Ibaraki's Attractive Location Environment



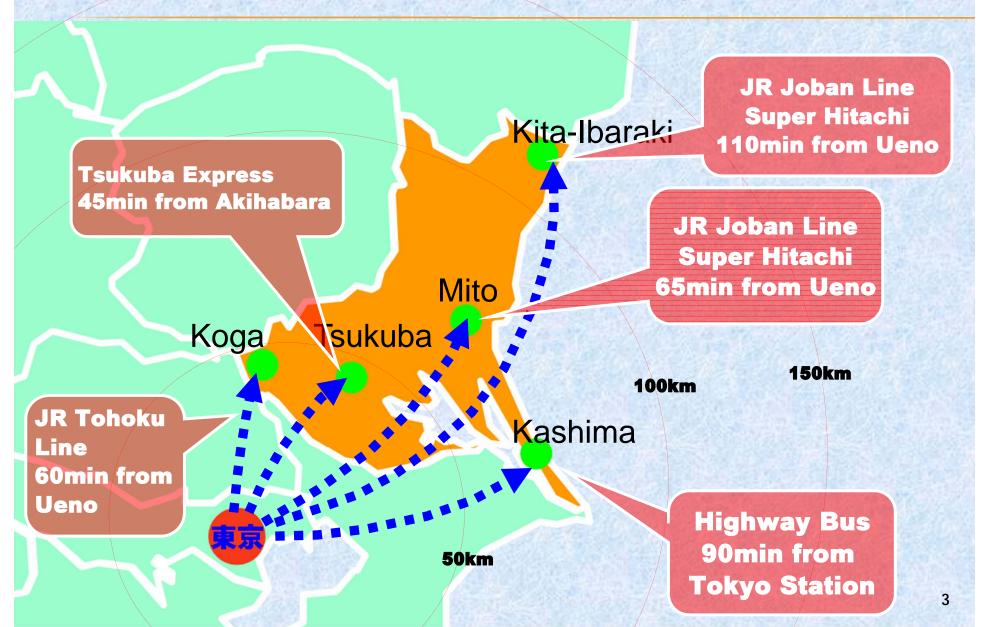
March 23rd, 2012

Ibaraki's Attractive Location Environment

6 Sales Points

- Excellent location proximal to Tokyo's large consumer base
- A wide transportation network covering land, sea, and air
- Manufacturing clusters supporting industrial activities
- Abundant land at a bargain rate
- An abundant workforce of educated human resources supportive of industrial vitality
- Leading the nation in tax incentives

Ibaraki's Attractive Location Environment 1 Excellent Location Proximal to Tokyo's Large Consumer Base



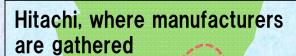
Ibaraki's Attractive Location Environment 2 A Wide Transportation Network Covering Land, Sea, and Air



Ibaraki's Attractive Location Environment 3 Manufacturing Clusters Supporting Industrial Activities

8th Nationally in Value of Shipped Manufacturing Goods

Tsukuba Science City





Hitachinaka

Groupings of material industries such as steel and petrochemical

Hitachi

2/trillion

Tsukuba

Tsukuba's Research Clusters 300 Organization locations 20 000 Researchers 2.7 hundred hillion yen Kamisu. Kashima

Central Hitachi

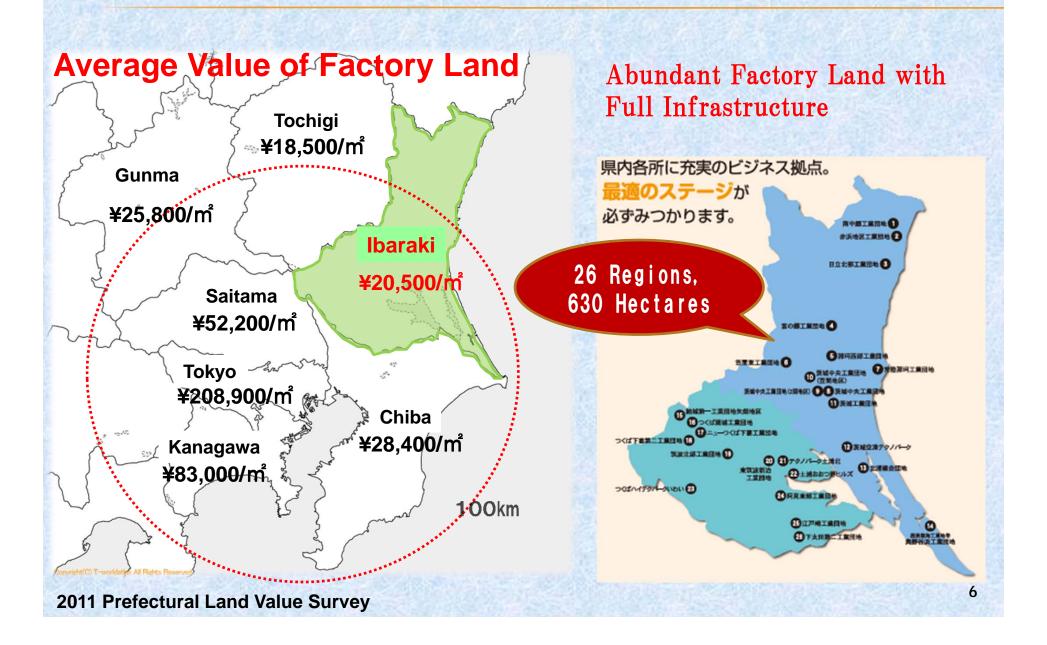


Kashima Coastal Industrial Region

2009

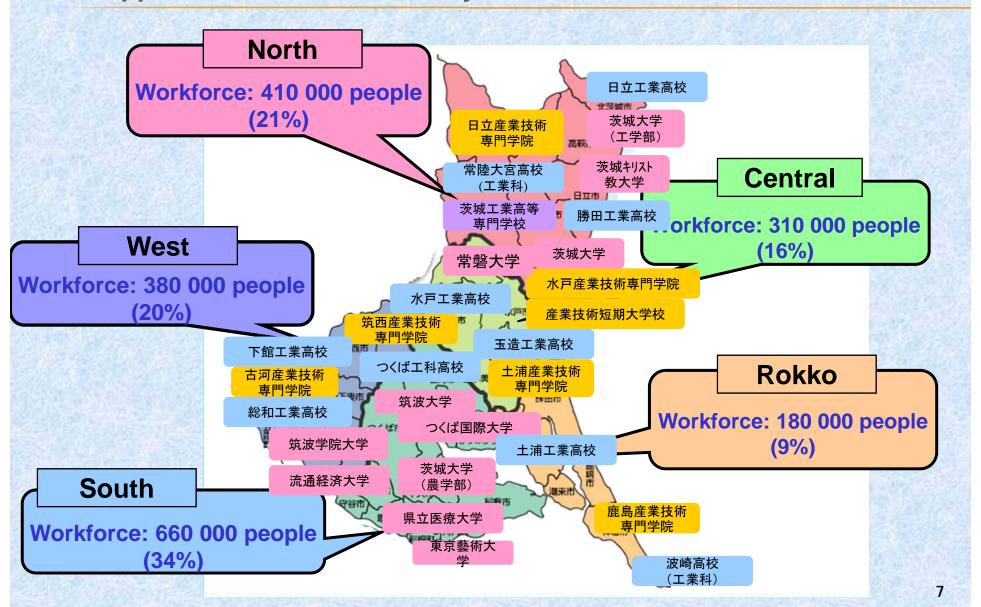
Source: Ibaraki's Industry
(Prefectural Statistics Division)

Ibaraki's Attractive Location Environment 4 Abundant Land at a Bargain Rate



Ibaraki's Attractive Location Environment 5

An abundant workforce of educated human resources supportive of industrial vitality



Ibaraki's Attractive Location Environment 6 Leading the Nation in Tax Incentives

As part of new factory facilities

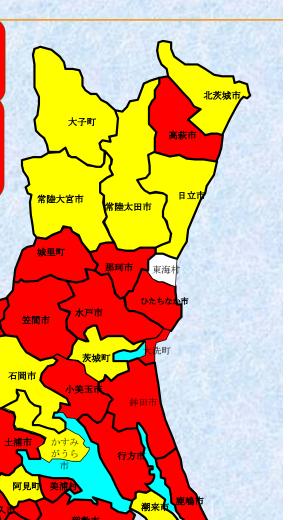
Corporate Enterprise Tax Exemption (3 years)

Real Estate Acquisition Tax Exemption

2003-2010 Total Locations and Sum

3,968 Companies <u>26 Billion Yen</u>

古河市



Furthermore,

Real Estate Tax Exemptions (37/44 Municipalities)

Financial Incentives for Employment (14/44 Municipalities)

- Real Estate Tax Only
- Real Estate + Employment
- **◆**Unadministere

Subsidy for New Industrial Locations

[Budget Amount] 14 Billion Yen
[Qualifying Facilities] ①Factories ②Logistics Facilities
[Qualifying Expenses] Invested real-estate value for factory locations (from land acquisition and development to building of mass production facilities)

[Requirements] Invested real-estate value over 100 million yen and new employment of at least 5 local workers

Invested real-estate value ove 100 million yen	new employment of 5 or more
Invested real-estate value over 1 billion yen	new employment of 10 or more
Invested real-estate value over 5 billion yen	new employment of 50 or more

[Subsidy Rate] up to 1/4 [Upper Limit] 3 billion yen/company

Goals of the Plan

Overview of the Ibaraki Special Industrial Revitalization Zone Plan

To create and secure employment opportunities in manufacturing clusters centered around the disaster-struck coastal region, and to invigorate the economy in disaster areas through the recovery of industries harnessing regional features, by making use of the special tax provisions of the Great Eastern Japan Earthquake Disaster Area Recovery Special Regions Law

1 Entities Involved (the Prefecture and 13 municipalities)

- (1) Coastal Municipalities (9 municipalities): Kita-Ibaraki, Takahagi, Hitachi, Tokaimura, Hitachinaka, Oarai, Hokota, Kashima, Kamisu
- (2) Inland Municipalities (4 Municipalities)

Mito, Itako, Naka, Ibaraki-machi * adjacent to municipalities with disaster-related unemployment

2 Regional Setup

(1)Industrial Clusters Recovery Regions (2)Disaster-related unemployment regions
62 areas in 13 municipalities
Fishing harbor areas in 4 coastal
municipalities (Kita-Ibaraki, Hitachinaka, Oarai, Kamisu)

3 Industrial Fields

OEnvironment/New Energies

OVehicles/Construction Machinery

OBasic Materials

OElectricity/Machinery

OFoodstuffs

OFishery

OLumber

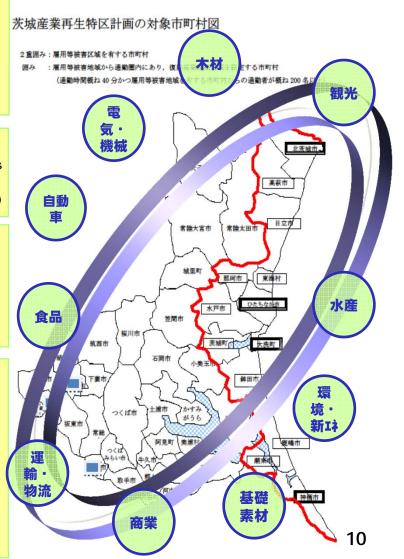
OShipping/Logistics

OTourism

OSales (Retail) and Service Industries

4 特例措置

- (1)被災地の雇用機会の確保のための税制上の特例措置(復興産業集積区域内)
 - ①特別償却(25~100%)又は税額控除(8%又は15%)
 - ②法人税の特別控除(被災者に対する給与等支給額の10%)
 - ③新規立地新設促進税制(5年間無税)*雇用等被害地域を有する市町村内の区域に限る。
 - ※①から③の措置は選択適用
 - ④研究開発税制の特例(即時償却及び12%の税額控除)
- (2)地方税の課税免除又は不均一課税に伴う措置
 - ○復興産業集積区域内における産業集積の形成等に資する事業に係る事業税,不動 産取得税又は固定資産税の課税免除又は不均一課税





New Business Evolution Happens in Ibaraki

Thank you for your time