Optional Support programs for foreign/foreign-affiliated companies

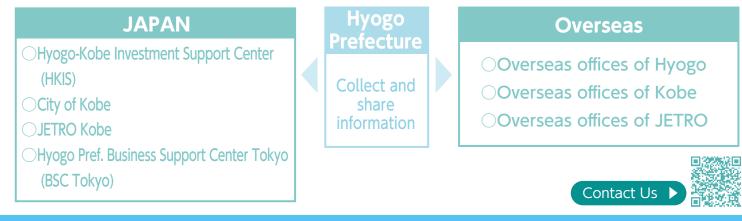
| tors | Foreign companies | Corporations established under the laws and regulations of a foreign country | | |
|---------------------------|------------------------------------|--|--|--|
| ligible ss operators | Foreign-affiliated companies | Domestic corporations in which one-third or more of the total number of issued shares or the total amount of investment in capital is owned by a foreign company defined above | | |
| Eligible business oper | Foreign business associations | Organizations that contribute to the promotion of the establishment of foreign/foreign- affiliated companies, such as foreign chambers of commerce and industry (Limited to those establishing new businesses or relocating from outside the prefecture) | | |
| | Subsidy for market research | [Reduction rate] 1/2 *Up to 1 million yen | | |
| Subsidy | Subsidy for corporate registration | [Reduction rate] 1/2 *Up to 200,000 yen | | |
| S | Office rent subsidy | (Reduction rate) 1/4 (No requirement for *Up to 1,000,000 yen/year ; 750 yen/ m²/month (3 years) (Support by Municipalities | | |

*Office rent subsidies from the prefecture are provided in addition to office rent subsidies from the city/town

•Support Programs by Phase

| Phase 1 Preparation | Phase 2 Establishment | Phase 3 Development | Phase 4 Enhancement |
|-------------------------------|---------------------------------|-------------------------------|-------------------------------|
| Subsidy for market res | earch | | |
| Subsidy for corporate I | registration | | |
| Capital investment subsidy | | | |
| | Tax reduction (Real estate ac | quisition tax) | |
| | Office rent subsidy | | |
| | | Employment subsidy | |
| | | Tax reduction | n (Corporate enterprise tax) |
| | | | |

One-stop Business Support



International Affairs Division Industry, Employment & International Affairs Department Hyogo Prefectural Government

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Best Portal Zone

Hyogo Prefecture Corporate Investment Guide

yogo Prefecture

OUTLINE

"A Japan in Miniature," Home to 5.38 **Million People**

Sea of Japan Toyooka **Kyoto** Shiga Hyogo Nishinomiya Osaka Seto Inland Sea Kansai Nara Wakayama Pacific Ocean

Hyogo Prefecture: A Japan in Miniature

Located in the center of Japan, Hyogo Prefecture extends from the Sea of Japan in the north to the Seto Inland Sea and the Pacific Ocean in the south. It has a wide variety of communities ranging from large cities to rural villages to remote islands. It is known as a Japan in Miniature due to the diverse climates and cultural features.

In terms of industry, there are a number of key industries with world-class technologies and diverse local industries that boast the top market share in Japan. Development of innovative technologies is also underway, particularly in the fields of aerospace, robotics, health and medicine, and the environment and energy.

• Kansai Region: Japan's Second-Largest Economic Zone

The Kansai region, centered around Kobe, Osaka, and Kvoto, is the country's second-largest economic zone and home to over 20 million people. Its economic scale is equivalent to that of an advanced nation, such as the Netherlands,

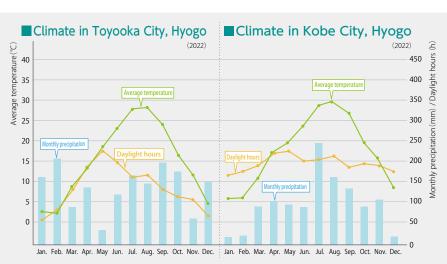
Kansai has prospered as the political and cultural center of Japan for a long time, and thus it has an abundance of shrines, temples, and historic sites, with about half of Japan's national treasures and important cultural properties located in this region. The Kansai region, featuring a large economic zone and an elegant side of Japan, is expected to become the "Global Metropolis-Kansai," an international exchange base.

Hvogo Compared to the World

| | Population (thousand people) | Area (km²) | GDP (billion US dollars) _* | | | | |
|-------|---|--|---|--|--|--|--|
| Hyogo | Approx. 5,380 (No. 7 in Japan) As of 2023 | Approx. 8,400 (No. 12 in Japan) As of 2023 | Approx. 200 (No. 6 in Japan) As of 2019 | | | | |
| World | Singapore Approx. 5,940 As of 2021 Norway Approx. 5,400 As of 2021 | Qatar Approx. 11,630 As of 2021 Jamaica Approx. 10,990 As of 2021 | Portugal Approx. 230 As of 2019 New Zealand Approx. 210 As of 2019 | | | | |

*1 US dollar = 109 Japanese yen(as of 2019) Kansai Compared to the World

| | Population (thousand people) | Area (km²) | GDP (billion US dollars) _* | | |
|--------|---------------------------------|---------------------------|--|--|--|
| Kansai | Approx. 20,540 | Approx. 27,350 | Approx. 810 | | |
| | As of 2020 | As of 2023 | As of 2019 | | |
| World | Australia | Rwanda | The Netherlands | | |
| | Approx. 25,920 As of 2021 | Approx. 26,330 As of 2021 | Approx. 910 As of 2019 | | |



6Bests, The Pride of Hyogo

Best Incentives

To ensure a smooth start to your business, Hyogo offers excellent incentive programs. Office rent subsidies and Subsidy for corporate registration will significantly reduce your cost of launching a business base

Best Start-up Services

Related organizations in Hyogo collaborate to offer one-stop services tailored to your needs in all phases of business, from establishing your base within the prefecture to smooth operations.

Best Facilities

Hyogo has many world-leading research bases, including Kobe Biomedical Innovation Cluster. Harima Science Garden City, and supercomputer Fugaku. Efforts are underway to foster new industries through industry-governmentacademia collaboration.

Start-up Services 04 **Facilities**

05

The "6 Bests" You Need for Your Business

Hyogo has the headquarters of 88 foreign/foreign-affiliated companies*. We work together with the City of Kobe and other municipalities in the prefecture and related organizations such as JETRO Kobe and Hyogo-Kobe Investment Support Center, while coordinating with the national government, to provide you with the "6 Bests."

businesses in Hyogo, and many companies are anticipated to follow suit in the future. Hyogo Prefecture is ready to help you maximize your profit with its best services and environment.

*Source: Directory of Foreign Affiliated Companies in Japan (Toyo Keizai Inc.)

Rankings of Hyogo in Japan (among 47 prefectures)





Best Access

Boasting excellent access to major cities in Japan and abroad, Hyogo is ready to support your business expansion with its land, sea, and air transportation networks

Best Living Standards

Hyogo provides a comfortable living environment to its 120.000 foreign residents from approximately 150 countries, featuring international schools and language-accessible hospitals.

Best in Safety

Since the 1995 Great Hanshin-Awaji Earthquake, Hyogo has worked to create a safe and secure region for everyone in cooperation with the UN and other organizations. Our initiatives include Japan's first BCP development support program and a disaster information app available in 12 foreign languages.

- To date, many foreign/foreign-affiliated companies have taken advantage of the "6 Bests" to establish

ACCESS

Access Japan's Major Cities within 3 Hours by Land, Air, or Sea



• Speedy Access through Diverse Land Transportation Networks

Hyogo is a hub for land transportation. The Shinkansen connects Kobe to Tokvo in the east and Fukuoka in the west on the main transportation artery in Japan in less than three hours. The extensive highway network spans the entire prefectural area of approximately 8,400 km, allowing us to cater to diverse logistics requirements within the Kansai region and across the nation.



International Trade Port Supporting Stable Transportation Services

The Port of Kobe connects to ports around the world through regular routes going to North America, Europe, Australia, and Asia. Domestically, it links to the ports in western Japan through an extensive coastal route network.

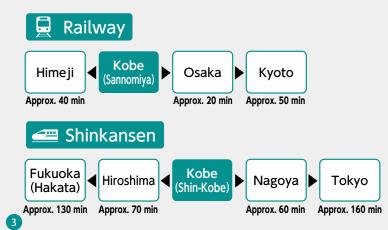
In the Harima coastal area centered around the Port of Himeji, where an international logistics terminal is being developed, plans are underway to create a carbon-neutral port to lead the efforts toward decarbonization.

•Connect to cities in Japan and the World

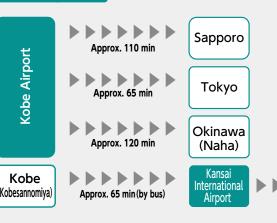
It takes about 65 minutes from Kobe to get to the Kansai International Airport(KIX), a gateway connecting Hyogo to 18 countries/regions and 45 cities around the globe. In addition to KIX, the three airports in Hyogo (Kobe Airport, Osaka International Airport, and Tajima Airport) that offer domestic services, adding to the convenience

In addition, Kobe Airport is scheduled to introduce international services around 2030, making it even more convenient. *As of the 2023 summer schedule

Travel Time to Major Cities in Japan







overseas



Hyogo, boasts a well-developed transportation infrastructure, including railways, highways, ports, and airports. Convenient access by land, air, or sea will facilitate your business development.



Port of Kob



SUPPORT

Supporting Your Business with Excellent Incentive **Programs for Business Starters**

Hyogo offers a variety of support programs that meet your needs, such as subsidies and tax reductions, to reduce the initial costs for business establishment and ensure a smooth start of operations.

*1 Available support programs vary depending on the nature of your business, its location, and the mode of establishment. *2 Each requirement is the same for all support programs.

Basic Support Programs

| nent | | Support by the Prefecture | | | | | | | |
|------------------------------------|---|---------------------------|--------------|-------------------------------|---|--|--|--|---|
| /ernn | | | | Capital investment subsidy | Employment subsidy | Office rent subsidy* | Tax reduction (Real estate acquisition tax) | Tax reduction (Corporate enterprise tax) | |
| nal Go | | enterprises | Ratio/Amount | 3% (Up to 10 billion yen) | 300,000 yen/person (Up to 300 million yen) | 1/4 (3 years) (Up to 1 million yen/year) | 1/3 (Up to 200 million yen) | 1/3 (5 years) | |
| ie Natio | 0 | Large ent | Requirement | Investment of 2 billion yen | Employment of 10 new workers | Employment of 10 new workers (For domestic companies only) | Employment of 10 new workers | (a) Investment of 200 million yen(b) Employment of 10 new workers | • |
| ort by tr | | Es | Ratio/Amount | 3% (Up to 10 billion yen) | 300,000 yen/person (Up to 300 million yen) | 1/4 (3 years) (Up to 1 million yen/year) | 1/3 (Up to 200 million yen) | 1/3 (5 years) | |
| Support by the National Government | | SMEs | Requirement | Investment of 100 million yen | Employment of 5 new workers | Employment of 5 new workers (For domestic companies only) | Employment of 5 new workers | (a) Investment of50 million yen(b) Employment of5 new workers | |

"Office rent subsidies from the prefecture are provided in addition to office rent subsidies from the city/towr

Optional

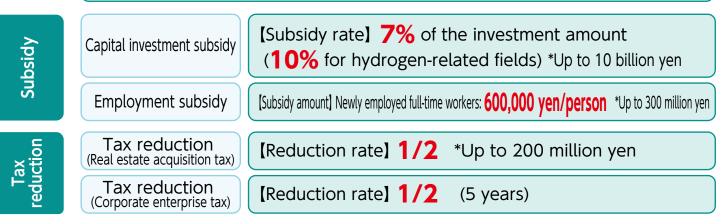
businesses

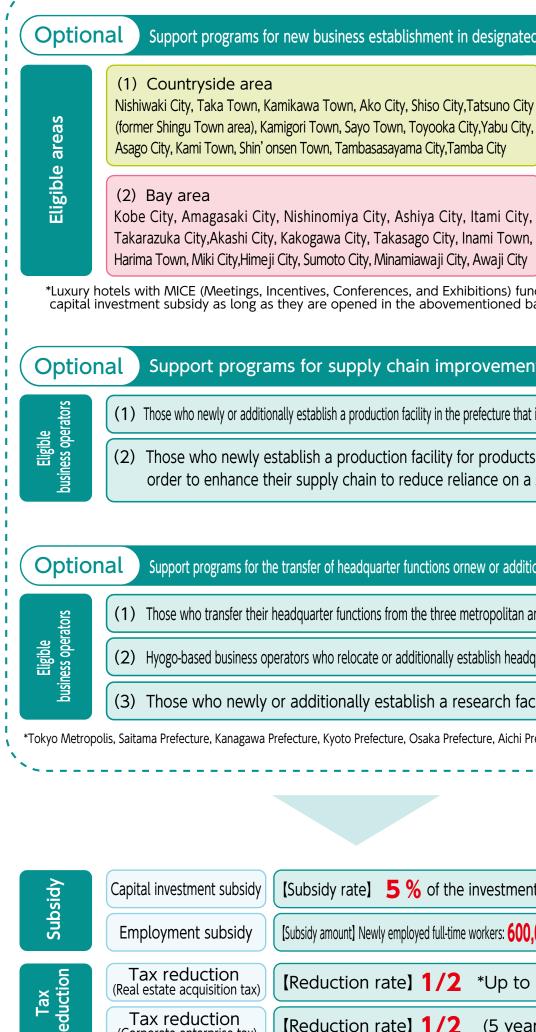
Eligible

(1) New energy and environment-related (including hydrogen, storage batteries, and products that reduce environmental impact)

Support programs for next-generation businesses (for manufacturers only)

(2) Aerospace (3) Robotics (4) Health and medicine (5) Semiconductor





(Corporate enterprise tax)

Support programs for new business establishment in designated areas

*Luxury hotels with MICE (Meetings, Incentives, Conferences, and Exhibitions) functions, etc. are also eligible for the capital investment subsidy as long as they are opened in the abovementioned bay area.

Support programs for supply chain improvement

(1) Those who newly or additionally establish a production facility in the prefecture that is similar to their overseas production facility

(2) Those who newly establish a production facility for products, parts, etc. in the prefecture in order to enhance their supply chain to reduce reliance on a specific country

Support programs for the transfer of headquarter functions ornew or additional establishment of research facilities

(1) Those who transfer their headquarter functions from the three metropolitan areas of Japan, etc.* to Hyogo Prefecture

(2) Hyogo-based business operators who relocate or additionally establish headquarter functions within Hyogo Prefecture

(3) Those who newly or additionally establish a research facility within Hyogo Prefecture

*Tokyo Metropolis, Saitama Prefecture, Kanagawa Prefecture, Kyoto Prefecture, Osaka Prefecture, Aichi Prefecture, and ordinance-designated cities

[Subsidy rate] 5% of the investment amount *Up to 10 billion yen

[Subsidy amount] Newly employed full-time workers: 600,000 yen/person *Up to 300 million yen

[Reduction rate] 1/2 *Up to 200 million yen

[Reduction rate] 1/2 (5 years)