## Overview of FY2014 Subsidy Program for Projects Promoting Foreign Direct Investment, Site Location and Regional Development in Japan (Project of site location for global companies)

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<tr>
<td><strong>Program purpose</strong></td>
<td>This program is intended to attract and concentrate high-value-added business operations that match the strength of the Japanese economy by supporting global companies’ establishment of new high-value-added business locations in Japan, such as Head Sites or R&amp;D Sites. METI expects this program to improve Japan’s status as an Asian business center.</td>
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| **Eligible Companies** | Private enterprises that satisfy all of the below requirements:  
1. Must have corporate status in Japan  
2. Must belong to a corporate body consisting of group companies that are operating an actual business in 2 or more countries at the time of submitting this application.  
* 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. |
| **Subsidized Projects** | Projects that satisfy all of the below requirements:  
1. The project shall be those for establishing a Regional Headquarters or R&D Site in Japan.  
2. The applied headquarters’ operations or R&D activities shall be continued for a minimum of 3 years after the end of the subsidy project period  
3. The investment plan must not have been publicly announced, nor the placing of orders, making of contracts, etc. been undertaken, prior to Cabinet approval of the budget bill of the 2014 general account (December 24th 2013).  
*1 Relocation and consolidation of existing sites already in Japan are excluded.  
*2 Facilities to operate a business relating to the controlled group company’s project policy decision or coordination (sales and marketing, corporate planning, finance, personnel and training, R&D, production management, distribution, legal affairs, etc.), and there shall be controlled group companies in 2 or more countries (Japan can be included).  
*3 Facilities needed to carry out R&D, such as industrialization through applied development, trials and product testing for advanced industrial technology in line with technological innovation. |
| **Subsidized Costs** | 1. Survey design costs (survey and design costs needed for building, refurbishment or facility installation)  
2. Facility costs (costs required for purchasing, building or refurbishment of facilities, including integrally developed facilities)  
3. Equipment costs (costs needed for purchasing and setting up equipment and software)  
4. Facility lease fees  
* 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.  
* costs incurred (by placing orders, making a contract, etc.) prior to the decision to grant this subsidy shall not be covered. |
| **Rate of Subsidy** | 1. Subsidy rate: up to one-half for SMEs; up to one-third for non-SMEs  
2. Limit: 0.5 billion yen |
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<td>1. Basic Items</td>
<td>Implementation ability, eligibility as a subsidy project operator, validity of costs and work schedule, etc.</td>
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<td>2. Uniqueness of the relevant site</td>
<td>It is expected that the relevant site is new to Japan.</td>
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| 3. Added value of the relevant site | Substantial investment amount and potential for employment creation, as well as incorporating one of the following aims:  

  *a) Regional HQ*  
  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.  

  *b) R&D Site*  
  The site is expected to be superior in terms of the contents in the R&D, its staff, patents and know-how, and business undertaken at the site must create newly added value in Japan. |
| 4. Ripple effects such as the accumulation effect that the subsidized project is expected to have in Japan | • 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.  
  • 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. |
| 5. Overseas locational competitiveness | 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. |

## Schedule

- Period for Acceptance of Application Forms: From March 24 to June 2, 2014
- Screening and Notification of Results: Around middle of June, 2014
- Grant Application and Notification: As a general rule, grant application must be reached at METI by September 1, 2014. Grant notification will be sent off in approximately 30 days after examination of the application.
- Commencement of the Subsidy Project: Any day after receiving the grant notification.

## Application / Contact

**Application / Contact**  
Ministry of Economy, Trade and Industry (METI)  
Trade and Investment Facilitation Division, Trade and Economic Cooperation Bureau  
1-3-1 Kasumigaseki, Chiyoda-ku, Tokyo  
Tel: 81-(0) 3-3501-1511 (ex. 3181~3186)  
Japanese / URL: http://www.meti.go.jp/information/publicoffer/kobo/k140324001.html  

**Other Organization able to Respond to Inquiries**  
Japan External Trade Organization (JETRO)  
Invest Japan Division, Invest Japan Department  
Ark Mori Building 6th floor, 1-12-32 Akasaka, Minato-ku, Tokyo  
Tel: 81-(0) 3-3582-5234