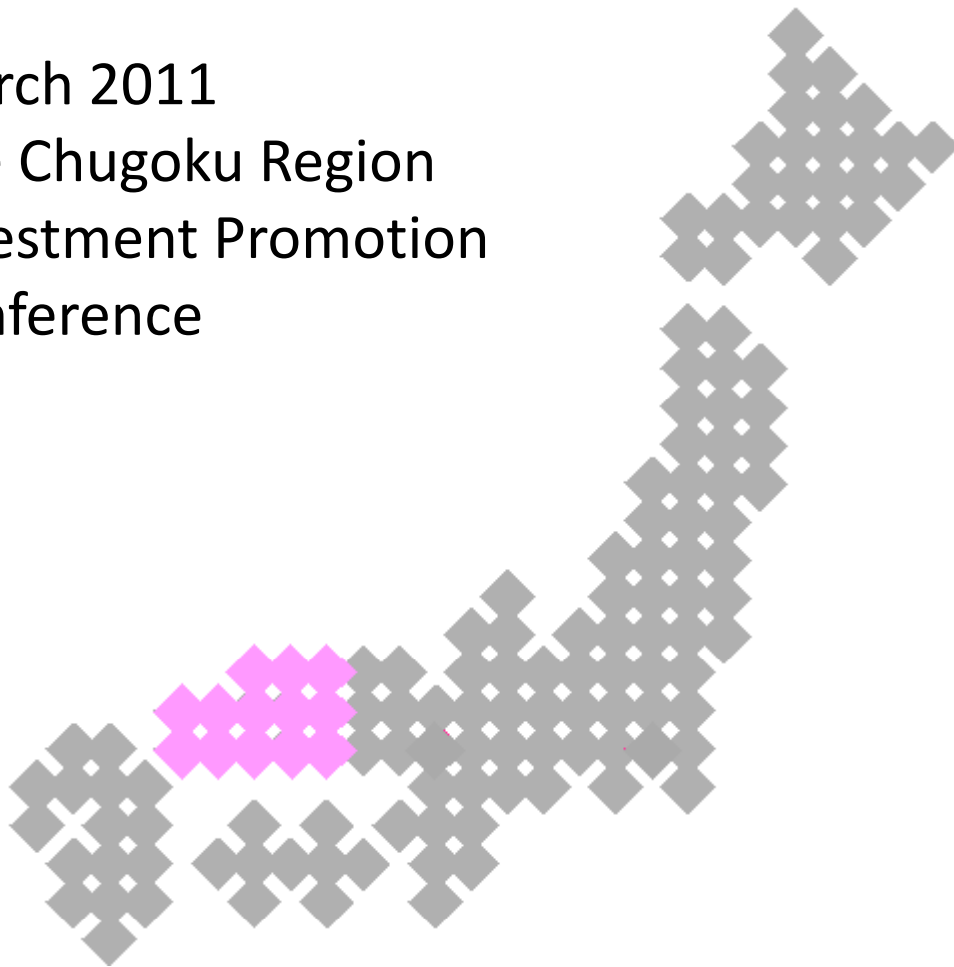




JAPAN CHUGOKU REGION 2011

March 2011
The Chugoku Region
Investment Promotion
Conference

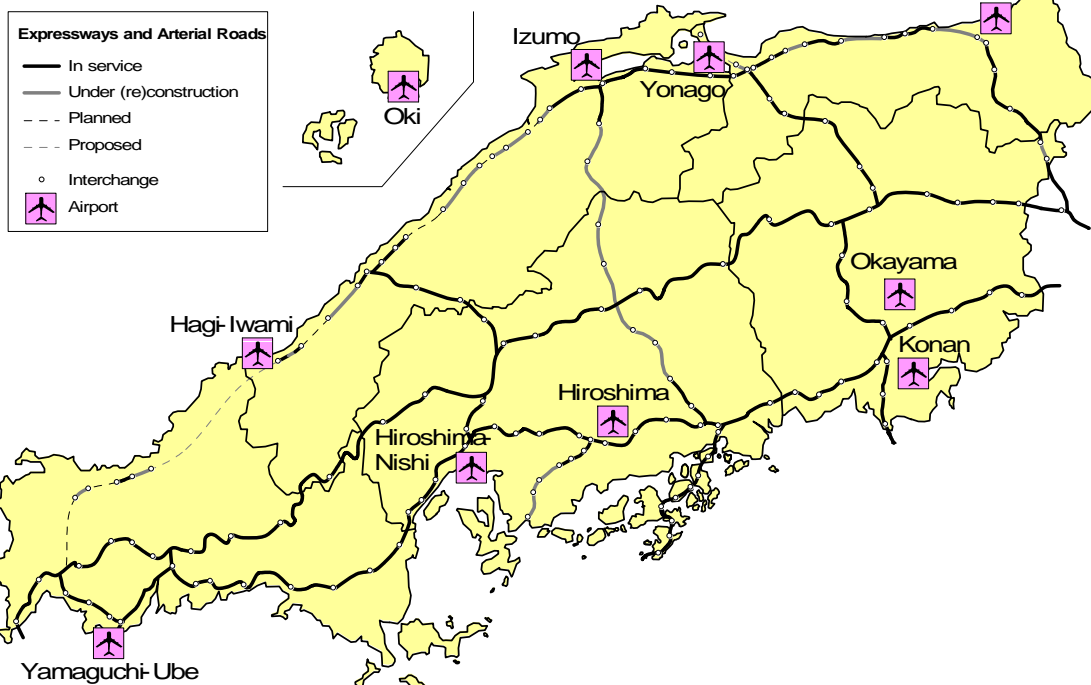


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Access

The Chugoku Region borders Kyushu, Shikoku, and Kinki regions, making it a transportation hub for all of western Japan. The infrastructure includes advanced airports and seaports, with active movement of people and goods from this region to other parts of Japan and overseas.

Of the 10 airports in the Chugoku region, 3 airports-Yonago, Hiroshima, and Okayama-receive regular scheduled international flights. International charter flights are received at 7 airports - Tottori, Yonago, Izumo, Hagi-Iwami, Okayama, Hiroshima, and Yamaguchi-Ube. Two airports, - Hiroshima and Okayama-have 3,000-meter runways, and are capable of accepting large cargo airplanes.



Flight Time to Major Cities

Airport	Major Cities (No. of daily flights)	(hours: minutes)
Tottori	Tokyo(4)	1:10
Yonago	Tokyo(5)	1:15
	○Seoul(3/week)	1:40
Izumo	Tokyo(5)	1:20
	●Osaka(Itami)(5)	0:50
	●Oki(1)	0:30
	●Fukuoka(2)	1:10
Oki	●Osaka(Itami)(1)	1:00
	●Izumo(1)	0:35
Hagi-Iwami	Tokyo(1)	1:30
	Tokyo(9)	1:10
	Okinawa(1)	2:10
	○Guam(2/week)	3:40
	○Seoul(7/week)	1:45
	○Shanghai(7/week)	2:00
	○Beijing(2/week)	4:30
	○Dalian(2/week)	2:20

Airport	Major Cities (No. of daily flights)	(hours: minutes)
Hiroshima	Narita(2)	1:30
	Tokyo(15)	1:15
	Sapporo(1)	1:55
	Sendai(1)	1:20
	Okinawa(2)	1:55
	○Seoul(7/week)	1:40
	○Shanghai(7/week)	1:40
	○Dalian(8/week)	1:55
	○Beijing(5/week)	4:15
	○Taipei(6/week)	2:50
	○Guam(2/week)	3:40
Yamaguchi-Ube	Tokyo(8)	1:25

Current as of Feb. 2011

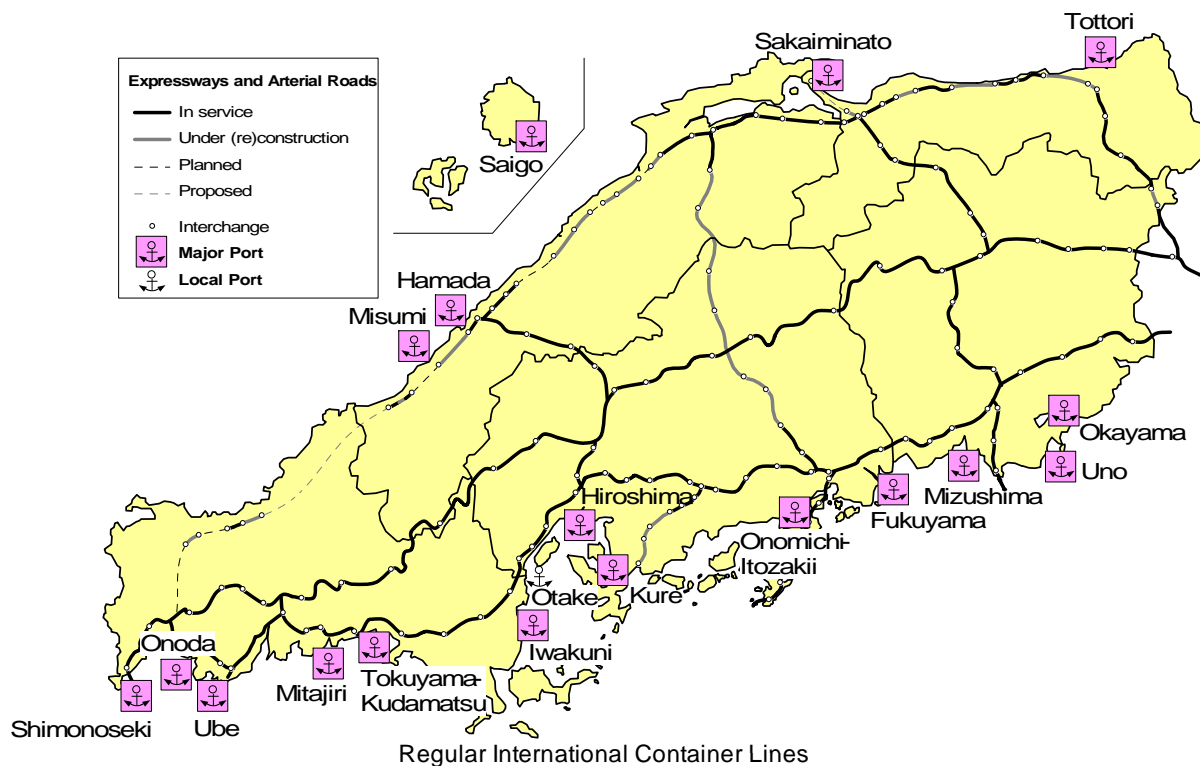
●Commuter flights

○Regular scheduled international route

Note:1. From the end of March, 2011, the Hiroshima-Shanghai route will be extended to Chengdu, and the Hiroshima-Dalian route (3 flights) will be extended to Tianjin.

2. 2 airports, Konan and Hiroshima-nishi, doesn't receive regular scheduled flights.

" Major Port" indicates a port that is designated by the government as being a central point of the international and domestic sea transport network, or as otherwise being strongly related to national interests. The Chugoku region includes 14 such Major Ports. "Specially Designated Major Port" indicates a Major Port which is of particular importance as a central point in the international sea transport network. There are 4 such ports in the Chugoku region - Mizushima Port in Okayama prefecture, Hiroshima Port in Hiroshima prefecture, Shimonoseki Port and Tokuyama Kudamatsu Port in Yamauchi prefecture.



Port	Route (International Ports of call)	
Sakaiminato	Korea routes	(Busan), (Busan, Ulsan, Gwangyang, Tianjin, Dalian)
	Korea-Russia route	(Donghae, Vladivostok)
	China routes	(Qingdao, Dalian), (Shanghai)
Hamada	Korea route	(Busan)
	Russia route	(Vladivostok)
Mizushima	Korea routes	(Busan, Incheon), (Ulsan, Busan), (Busan)
	China routes	(Tianjin, Dalian, Qingdao, Ningbo, Shanghai), (Dalian, Qingdao), (Shanghai), (Xiamen, Fuzhou)
	Viet Nam route	(Keelung, Taichung, Maitiao, Danang, Ho Chi Minh, Kaohsiung)
Fukuyama	Korea routes	(Busan), (Busan, Ulsan)
	China routes	(Dalian, Qingdao), (Shanghai), (Tianjin, Dalian, Qingdao, Ningbo, Shanghai)
Kure	Korea route	(Busan)
Hiroshima	Korea routes	(Busan), (Ulsan, Busan), (Busan, Incheon)
	China routes	(Shanghai), (Ningbo, Shanghai, Tianjin, Dalian), (Dalian, Qingdao)
	Taiwan-Manila route	(Keelung, Manila, Kaohsiung)
	Taiwan-SE Asia routes	(Busan, Gwangyang, Keelung, Kaohsiung, Hong Kong, Shekou, Xiamen), (Busan, Kaohsiung, Hong Kong, Hai Phong, Zhanjiang, Yantian)
North America route	(America Longbeach / Everett, Canada Vancouver)	
Otake	Korea route	(Busan)
Iwakuni	Korea routes	(Busan), (Busan, Incheon)
	China routes	(Shanghai), (Shanghai, Qingdao)
	China-Taiwan route	(Taipei, Taichung, Kaohsiung, Nansha, Shekou, Hong Kong)
Tokuyama Kudamatsu	Korea routes	(Busan), (Busan, Masan)
	China route	(Shanghai)
	SE Asia route	(Keelung, Kaohsiung, Hong Kong, Laem Chabang, Taichung)
Mitajiri Nakanoseki	Korea route	(Busan)
	China routes	(Dalian, Qingdao), (Shanghai)
	SE Asia route	(Keelung, Manila, Kaohsiung)
Ube	Korea route	(Busan)
Shimonoseki	Korea routes	(Busan, Masan), (Busan), (Gwangyang)
	China routes	(Qingdao), (Suzhou)

Current as of Feb. 2011

Tax Incentives / Subsidies and Financing

A full set of incentives are available for businesses which are established in the Chugoku region. These include a variety of benefits in terms of national, prefectural, and city / town / village taxes.

Incentives for Each Region

National taxation

Regional designations/categories	Agro-industrial district	Regional urban center	Remote island	Peninsular	Under-populated region	Cluster zone
Applicable industry	Manuf. Road cargo transport Warehousing Packaging industry Wholesale	-	Manuf.,Others	Manuf.,Others	Manuf. Lodges Business using ICT	Cluster industries specified in the "Basic Plan"
Exemption for replacement of business assets	●		●	●	●	
Special depreciation for industrial machinery			●	●	●	●

City / town / village taxes

Business taxes			●	●	●	
Real estate acquisition tax		●	●	●	●	●
Fixed asset tax		●	●	●	●	●

Financing

Japan Finance Corporation	●		●	●	●	●
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Note:※ Financing is listed only those areas that are associated with conditions specified

Agro-industrial district (Act on the Promotion of Introduction of Industry into Agricultural Regions), Regional urban centers (Act on Comprehensive Development of Regional Core Cities with Relocation of Office-Work Function), Remote islands (Act on Remote Islands Development), Peninsular regions (Act on Peninsula Development), Underpopulated regions (Act on Special Measures for Promotion of Independence of Underpopulated Regions), Cluster zone (Act on Formation and Development of Regional Industrial Clusters through Promotion of Establishment of New Business Facilities, etc.)

Tax Incentives (National taxation)

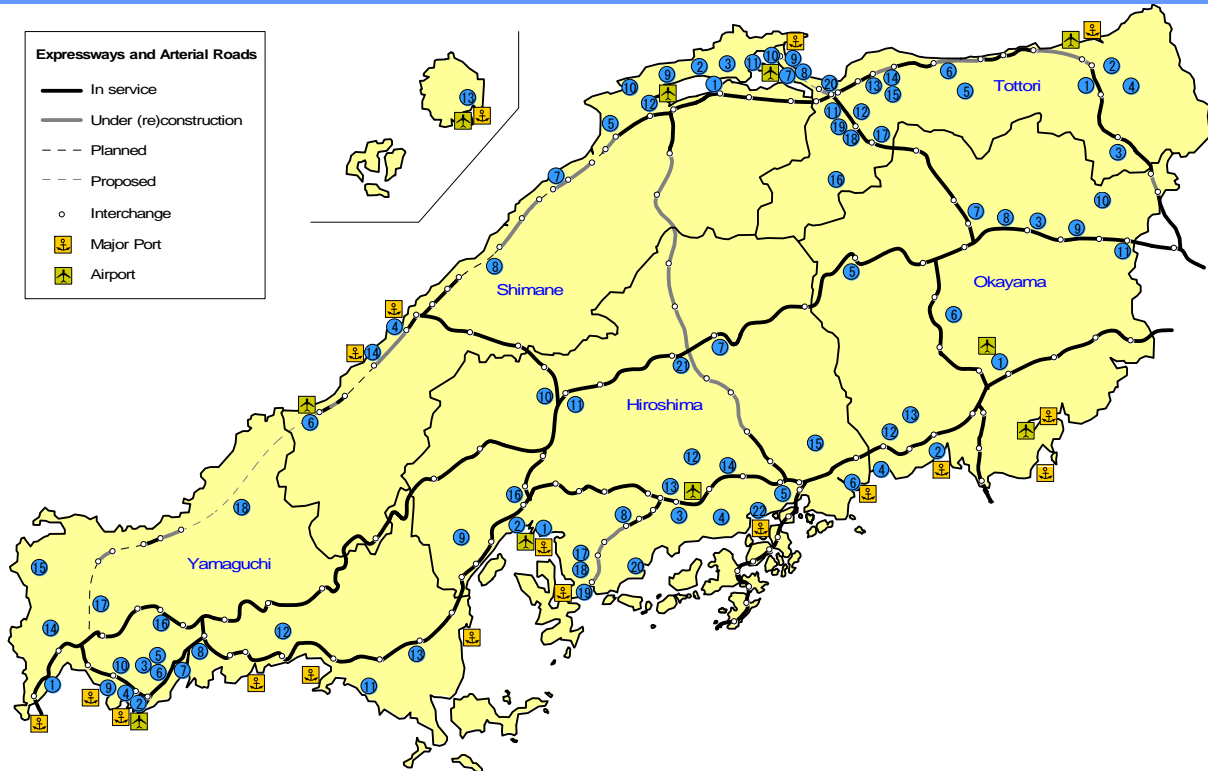
	Exemption for replacement of special business assets	Special depreciation of industrial machinery	Condition (for special depreciation)
Agro-industrial district	If assets including land, buildings, and mechanical equipment within a certain region are sold, then a tax exemption is recognized through advanced depreciation for land, buildings, and mechanical equipment acquired during the same business year. (Special Taxation Measures Law Article 65-7)	-	-
Under-Populated region		With the construction of a new factory in the regions where this applies, in addition to ordinary depreciation, special depreciation is recognized within the first year for acquisition of buildings, machines, and other industrial-use assets which meet the specified conditions.	Acquisition of industrial production equipment exceeding 20.00 million yen in value
Peninsular region			
Remote island			
		(1)Machinery and equipment 15/100 (2) Buildings and related equipment 8/100 (Special Taxation Measures Law Article 44-2)	(1)Machinery and equipment Acquisition of 1 unit exceeding 10.00 million yen and collectively exceeding 300 million yen in value (Agriculture, forestry and fisheries related industry: Acquisition of 1 unit exceeding 5.00 million yen and collectively exceeding 40.00 million yen in value) (2) Buildings and related equipment Acquisition exceeding 500 million yen in value (Agriculture, forestry and fisheries related industry: Acquisition exceeding 50.00 million yen in value)
Cluster zone	-		

Subsidies and Financing

Assistance and Subsidies
- Regional Employment Promotion Assistance Fund (Ministry of Health, Labor and Welfare)
- Assistance Fund for Establishing New Businesses in Power Supply Regions(Center for Development of Power Supply Regions)
- Overview of Subsidy Program for Projects Promoting Asian Site Location in Japan (Ministry of Economy, Trade and Industry)

Government Financial Institutions
- Japan Finance Corporation (Loans for Regional Revitalization and Employment Promotion)
- Japan Foundation for regional Vitalization(Hometown Loan (Regional Vitalization Loan))
- Cabinet Office(Community Revitalization Assistance Interest Subsidies)

Major Industrial Complexes



Tottori Prefecture

1	Hotei Industrial Park
2	Wakabadai-Kita Industrial Park
3	Chizu Techno Park
4	Yamanoue Industrial Park
5	Nishi-Kurayoshi Industrial Park
6	Higashisono Inaba Industrial Park
7	Yonago Sakitsu District Core
8	Wadahama Industrial Park
9	Sakaminato Takenouchi Industrial Complex
10	Sakaminato-Nishi Industrial Park
11	Kishimoto Industrial Park
12	Ohara Industrial Park
13	Daisen IC Industrial Park
14	Hayashinomine 1 Industrial Park
15	Hayashinomine 3 Industrial Park
16	Nakasuge Industrial Park
17	Koebi Industrial Park
18	Daisen Center Industrial Park
19	Taiheibara Industrial Park
20	Yonago Distribution Center

Shimane Prefecture

1	Matsue Konan Technical park
2	Asahi Hills Industrial Park
3	Shimane Research Business Park
4	Hamada Port Seaside Industrial Park
5	Izumo Nagahama Core Industrial Park
6	Iwami "Rinku" Factory Park
7	Hane District Industrial Park
8	Gotsu Industrial Park
9	Izumo Eastern Industrial Park
10	Kawashimo Port Seaside Industrial Park
11	Eshima Industrial Park
12	Hikawa Central Industrial Park
13	Saigo Port Seaside Industrial Park
14	Misumi Port Seaside Industrial Park

Okayama Prefecture

1	Okayama Research Park
2	Mizushima Port (Tamashima District Distribution Facilities Park)
3	Tsuyama Industry Distribution Center
4	Kasaoka Port (Harbor district)
5	Niimi Industrial Park
6	Kibi Plateau City Industry Ward
7	Maniwa Industrial Park
8	Kume Industrial Park
9	Shinshoou Chukaku Industrial Park
10	Higashiyama Industrial Park
11	Mimasaka Sakuto Industrial Park
12	Shikigaoka Industrial Park
13	Higashiminari Industrial Park

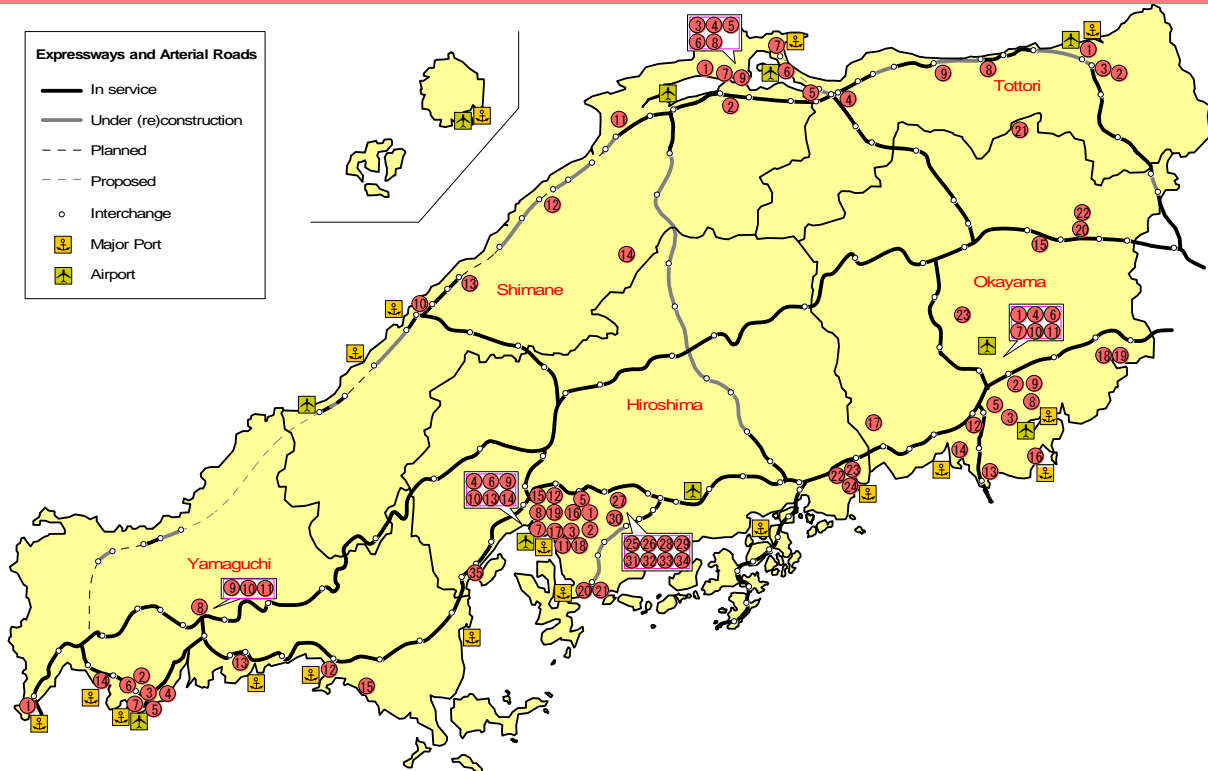
Hiroshima Prefecture

1	Dejima District of Hiroshima Port
2	Itsukaichi District of Hiroshima Port
3	Takehara Industrial and Distribution Park
4	Mihara-Seibu Industrial Park (Sojo Area)
5	Onomichi Distribution Park
6	Minooki Industrial Park
7	Shobara Industrial Park
8	Techno Town Higashi-Hiroshima
9	Saiki Industrial Park
10	Chiyoda Distribution Park
11	Ujigami Industrial Park II
12	Daiwa Industrial Park
13	Kouchi By-Airport
14	Kui Industrial Park
15	Shinichi Industrial Park
16	Hiroshima Seifu-Shinto
17	Naeshiro Industrial Park I
18	Naeshiro Industrial Park II
19	Aga marinoporis District
20	Yasuura Industrial Park
21	Miyoshi Industrial Park III
22	Matsuhama District of Onomichi-Itozaki Port

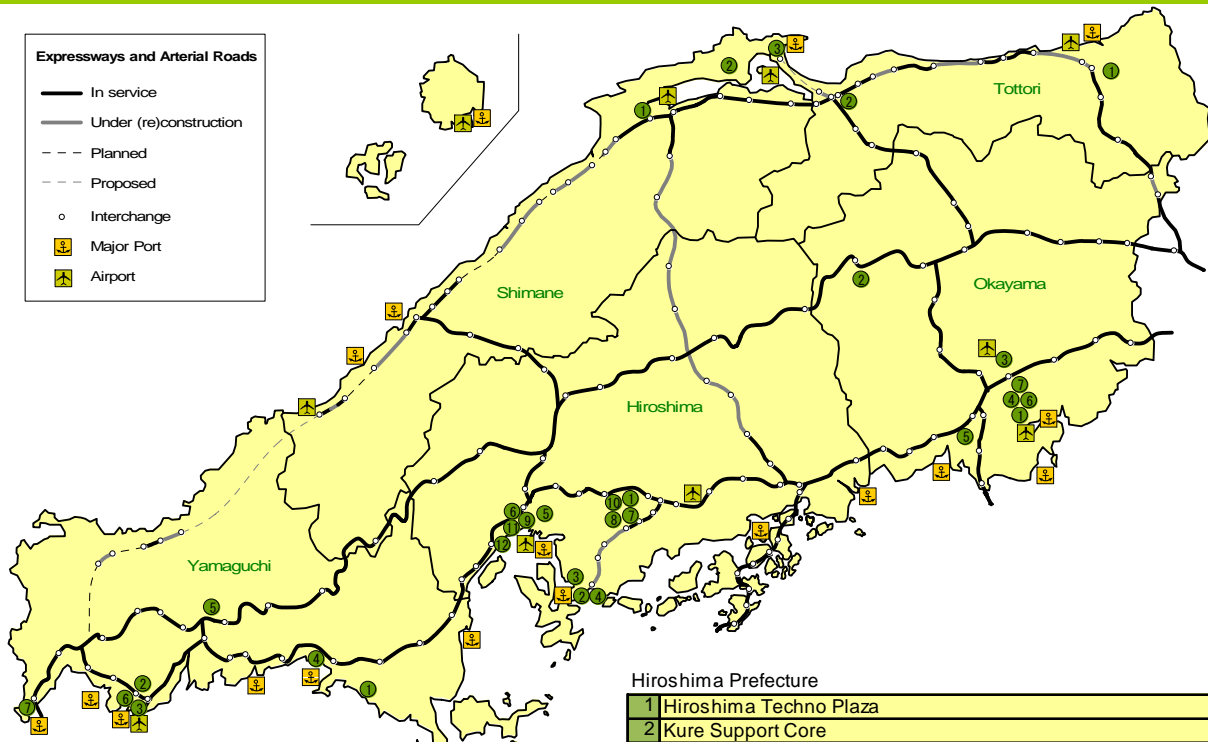
Yamaguchi Prefecture

1	Chofu Ogi-machi Industrial Park
2	Ube Airfront Intelligent Park
3	Ube Techno Park
4	Ube Techno Center
5	Yamaguchi Techno Park
6	Yamaguchi Techno II
7	Yamaguchi Industrial Distribution Complex
8	Suzenji Industrial Park
9	Higashioki Factory Park
10	Onoda, Kusunoki Industrial Park
11	Hikari Soft Park
12	Yonemitsu Industrial Park
13	Techno Port Shuto
14	Toyohigashi Industrial Park
15	Nishinagato Industrial Park
16	Leading Plaza Jumonji
17	Mine Techno Park
18	Asou Industrial Park

Research Institutes



Business Incubation Facilities



Tottori Prefecture

1	Incubation Room, Electron Organic Materials Research Laboratory, Tottori Institute of Industrial Technology
2	Incubation Room, Mechanical & Material Research Laboratory, Tottori Institute of Industrial Technology
3	Food Research and Development Laboratory, Tottori Institute of Industrial Technology

Shimane Prefecture

1	Hikawa-offering Support Center
2	Techno Arc Shimane

Okayama Prefecture

1	Business Incubator Okayama
2	I-box Niimi
3	Okayama Research Park Incubation Center
4	Okayama Creative Center
5	Kurashiki Venture Office
6	Okayama Niteras
7	Okayama Univ. Incubator

Hiroshima Prefecture

1	Hiroshima Techno Plaza
2	Kure Support Core
3	Kure Challenge Core
4	Kure Jump Core
5	Soho-kokutaiji club
6	Hiroshin Incubation Center, "B - Square"
7	Hiroshima Incubation Center, "Create Core"
8	Techno Frontier Higashihiroshima
9	SOHO @ Hiroshima
10	Higashihiroshima Support Center for the Creation of New Industries
11	Business Base Hiroshima
12	Shamojin Cube

Yamaguchi Prefecture

1	Yamaguchi Software Center
2	Yamaguchi Mechanics Electronics Technology Center
3	Yamaguchi Airfront Incubation Office
4	Shunan Citizens Exchange Center, Business Support Center
5	IT Business Center Yamaguchi
6	Ube Medical Creative Center
7	Shimonoseki Incubation Support Facility, "Incubator Alpha"

The Chugoku region includes research and development businesses in the fields of electronics, biotechnology, and new materials, and is leading the world with its advanced technical power. Against this background of industrial concentration, more and more commercial research facilities, including national and other public experimental and research organizations, are being established in the region.

Tottori Prefecture

1	Tottori University Electronic Display Research Center
2	Tottori Institute of Industrial Technology, Electronic and Organic Material Research Lab.
3	Tottori Mycological Institute(TMI)
4	Tottori Institute of Industrial Technology, Mechanical and Material Research Lab.
5	Tottori Bio-Frontier
6	Hyo-on Institute Co.,Ltd.
7	Tottori Institute of Industrial Technology, Food Research and Development Lab.
8	Tottori Prefectural Institute of Public Health and Environmental Science
9	Tottori Prefectural Agriculture and Forest Research Institute

Shimane Prefecture

1	Shimane Prefectural Institute of Public Health and Environmental Science
2	Shimane Prefectural Construction Technology Center
3	Shimane Institute for Industrial Technology
4	Shimane Industrial Promotion Foundation
5	Techno Arc Shimane
6	Shimane Prefectural Intellectual Property Center
7	Shimane Information Industry Association
8	Japan Institute of Invention and Innovation, Shimane Prefecture Branch Office
9	JETRO Matsue Trade Information Service Center
10	Shimane Institute for Industrial Technology, Hamada Branch
11	Shimane Institute for Health Science
12	Department of Livestock and Grassland Science, National Agricultural Research Center for Western Region
13	Shimane Prefectural Institute for Promotion of Local Industry in the Sekio Area
14	Shimane Prefecture Mountainous Region Research Center

Okayama Prefecture

1	Industrial Technology Center of Okayama Prefecture
2	Okayama Prefectural Construction Technology Center
3	Okayama Prefectural Institute for Environmental Science and Public Health
4	Okayama University Collaborative Research Center
5	Teleport Okayama
6	System Engineering Okayama
7	Japan Institute of Invention and Innovation, Okayama Prefecture Branch Office
8	JETRO Okayama Trade Information Service Center
9	Okayama International Business Association
10	Techno-Support Okayama
11	Okayama Prefecture Industrial Promotion Foundation
12	Sanyo Technology Promotion Society
13	Kurahashi Fashion Center Co., Ltd.
14	Mizushima Salon
15	Tsuyama New Industry Creation Organization
16	Tamano Industrial Promotion Corporation
17	Ikasa Industrial Promotion Center
18	Okayama Ceramics Center
19	Okayama Ceramics Research Foundation
20	Okayama Research Institute for Forest and Forest Products
21	Japan Atomic Energy Agency, Ningyo-Toge Environmental Engineering Center
22	Forest Tree Breeding Center, Kansai Breeding Center
23	Research Institute for Biological Science s , Okayama

Hiroshima Prefecture

1	Hiroshima Prefectural Technology Research Institute, Food Technology Research Center
2	Hiroshima Prefectural Technology Research Institute, Health and Environment Center
3	Hiroshima City Industrial Technology Center
4	Hiroshima City Institute of Public Health
5	Radiation Effects Research Foundation(RERF)
6	Hiroshima Institute for Small Business Management and Technology
7	Chugoku Industrial Innovation Center
8	Japanese Standards Association, Hiroshima Office
9	Hiroshima City Industrial Promotion Center
10	Hiroshima City Industrial Information Service
11	Japan Institute of Invention and Innovation, Hiroshima Prefectural Branch Office
12	Chugoku General Support Center for Small and Medium Enterprise Ventures
13	Hiroshima Intelligent Center
14	Hiroshima Software Center Co., Ltd.
15	JETRO Hiroshima Trade Information Center
16	Hiroshima Industrial Culture Center
17	Hiroshima Industrial Promotion Organization
18	Hiroshima Intellectual Property Center
19	Hiroshima International Center
20	Hiroshima Prefectural Technology Research Institute, Western Region Industrial Research Center
21	Kure Region Industrial Promotion Center
22	National Agricultural Research Center for Western Region
23	Hiroshima Prefectural Technology Research Institute, Eastern Region Industrial Research Center
24	Bingo Area Center for the Promotion of Regional Industry
25	Chugoku National Industrial Research Institute
26	National Research Institute of Brewing
27	Hiroshima Prefectural Technology Research Institute, Agricultural Technology Research Center
28	Hiroshima Prefectural Technology Research Institute, Western Region Industrial Research Center, Academy of Production Technology
29	Hiroshima Prefectural Institute of Industrial Science and Technology
30	Techno-Frontier Higashi-Hiroshima
31	Hiroshima Incubation Center, "Create Core"
32	JICA Chugoku International Center
33	Hiroshima Techno Plaza Corporation
34	Hiroshima International Center Training Department
35	National Research Institute of Fisheries and Environment of Inland Sea, Fisheries Research Agency

Yamaguchi Prefecture

1	JETRO Yamaguchi Trade Information Center
2	Yamaguchi Prefectural Mechatronics Technology Center
3	Yamaguchi Prefectural Industrial Technology Institute
4	Yamaguchi Prefectural Mental Health Welfare Center
5	Japan Ultra-high Temperature Materials Research Center
6	Japan Institute for Advance Dentistry
7	Yamaguchi Technology Licensing Organization Ltd.
8	Yamaguchi Prefectural Research Institute of Health
9	Yamaguchi Industrial Promotion Foundation
10	Yamaguchi New Media Center Corporation
11	Japan Institute of Invention and Innovation, Yamaguchi Prefecture Branch Office
12	Shunan Regional Industries Promotion Center, Foundation
13	Crafts Industry Promotion Center, Yamaguchi-Hofu Area
14	Sanyo Onoda City Environmental Research Center
15	Yamaguchi Software Center



JAPAN CHUGOKU REGION 2011

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