

# Guide to Subsidies for the Promotion of Industrial Siting within the City of Nagoya (FY2010)

The City of Nagoya provides subsidies for a portion of expenses to businesses that acquire or lease land or buildings to open or expand offices, factories, or research facilities within Nagoya.

## Subsidy Categories

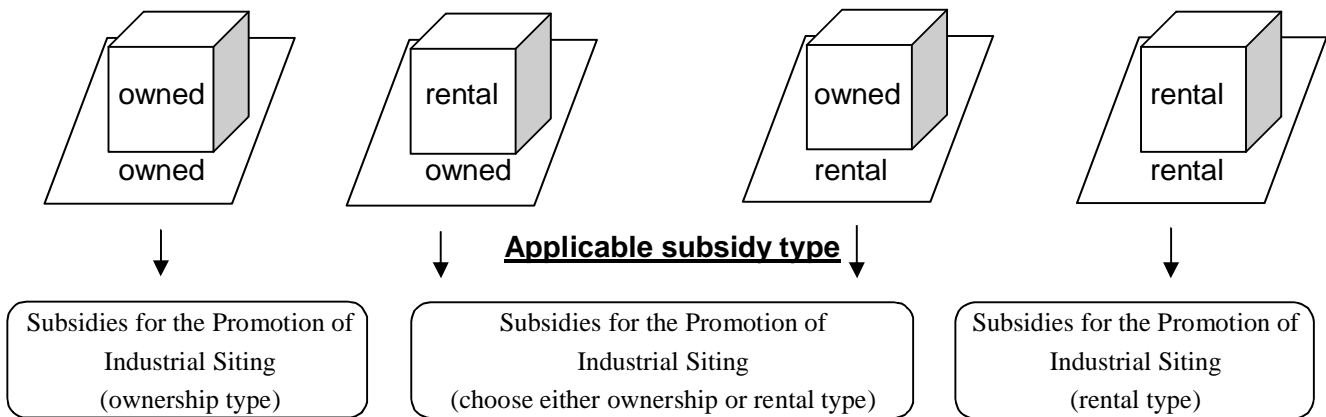
1. Subsidies for the Promotion of Industrial Siting (Rental type)
2. Subsidies for the Promotion of Industrial Siting (Ownership type)

## Outline of Subsidies

Please see the details of the subsidy system beginning at the bottom of this page.

Category	Office or research facility	Factory
Eligible area	Anywhere within the city	Districts designated for industrial use (large entities limited to industrial districts and exclusive industrial districts)
Conditions for eligibility	Must be in one of the six target fields (manufacturing industries also acceptable for SMEs)	
Site type	Rental or ownership of land or building	

## Choosing a system based on the type of the site



## Subsidy Details

	Subsidies for the promotion of industrial siting (rental type)	Subsidies for the promotion of industrial siting (ownership type)
Eligible Entities	(1) Entities acquiring or leasing offices or research facilities, or opening or expanding operations within Nagoya (irrespective of location or use designation) (2) Entities acquiring or leasing factories, or establishing or expanding operations in districts designated for industrial use within Nagoya (Large entities are only eligible if they are siting such facilities in industrial districts or exclusive industrial districts.)	
Conditions	(1) Total floor area of the office, factory, or research facility must be at least 50m <sup>2</sup> ; or at least five full-time employees, for entities entering Nagoya for the first time	For SMEs: Acquisition of land, buildings, or machinery (investment of at least ¥50,000,000)

Conditions (cont'd)	(2) Total floor area of the office, factory, or research facility must be at least 100m <sup>2</sup> ; or at least five new full-time employees, for entities relocating within Nagoya  (However, in order to be eligible, offices must be upgraded to headquarters, and the scope of business must be expanded. Factories and research facilities require the scope of business to be expanded.)	For large entities: Acquisition of land, buildings, or machinery <u>and</u> at least five new full-time employees (investment of at least ¥1,000,000,000)
Target Expenses	Rental fees for land, buildings, and machinery (However, machinery rental fees are not eligible in the event that there are no other rental fees.)	Amount equivalent to fixed property tax and city planning tax on newly-acquired land, buildings, and machinery (However, machinery rental fees are not eligible in the event that there are no other rental fees.)
Subsidy Amount	Equivalent of three months' worth of land, building, and machinery rental fees (six months' worth for research facilities)	Equivalent of three years' worth for offices and factories (five years' worth for research facilities)
Maximum Subsidy Amount	¥1,500,000 per company (¥3,000,000 for research facilities)	Total of ¥1,000,000,000 per company
Application Period	Applications are accepted at any time. However, <u>applications for approval of business plan should be completed no later than one day prior to concluding rental contract on land or buildings.</u>	Applications are accepted at any time. However, <u>applications for approval of business plan should be completed no later than the day written below:</u>  (1) One day prior to conclusion of a land or building purchase contract, if acquiring land or buildings (2) One day prior to beginning of construction, if constructing a building on land acquired previously (3) One day prior to conclusion of a land lease contract, if renting land and constructing a building  Please inquire if the above examples do not apply to your situation.

NB If a rental or purchase contract has already been concluded or construction has already begun before application, it is not eligible for subsidies.

NB Headquarters is defined as a department with decision-making functions associated with general affairs, accounting, planning, project supervision, etc.

NB Expansion of scope of business is defined as:

(1) in the case of relocating to a new office, the new office's total floor area must be larger than the current office; or there must be at least five new full-time employees more than the current office.

(2) in the case of keeping current office and expanding floor area, the area increased must be at least 100m<sup>2</sup>; or there must be at least five new full-time employees more than the current office.

## Issuance process

Application for approval of business plan

Reception

Review by the business approval review committee

Notification of business approval

Industry Development Division

Establishment of office, beginning business (starting construction, etc.), application for issuance

Siting and operation

Decision and notification of issuance

Report and submission of record of performance

Settlement and notification of subsidy amount

Request for issue of subsidy

Issue of subsidy

Rental type: No later than one day prior to conclusion of land or building lease contract

Ownership type: No later than one day prior to conclusion of land purchase contract or lease contract, or the day before building construction begins

## Important Notes

- (1) Machinery to be installed in a newly-acquired building is eligible (excluding articles with an acquisition value of less than ¥500,000). However, articles not subject to fixed property tax (depreciable assets) are not eligible for the issuance of subsidies.
- (2) To be eligible for subsidies, siting and operation must be implemented within 3 years of the date of application for approval of business plan.
- (3) In the event that the issuance of subsidies will take place over multiple fiscal years, it will be necessary to apply for issuance of subsidies for each fiscal year.
- (4) In the event that either the land or the buildings are owned but the other is rented, you must choose whether to apply under rental type or ownership type (it is not possible to apply for both). As machinery conforms to the land or building type, in the event that you are renting machinery for ownership type or you own machinery and choose rental type, the amount equal to each rental fee and fixed property tax (depreciable assets) is not eligible for a subsidy.
- (5) You will not be eligible for the issuance of subsidies if you have unpaid municipal taxes at the time of application.
- (6) In the event that the subsidized project is either cancelled or temporarily suspended within a 5-year period starting from the financial year following the year in which you first received subsidies (within a 10-year period if you have acquired land or buildings), you may be required to return the subsidized amount.
- (7) A full-time employee is a worker serving in an office and who is an ordinary insured person as defined in Article 4, Paragraph 1 of the Employment Insurance Act (Act No. 116 of 1974), excluding insured short-time workers.
- (8) The details of the subsidies are found in the Subsidies for the Promotion of Industrial Siting within the City of Nagoya Guidelines.

## Six Targeted Fields

Target Field	Target Businesses	Examples of Eligibility
Manufacturing Technology	Businesses developing or manufacturing materials, equipment, or systems with leading and advanced technology	Development or manufacturing related to automobiles and aircraft or biodegradable plastics, or development or manufacturing utilizing photocatalyst technology, biotechnology, or virtual technology
Environment & Energy	(1) Businesses developing or manufacturing environmentally-friendly materials or goods, or energy-conserving equipment, devices, or systems, etc. necessary to lower the burden on the environment (2) Manufacturing businesses which have production systems with limited environmental burden, through introduction of the above-mentioned equipment and devices, etc.	If certain conditions are met, such as creation of new products through manufacturing and processing using cutting-edge technologies for solar heating, fuel cells, cogeneration, etc., and securing a distribution route for the above products.
Medical, Health & Welfare	Businesses developing or manufacturing equipment, devices, systems, etc. related to medical care, welfare, or health	Manufacture of leading-edge medical equipment or nursing instruments
Information & Communications	Businesses developing or manufacturing equipment, devices, or systems, etc. related to communications, broadcasting, and video, etc., and providing information services	Development of digital content or other software, or manufacture of cellular phones or video equipment
Fashion & Design	Businesses performing design services such as industrial and commercial design, or clothing design	Industrial, interior, clothing, and craft design
Business Support Services	Businesses carrying out specialized services which support business activities such as business management and personnel dispatching, and specialized technical services which support manufacturing such as analysis and testing related to materials and products	Management consulting, accounting offices, law offices, labor dispatch services

### Submissions and Inquiries

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