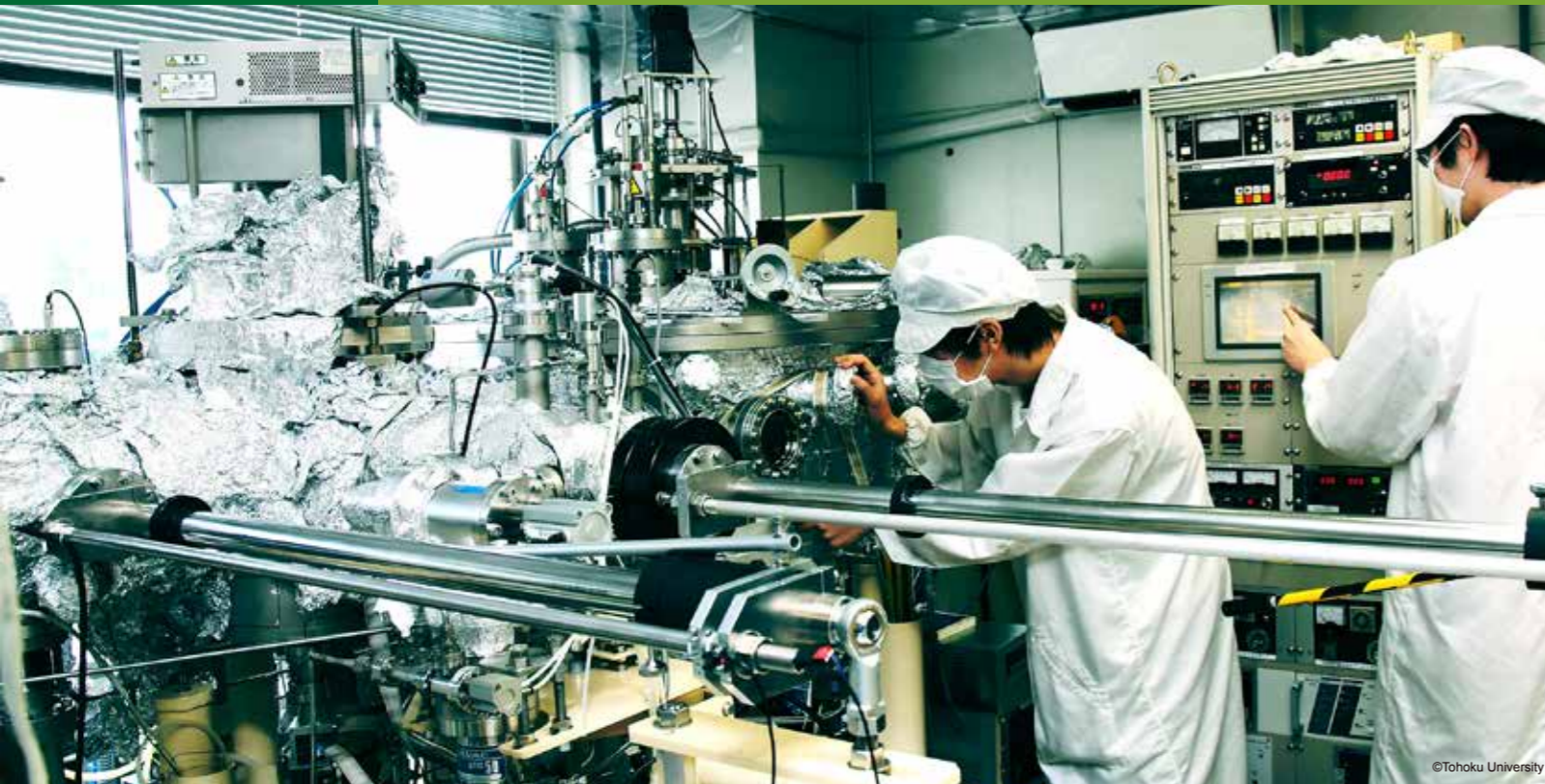
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## Life Sciences

Among other life science projects, Tohoku University has collaborated with various industries on research to better understand and identify Alzheimer's disease in its early stages and played a key role in the development of the Tohoku Medical Megabank Organization which was created after the March 2011 earthquake to support healthcare throughout the recovery areas.



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## Business Opportunities



### Examples of University-Industry Collaboration

With a strong entrepreneurial culture, Tohoku University's collaborations with various industries have led to innovative scientific discoveries and the development of new products and improved services.



#### Tokyo Electron Ltd.

Tokyo Electron has a long standing relationship with Tohoku University dating back to the late 1990s. More recently, Tokyo Electron worked with the Center for Spintronics Integrated Systems at Tohoku University to jointly develop spintronics memory, a new technology attracting a great deal of interest for power-saving in next generation electronic devices.



#### Sanofi K.K.

In 2011, Sanofi and Tohoku University entered into a three-year comprehensive collaboration agreement to evaluate life science programs based on their market potential and exchange ideas and opinions through a joint research committee.



#### GE Healthcare

GE Healthcare selected Tohoku University and Clino Ltd., a biotechnology venture, as its partner in a research collaboration to seek innovative breakthroughs in the treatment of Alzheimer's disease. This partnership will lead to developing new ways to diagnose Alzheimer's symptoms and to potentially treat the disease far sooner.



#### Cyber Solutions Inc.

Founded in 1997, Cyber Solutions is now recognized as one of the region's most exciting ICT venture businesses. It has completed around 30 government and municipal projects and a number of its university-industry collaboration projects have been successfully commercialized. Approximately 25 percent of Cyber Solutions' current employees are graduates from Tohoku University and its success is an excellent example of the mutually beneficial relationship between industry and academia in Miyagi Prefecture.

With a vibrant economy of dynamic and highly specialized SME's as well as globally renowned multinational corporations, there are endless opportunities for investors in Miyagi. As a center for businesses and highly-skilled workers to share ideas and innovation, Miyagi is a place where creativity flourishes and technical know-how is supported by business expertise.

Through its enticing investment incentives and benefits, Miyagi is seeking to encourage development in a variety of fast-growing industries.



# Setting Up Business in Miyagi



## Setting Up Business in Japan

The Japan External Trade Organization (JETRO), the government-related organization promoting mutual trade and investment between Japan and the rest of the world, offers foreign investors with abundant information on all aspects of doing business in Japan, by providing expert consultation and offering free temporary office space in major business areas across the country. JETRO has an office in Miyagi, and can help you get started.

### JETRO Sendai

4-6-1 Ichibancho, Aoba-ku, Sendai, Miyagi 980-0811 JAPAN

TEL +81-(0)22-223-7484 FAX +81-(0)22-262-6230

*“We saw Miyagi as a very good match for our sustainable city initiatives, given its energy and healthcare demands. It is the ideal testing ground for developing solutions to meet the needs of developed economies.*

*The close relationship we’ve been able to build with the local government over the last few years has made it an ideal place for GE to invest.”*

**Mark Norbom**  
President & CEO, GE Japan



## Miyagi Welcomes Foreign Corporations

Miyagi offers tailored solutions to support new business entrants to the prefecture. A dedicated team is on stand-by to provide guidance to foreign corporations operating in or considering operation in the region. Support offered includes:

- Support for international investors
- Tailored inquiry handling and rapid response time
- Up to date and accurate information, sector-by-sector analysis and comparative data
- Business location services and detailed on information on green-field sites

### For inquiries please contact :

#### Miyagi Prefectural Government International Affairs Division

3-8-1 Honcho, Aoba-ku, Sendai, Miyagi 980-8570 JAPAN

TEL +81-(0)22-211-2972 FAX +81-(0)22-268-4639

EMAIL [investmiyagi@pref.miyagi.jp](mailto:investmiyagi@pref.miyagi.jp)

URL <http://www.pref.miyagi.jp/kokusai/investmiyagi>







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