

Introduction to Miyagi's Investment Environment

March 23 (FRI), 2012



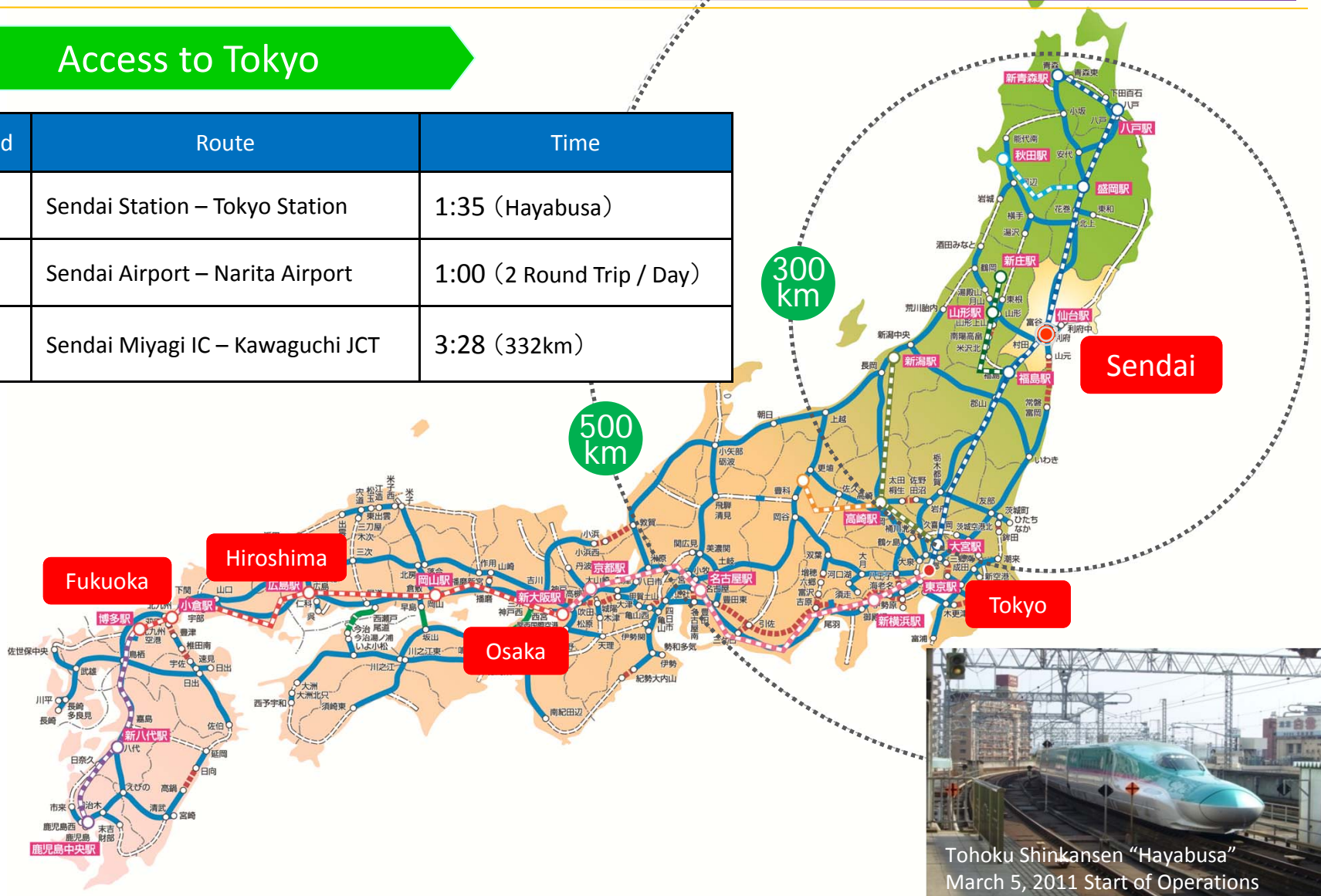


Doing Business from Miyagi



Access to Tokyo

Method	Route	Time
Train	Sendai Station – Tokyo Station	1:35 (Hayabusa)
Plane	Sendai Airport – Narita Airport	1:00 (2 Round Trip / Day)
Car	Sendai Miyagi IC – Kawaguchi JCT	3:28 (332km)



Tohoku Shinkansen "Hayabusa"
March 5, 2011 Start of Operations

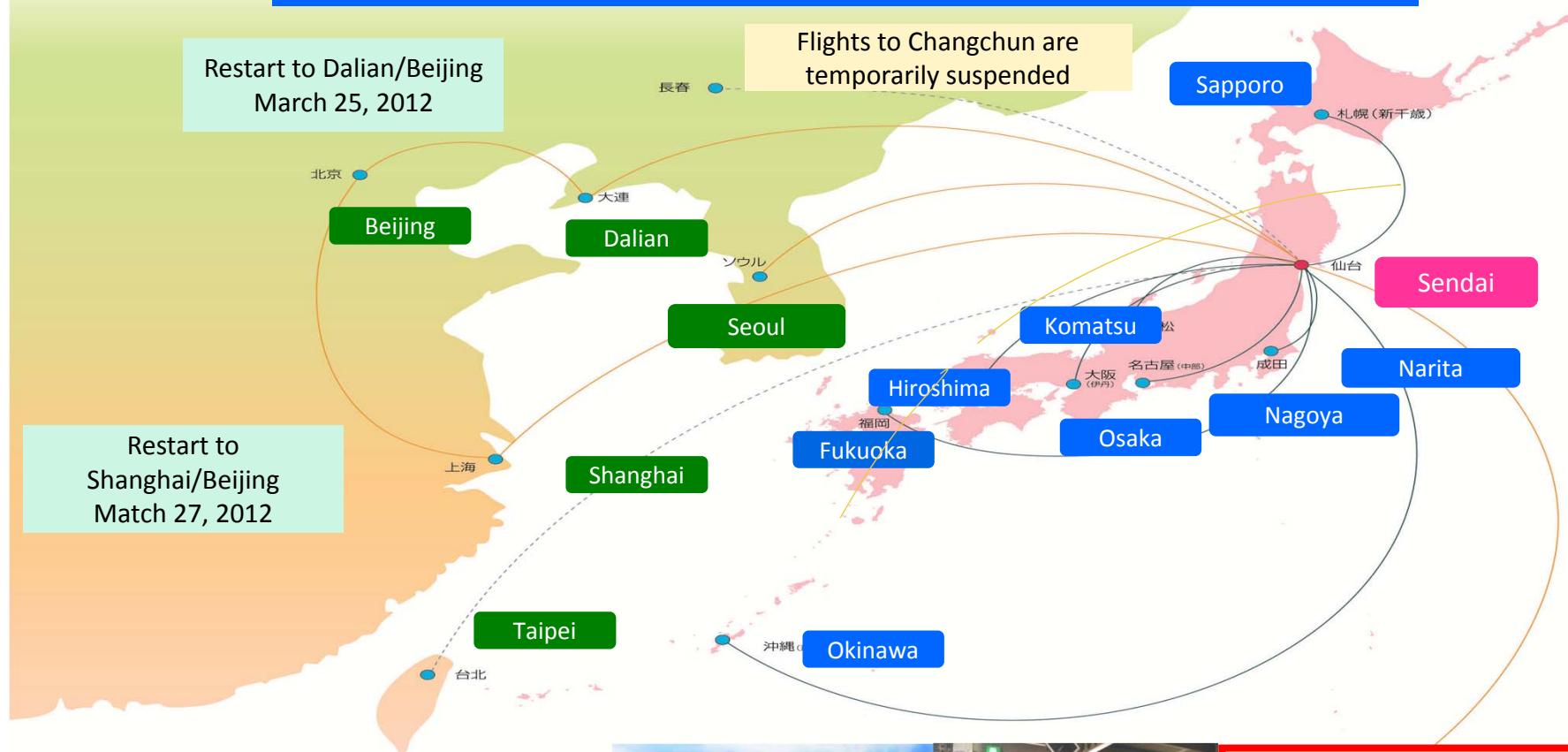


Sendai Airport – Hub Airport of Tohoku



Post-Earthquake: Restart of regularly scheduled flights to 8 domestic / 3 international cities

Access from Sendai Airport to Domestic/International Cities



Sendai Airport Access Line
Sendai Station ↔ Sendai Airport
17 minutes (fastest)

Sendai Shiogama Port – Entrance to Tohoku

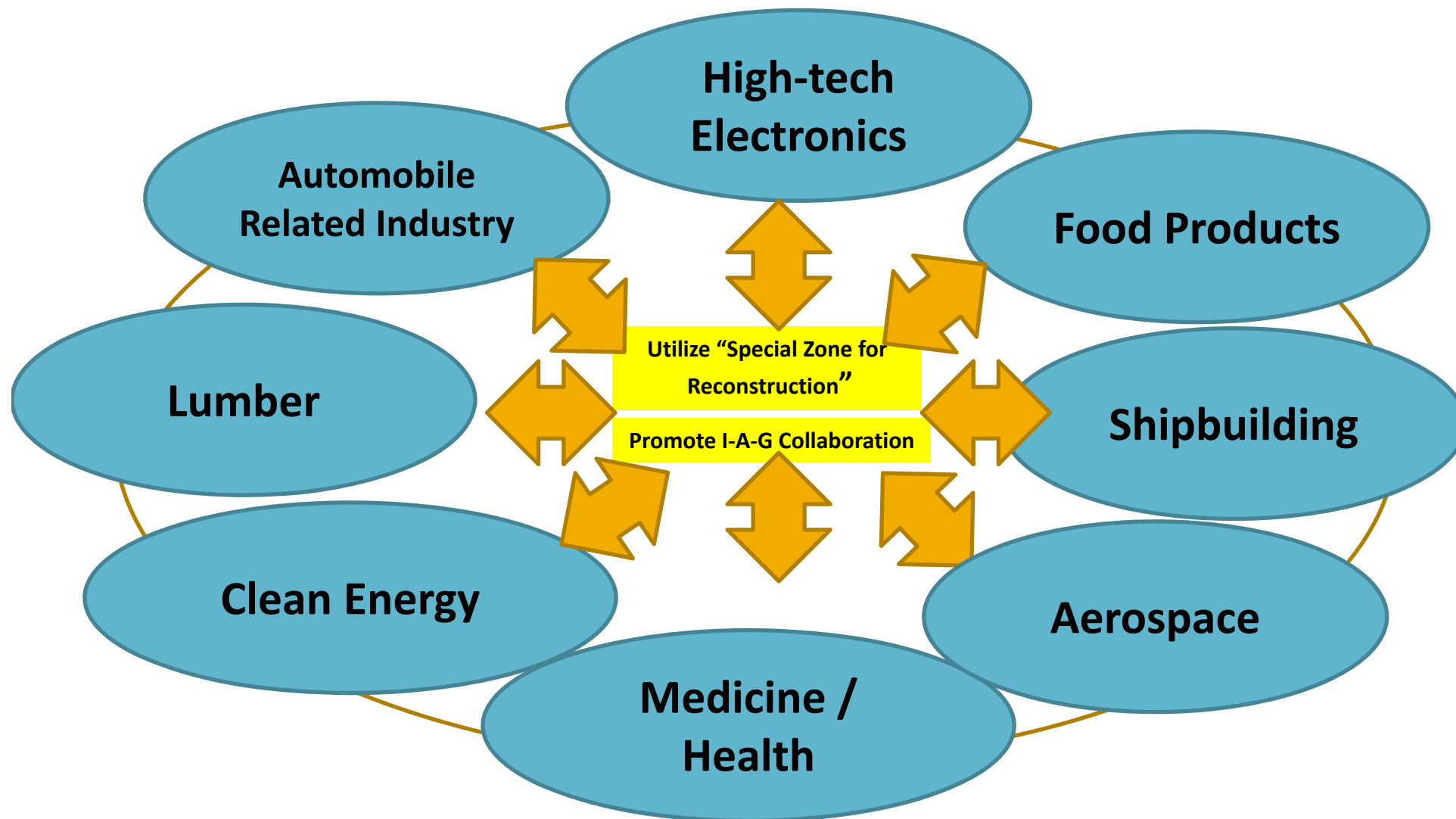


◎Engaging in exportation/importation with the entire world via direct foreign trade routes as well as transshipment via Keihin Port, the Port of Busan, and others.

◎Foreign trade routes include **China/Korea** - 1/week, **West Coast North America / South East Asia** - 1/week, and **domestic feeder routes** connecting Sendai and Keihin - 13/week. In April of this year, the number of China/Korea routes is planned to be increased.



8 Industries to Agglomerate





323 areas in 34 municipalities in Miyagi have been designated as areas to aim for predominant agglomeration of the 8 industries

→ Establishment in these designated areas comes with benefits!





Special Zone for Reconstruction Benefits



“Industrial Agglomeration Zones for Reconstruction” have been established with the aim of encouraging industrial agglomeration.

Businesses establishing factories or offices in these “Industrial Agglomeration Zones for Reconstruction” will be eligible to receive the following benefits. (until March, 2016)

Tax breaks for newly established businesses
(Applicable to coastal areas)

Tax breaks on facilities investments
(Special Depreciations or Tax Deductions)

Tax Credits on Corporate Income Tax
(10% of pay offered to affected persons)

or

or

Tax breaks on research assets

Exemption of Real Estate Acquisition Tax associated with acquiring real estate for a factory / office

5 year tax exemption for Fixed Property Asset Taxes and Corporate Enterprise Taxes



Expansion of Preferential System for Business Establishment ①



The Business Establishment Financial Incentive System has been greatly expanded to encourage early recovery

Miyagi Business Establishment Incentives (Incentive for Fixed Asset Investments)

- (1) When establishing a plan to construct a factory, etc. related to the respective industry of the established industrial agglomeration zone as outlined in the Business Establishment Promotion Act

		Investment Amount (Fixed Asset Investment Amount)			
		Over 10 billion Yen	Over 5 billion Yen	Over 2 billion Yen	Over 100 million Yen
Number of Jobs	Over 300	Amount × 10% (Max 4 billion Yen)			
	Over 100	Amount × 10% (Max 2 billion Yen)			
	Over 50	Amount × 10% (Max 1 billion Yen)			
	Over 20	Amount × 7% (Max 700 million Yen)			
	Over 3	Amount × 3.5% (Max 350 million Yen)			



Expansion of Preferential System for Business Establishment ②



Miyagi Business Establishment Incentives (Incentive for Fixed Asset Investments)

(2) For cases other than that described in (1) (expansion of current factories, road freight transportation, warehousing, etc)

		Investment Amount (Fixed Asset Investment Amount)	
		Over 100 million yen	
o N J f u o m b N b s e e w r	Over 20	Amount × 5% (Max 500 million yen)	
	Over 3	Amount × 2.5% (Max 250 million yen)	

Other Preferential Systems

Miyagi's Unique Preferential Tax System

- 3 year exemption of Corporate Enterprise Taxes
- 50% remittance of Real Estate Acquisition Taxes, Prefectural Fixed Asset Taxes

Miyagi's Unique Loan System

- Interest rate: 1.5%, Term: 15 years, Credit Line: 500 million yen
- Usable for Site Acquisition Costs, Equipment Acquisition Costs

Special Depreciation System (Special Tax Provisions)

- Support System under the Business Establishment Promotion Act
- Depreciation rate: Machinery/Equipment – 15%, Buildings – 8%

Reduction/ Exemption of Fixed Asset Taxes (municipal)

- Support System under the Business Establishment Promotion Act
- Reduction/Exemption of Fixed Asset Taxes (3 years)

Thank you for attending today.
If you have any questions about this document
please refer to one of the following contacts.

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Miyagi Tourism Campaign
PR Character
“Musubi Maru”