

Support Towards the Reduction of Initial Investments

1. Subsidy of acquisition expenditures for invested fixed assets.

(Contact: Okinawa Prefecture Department of Commerce, Industry, and Labor, Division for the Promotion of Business Locations, 098-866-2770)

In accordance with regulations for the promotion of business locations in Okinawa Prefecture, assistance is given for expenditures etc. towards invested fixed assets acquired for the construction and operation of factories, etc.

Applicable Expenses and Subsidy Requirements	Amount of Subsidy															
<p>1 Subsidies for invested fixed asset expenditures related to manufacturing industries etc.</p> <p>Applicable Businesses: Those who have acquired invested fixed assets with the goal of supplying them for use in business falling under the categories of manufacturing, road freight transport, warehousing, packaging, wholesaling, non-physical small-scale retail, repair of machinery etc., real estate leasing, design, or natural science laboratories.</p> <p>Applicable Expenditures: Land (when receiving subsidies for land as described in 2 below, overlapping subsidies are not permitted), construction and associated facilities/structures, machinery and installation</p> <p>Applicable Areas: Suitable Locations for Factory</p> <p>Subsidy Requirements: ① Acquisition of land for factory use of 5,000 m² or greater (including leased land). (For design or natural science laboratories, 2,500 m² or greater.) ② Obtaining invested fixed assets valued at ¥250 million or greater. ③ Beginning operations or business within 3 years of the acquisition of a site. ④ Hiring 10 or more new employees (including if half or more of these employees are prefectural residents) within 2 years of the start of operations or business after the date of acquisition of a site.</p>	<p>Subsidy of expenditures for the acquisition of invested fixed assets</p> <table border="1"> <thead> <tr> <th>Number of New Hires</th> <th>Subsidy Rate</th> <th>Amount Limit*</th> </tr> </thead> <tbody> <tr> <td>50 or more people</td> <td>25%</td> <td>¥1 billion</td> </tr> <tr> <td>35-49 people</td> <td>20%</td> <td>¥800 million</td> </tr> <tr> <td>20-34 people</td> <td>15%</td> <td>¥600 million</td> </tr> <tr> <td>10-19 people</td> <td>10%</td> <td>¥400 million</td> </tr> </tbody> </table> <p>* When receiving a subsidy for the cost of two land acquisitions, the sum of said subsidy, and the subsidy for the cost of land acquisition, are subject to the limit amount.</p>	Number of New Hires	Subsidy Rate	Amount Limit*	50 or more people	25%	¥1 billion	35-49 people	20%	¥800 million	20-34 people	15%	¥600 million	10-19 people	10%	¥400 million
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<p>2 Subsidies for expenditures on acquisitions of sites within the former special free trade zone for manufacturing industry etc.</p> <p>Applicable Businesses: Those who have acquired fixed assets for the purpose of supplying them for use in business falling under the categories of manufacturing, road freight transport, warehousing, packaging, wholesaling, non-physical small retail, repair of machinery etc., real estate leasing, or aviation maintenance. * Businesses that have moved from a location other than the prefectural former special free trade zone to the applicable district are required to have upgraded their business or maintained their number of employees. * If a business already located within the former special free trade zone acquires a new location, said business is required to maintain its number of employees.</p> <p>Applicable Expenditures: Land</p> <p>Applicable Areas: Former special free trade zone</p> <p>Subsidy Requirements: ① Acquiring a site or sites 3,000 m² or larger prior to March 31st, 2022. ② Beginning operations or business within 3 years of the acquisition of a site or sites. ③ Receipt of special business certification as stipulated under Article 44 of the Special Measures for the Promotion and Development of Okinawa within 2 years of the start of operations or business.*</p>	<p>Subsidy of expenditures for site acquisition</p> <table border="1"> <thead> <tr> <th>Subsidy Requirements</th> <th>Subsidy Rate</th> </tr> </thead> <tbody> <tr> <td>If subsidy requirements ① and ② are fulfilled</td> <td>25%</td> </tr> <tr> <td>If subsidy requirements ①-③ are fulfilled</td> <td>50%</td> </tr> </tbody> </table>	Subsidy Requirements	Subsidy Rate	If subsidy requirements ① and ② are fulfilled	25%	If subsidy requirements ①-③ are fulfilled	50%									
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<p>3 Subsidies for expenditures on invested fixed assets concerning the telecommunications industry etc.</p> <p>Applicable Expenditures: Construction and associated facilities, structures</p> <p>Applicable Areas: Regions for the promotion of the telecommunications industry</p> <p>Subsidy Requirements: ① Acquiring a building of a 500 m² or greater in aggregate floor space to provide in part for their own operations (for call centers etc., 2,000 m² or greater) ② Using half or more of the aggregate floor space of a building as their own place of business. ③ Newly hiring 20 or more prefectural residents as employees (for call centers etc., 200 or more) ④ Starting operations or business within 2 years of acquiring a site</p> <p>Applicable Businesses: Software industry, data processing services, information provision services, etc.</p>	<p>Subsidy of expenditures on invested fixed assets</p> <table border="1"> <thead> <tr> <th>Number of New Hires</th> <th>Subsidy Rate</th> <th>Amount Limit</th> </tr> </thead> <tbody> <tr> <td>50 or more people</td> <td>5%</td> <td>¥1 billion</td> </tr> <tr> <td>35-49 people</td> <td>5%</td> <td>¥600 million</td> </tr> <tr> <td>20-34 people</td> <td>5%</td> <td>¥200 million</td> </tr> </tbody> </table>	Number of New Hires	Subsidy Rate	Amount Limit	50 or more people	5%	¥1 billion	35-49 people	5%	¥600 million	20-34 people	5%	¥200 million			
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<p>4 Subsidies of expenditures on invested fixed assets concerning international air freight industry etc.</p> <p>Applicable Expenditures: Leasing payments for buildings and associated facilities, structures, machinery and the installation thereof</p> <p>Applicable Areas: Naha Airport area</p> <p>Subsidy Requirements: ① Leasing designated factories of 5,000 m² or greater ② Newly hiring 20 or more prefectural residents as employees ③ Starting operations or business within 2 years of the acquisition of a site</p> <p>Applicable Businesses: International air freight carriers etc.</p>	<p>1. Subsidy for expenditures on invested fixed assets (1) Invested fixed assets of designated factories etc.</p> <table border="1"> <thead> <tr> <th>Number of New Hires</th> <th>Subsidy Rate</th> <th>Amount Limit</th> </tr> </thead> <tbody> <tr> <td>50 or more people</td> <td>5%</td> <td>¥1 billion</td> </tr> <tr> <td>35-49 people</td> <td>5%</td> <td>¥600 million</td> </tr> <tr> <td>20-34 people</td> <td>5%</td> <td>¥200 million</td> </tr> </tbody> </table> <p>(2) Subsidies of new hires ¥400,000 x number of new hires</p> <p>2. Subsidy for lease payments on buildings: Amount deemed reasonable by prefectural governor</p>	Number of New Hires	Subsidy Rate	Amount Limit	50 or more people	5%	¥1 billion	35-49 people	5%	¥600 million	20-34 people	5%	¥200 million			
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*When applying for subsidies, the intended recipient of subsidies must be designated in advance. Please submit the required written application to the Division for the Promotion of Business Locations up to 30 days prior to the acquisition (leasing) of the site.

2. Financing system of the Okinawa Development Finance Corporation

It lends the capital necessary for conducting operations in areas for the concentration of international logistics base businesses and areas for the promotion of upgrades to industry and innovation in business.

Fund Name	Amount Limit	Repayment Period	Contact
Business Development Fund	70% of required capital	Within 25 years	Financing Department No. 1 Industrial Development Financing Group, Phone: 098-941-1765
Fund for Small and Medium Businesses	¥720 million	Within 20 years	Financing Department No. 2 Small and Medium Enterprise Financing Group No. 1, Phone: 098-941-1785
Occupation Fund	¥72 million		Financing Department No. 2 Small and Medium Enterprise Financing Group No. 2, Phone: 098-941-1795

*In addition to the above, a variety of other financing systems are available depending on type of business and objective in use of funds.
 *Individual coordination with financial institutions etc. is required to make use of these financing systems. Coordination in advance may be required regarding such matters as the review of the profitability of the business, guarantee of self-funding, etc., as well as the presence of a guarantor or the provision of collateral.

Assistance for transportation expenses

1. Assistance system for the reservation of airport container space

(Contact: Okinawa Prefecture Department of Commerce and Labor, Section for Asian Business Strategy, Phone: 098-866-2340)

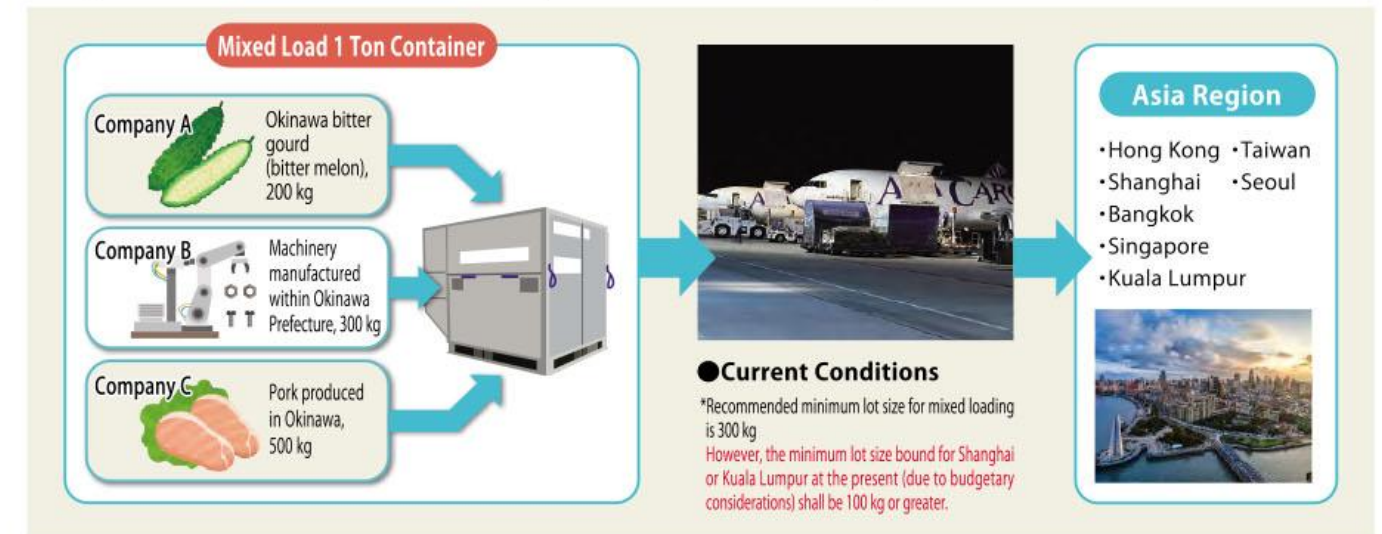
Okinawa Prefecture leases container space from airlines and provides it to manufacturers etc. in the prefecture to abate and mitigate shipping expenses. (Various export duties such as fuel surcharges, customs clearance expenditures, or freight receipt fees are the responsibility of the user.)

Applicable Businesses: Okinawa producers, manufacturers, logistics companies, exporters who place their headquarters in Japan, etc.
Applicable Cargoes: •Agricultural products, livestock products, marine products, processed foodstuffs, precision instruments produced within the prefecture
 •Agricultural products, livestock products, marine products, processed foodstuffs produced outside of the prefecture

Applicable Areas for Export: Hong Kong / Taiwan / Shanghai / Seoul / Bangkok / Singapore / Kuala Lumpur (*ground shipping to Kuala Lumpur from Singapore)
Implementation Period: During 2018 (Acceptance of applications may be closed upon exhaustion of budget during this period.)

Assistance Details/Conditions: •Planning to continue air shipment (3 year business plan) •Those who notify Okinawa Prefecture of the details of articles to be exported, quantities, prices, etc.
 •Those who disclose distribution costs to Okinawa Prefecture and producers

* As a general rule, articles shall be carried into Naha Airport and delivered on-site at the airport



2. Subsidy of shipping expenses for the promotion of business accumulation/establishment

(Contact: Okinawa Prefecture Department of Commerce and Labor, Section for the Promotion of Business Location, Phone: 098-866-2770)

This subsidizes shipping expenses involved in shipping products to locations outside the prefecture and supply of materials (until 2019).

Applicable Businesses: Manufacturing businesses within the area for business accumulation of international logistics bases inside the former special free trade zone
Applicable Expenditures: Transportation expenditures incurred in shipping of products to locations outside the prefecture and supply of materials within the former special free trade zone
Subsidy Amount: 50% of the total amount of annual shipping expenditures per company (subsidy credit limit applies / modifications apply to subsidy rate according to number of years at site)

