

# Overview of Subsidy Program for Projects Promoting Asian Site Location in Japan

Note: For more details, refer to “2012 Application Guidelines for the Subsidy Program for Projects Promoting Asian Site Location in Japan”.

Item	Details
Eligible Companies	<p>Private enterprises that satisfy all of the below requirements:</p> <ol style="list-style-type: none"> <li>1. Must have <a href="#">corporate status in Japan</a></li> <li>2. Must belong to a corporate body consisting of <a href="#">group companies</a> that are operating an actual business in <a href="#">2 or more countries</a> at the time of submitting this application.</li> </ol> <p>* Foreign corporations (including branch offices in Japan) must have corporate status in Japan by the time of submitting the grant application if your project is selected by this subsidy program.</p>
Subsidized Projects	<p>Projects that satisfy all of the below requirements:</p> <ol style="list-style-type: none"> <li>1. The project* shall be those for establishing a <a href="#">Regional Headquarters**</a> or <a href="#">R&amp;D Site***</a> in Japan</li> <li>2. The applied headquarters' operations or R&amp;D activities shall be <a href="#">continued for a minimum of 3 years after the end of the subsidy project period</a></li> <li>3. The investment plan must not have been publicly announced, <a href="#">nor the placing of orders, making of contracts, etc. been undertaken, prior to Cabinet approval of the budget bill of the 2012 general account (December 24th 2011).</a></li> </ol> <p>* Relocation and consolidation of existing sites already in Japan are excluded</p> <p>** Facilities to operate a business relating to the controlled group company's project policy decision or coordination (which is essential to the execution of the project (sales and marketing, corporate planning, finance, personnel and training, R&amp;D, production management, distribution, legal affairs, etc.), and there shall be controlled group companies <a href="#">in 2 or more countries</a> (Japan can be included)</p> <p>*** Facilities needed to carry out R&amp;D, such as industrialization through applied development, trials and product testing for advanced industrial technology in line with technological innovation</p>
Subsidized Costs	<ol style="list-style-type: none"> <li>1. Survey design costs (survey and design costs needed for building, refurbishment or facility installation)</li> <li>2. Facility costs (costs required for purchasing, building or refurbishment of facilities, including integrally developed facilities)</li> <li>3. Equipment costs (costs needed for purchasing and setting up equipment and software)</li> <li>4. Facility lease fee</li> </ol> <p>(Note 1) In principle, removal costs (costs to demolish existing buildings or remove existing facilities), exterior work costs, and facility construction costs not directly connected with the facility itself will not apply. The same applies for survey design costs, facility costs, and facility rental charges. In addition, only those facility and equipment expenses which will be solely and directly used for the subsidized project will be subject to subsidy.</p> <p>(Note 2) The facility lease fee is, in principle, subsidized only for those incurred during the project period (until the end of September 2014) prescribed by the application guidelines. Temporary deposits (including collateral) will not apply.</p> <p>(Note 3) costs incurred (by placing orders, making a contract, etc.) prior to the decision to grant this subsidy shall not be covered.</p>
Rate of Subsidy	<ol style="list-style-type: none"> <li>1. Subsidy rate: <a href="#">up to one-half for SMEs*</a>; <a href="#">up to one-third for non-SMEs</a>; <a href="#">up to two-thirds for those establishing a site in the disaster afflicted zones**</a></li> <li>2. Limit: <a href="#">0.5 billion yen</a></li> </ol> <p>*Corporations of which one half or more of its authorized shares owned by one large-scale company are not considered to be SMEs. (Refer to the Application Guidelines for the definition of SMEs)</p> <p>**The disaster afflicted zones are stipulated in the Act on Special Provisions of Article 3 of the Public Finance Act.</p>
Project Period	<p>The establishment of the R&amp;D /Regional HQ must be completed <a href="#">by the end of September 2014 from the date of the decision to grant the subsidy.</a></p> <p>*In certain cases, e.g. investment scale is too large to be completed by the end of September 2014, projects to be completed by the end of March 2015 may be applied.</p>

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Criteria	<p>1. <b>Basic Items</b> Implementation ability, eligibility as a subsidy project operator, validity of costs and work schedule, etc.</p> <p>2. <b>Uniqueness of the relevant site</b> It is expected that the relevant site is new to Japan.</p> <p>3. <b>Added value of the relevant site</b> Substantial investment amount and potential for employment creation, as well as incorporating one of the following aims:  <i>a) Regional HQ</i> The site is expected to be superior in terms of the number of sites it controls, and its functions, projects, and staff, and business undertaken at the site must create newly added value in Japan.  <i>b) R&amp;D Site</i> The site is expected to be superior in terms of the contents in the R&amp;D, its staff, patents and know-how, and business undertaken at the site must create newly added value in Japan.</p> <p>4. <b>Ripple effects such as the accumulation effect that the subsidized project is expected to have in Japan</b>  <ul style="list-style-type: none"> <li>• It is expected that there will be a high ripple effect on the Japanese economy through collaboration with domestic companies, universities or public research institutions, or an accumulation effect in the relevant region.</li> <li>• It is expected that there will be no risk of drains of patents, technologies or inventions developed by Japanese companies, universities or public/private institutions.</li> <li>• Contribution to the recovery of disaster affected areas from the East Japan Earthquake (e.g. collaboration with companies located in the affected area, location of R&amp;D/Regional HQ site in the affected area)</li> </ul> </p> <p>5. <b>Overseas locational competitiveness</b> Whether a review has been made of relocating the project overseas, whether the project has been invited by the relevant region, whether other foreign governments operate a similar location policy, and the reason for deciding to locate the site in Japan</p>
Duties of Subsidized Companies	<p>1. Subsidized companies must submit a Subsidy Project Result Report following the completion of the subsidized project, and submit a project continuity report <b>for 3 years</b></p> <p>2. The disposal, sale, or redistribution of property and assets acquired through the subsidy is restricted, and the use of the property contrary to the purpose of the subsidy is prohibited</p> <p>3. Revenue and expenditure documentary evidence for the subsidized project must be preserved.</p>
Application Period	<p>Public Announcement of the 2012 Subsidy: Tuesday, August 28th, 2012 to Monday 19th, November, 2012 (12:00 p.m. Japan Time)  <b>【Period for Acceptance of Application Forms】 Monday, November 5th, 2012 to Monday, November 19th, 2012 (no later than 12:00 p.m. Japan Time)</b></p> <p>Submit the Application Form by mail or in person to: Invest Japan Division, Japan External Trade Organization (JETRO)  Ark Mori Building 6<sup>th</sup> floor, 1-12-32 Akasaka, Minato-ku, Tokyo (Tel: 03-3582-5234)</p>