March 2011
The Chugoku Region
Investment Promotion Conference

c/o Industrial Promotion Division, Industries Department
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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.
"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.

<table>
<thead>
<tr>
<th>Port</th>
<th>Route (International Ports of call)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sakaiminato</td>
<td>Korea routes (Busan), (Busan, Ulsan, Gwanyang, Tianjin, Dalian)</td>
</tr>
<tr>
<td>Hamada</td>
<td>Korea route (Busan)</td>
</tr>
<tr>
<td></td>
<td>Russia route (Vladivostok)</td>
</tr>
<tr>
<td>Mizushima</td>
<td>Korea routes (Busan, Inchon), (Ulsan, Busan), (Busan)</td>
</tr>
<tr>
<td></td>
<td>China routes (Tianjin, Dalian, Qingdao, Ningbo, Shanghai), (Dalian, Qingdao), (Shanghai), (Xiamen, Fuzhou)</td>
</tr>
<tr>
<td></td>
<td>Viet Nam route (Keelung, Taichung, Mailiao, Danang, Ho Chi Minh, Kaohsiung)</td>
</tr>
<tr>
<td>Fukuyama</td>
<td>Korea routes (Busan), (Busan, Ulsan)</td>
</tr>
<tr>
<td></td>
<td>China routes (Dalian, Qingdao), (Shanghai), (Tianjin, Dalian, Qingdao, Ningbo, Shanghai)</td>
</tr>
<tr>
<td>Kure</td>
<td>Korea route (Busan)</td>
</tr>
<tr>
<td>Hiroshima</td>
<td>Korea routes (Busan), (Ulsan, Busan), (Busan, Inchon)</td>
</tr>
<tr>
<td></td>
<td>China routes (Shanghai), (Ningbo, Shanghai, Tianjin, Dalian), (Dalian, Qingdao)</td>
</tr>
<tr>
<td></td>
<td>Taiwan-Manila route (Keelung, Manila, Kaosiuang)</td>
</tr>
<tr>
<td></td>
<td>Taiwan-SE Asia routes (Busan, Gwanyang, Keelung, Kaosiuang, Hong Kong, Shekou, Xiamen), (Busan, Kaosiuang, Hong Kong, Hai Phong, Zhanjiang, Yantian)</td>
</tr>
<tr>
<td></td>
<td>North America route (America Longbeach / Everett, Canada Vancouver)</td>
</tr>
<tr>
<td>Otake</td>
<td>Korea route (Busan)</td>
</tr>
<tr>
<td>Iwakuni</td>
<td>Korea routes (Busan), (Busan, Inchon)</td>
</tr>
<tr>
<td></td>
<td>China routes (Shanghai), (Shanghai, Qingdao)</td>
</tr>
<tr>
<td></td>
<td>China-Taiwan route (Taipei, Taichung, Kaosiuang, Nansha, Shekou, Hong Kong)</td>
</tr>
<tr>
<td>Tokuyama Kudamatsu</td>
<td>Korea routes (Busan), (Busan, Masan)</td>
</tr>
<tr>
<td></td>
<td>China route (Shanghai)</td>
</tr>
<tr>
<td></td>
<td>SE Asia route (Keelung, Kaosiuang, Hong Kong, Laem Chabang, Taichung)</td>
</tr>
<tr>
<td>Mtajiri</td>
<td>Korea route (Busan)</td>
</tr>
<tr>
<td>Nakanoseki</td>
<td>China routes (Dalian, Qingdao), (Shanghai)</td>
</tr>
<tr>
<td></td>
<td>SE Asia route (Keelung, Manila, Kaosiuang)</td>
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<tr>
<td>Ube</td>
<td>Korea route (Busan)</td>
</tr>
<tr>
<td>Shimonoseki</td>
<td>Korea routes (Busan, Masan), (Busan), (Gwanyang)</td>
</tr>
<tr>
<td></td>
<td>China routes (Qingdao), (Suzhou)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Regional designations/categories</th>
<th>Agro-industrial district</th>
<th>Regional urban center</th>
<th>Remote island</th>
<th>Peninsular region</th>
<th>Under-populated region</th>
<th>Cluster zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicable industry</td>
<td>Manuf., Road cargo transport, Warehousing, Packaging industry, Wholesale</td>
<td>-</td>
<td>Manuf., Others</td>
<td>Manuf., Others</td>
<td>Manuf., Lodges Business using ICT</td>
<td>Cluster industries specified in the &quot;Basic Plan&quot;</td>
</tr>
</tbody>
</table>

#### Exemption for replacement of business assets

- Agro-industrial district:
- Regional urban center:
- Remote island:
- Peninsular region:
- Under-populated region:
- Cluster zone:

#### Special depreciation for industrial machinery

- Agro-industrial district:
- Regional urban center:
- Remote island:
- Peninsular region:
- Under-populated region:
- Cluster zone:

### City/town/village taxes

#### Business taxes

- Agro-industrial district:
- Regional urban center:
- Remote island:
- Peninsular region:
- Under-populated region:
- Cluster zone:

#### Real estate acquisition tax

- Agro-industrial district:
- Regional urban center:
- Remote island:
- Peninsular region:
- Under-populated region:
- Cluster zone:

#### Fixed asset tax

- Agro-industrial district:
- Regional urban center:
- Remote island:
- Peninsular region:
- Under-populated region:
- Cluster zone:

### Financing

#### Japan Finance Corporation

- Agro-industrial district:
- Regional urban center:
- Remote island:
- Peninsular region:
- Under-populated region:
- Cluster zone:

### Tax Incentives (National taxation)

<table>
<thead>
<tr>
<th>Region</th>
<th>Exemption for replacement of special business assets</th>
<th>Special depreciation of industrial machinery</th>
<th>Condition (for special depreciation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agro-industrial district</td>
<td>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)</td>
<td>-</td>
<td>Acquisition of industrial production equipment exceeding 20.00 million yen in value</td>
</tr>
<tr>
<td>Under-Populated region</td>
<td>-</td>
<td>-</td>
<td>(1)Machinery and equipment 10/100 Building and related equipment 6/100 (Special Taxation Measure Law Article 45)</td>
</tr>
<tr>
<td>Peninsular region</td>
<td>-</td>
<td>-</td>
<td>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)</td>
</tr>
<tr>
<td>Remote island</td>
<td>-</td>
<td>-</td>
<td>(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)</td>
</tr>
<tr>
<td>Cluster zone</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### 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 (Regional Vitalization Loan)
- Cabinet Office (Community Revitalization Assistance Interest Subsidies)
Major Industrial Complexes

Expressways and Arterial Roads

- In service
- Under (re)construction
- Planned
- Proposed
- Interchange

1. Major Port
2. Airport

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. Sakaiminato-Takenso Industrial Complex
10. Sakaiminato-Nishi Industrial Park
11. Kishimoto Industrial Park
12. Ohara Industrial Park
13. Daisen IC Industrial Park
14. Hayashinomine Industrial Park
15. Hayashinomine Industrial Park
16. Nakasuge Industrial Park
17. Koebi Industrial Park
18. Daisen Center Industrial Park
19. Taiheiwa 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. Izumo Eastern Industrial Park
9. Kawashimo Port Seaside Industrial Park
10. Shikigaoka Industrial Park
11. Mimasaka Sakuto Industrial Park
12. Shikigaoka Industrial Park
13. Higashiminari Industrial Park

Okayama Prefecture

1. Okayama Research Park
2. Maizahima Port (Ihama Business Park)
3. Shimaya Industrial Park
4. Kibi Plateau City Industry Ward
5. Maniwa Industrial Park
6. Kume Industrial Park
7. Shinshoou Chukuku Industrial Park
8. Higashiyama Industrial Park
9. Minakata Industrial Park
10. Shikagoa Industrial Park
11. Higashiminari Industrial Park

Hiroshima Prefecture

1. Dejima District of Hiroshima Port
2. Isukaichi District of Hiroshima Port
3. Takehara Industrial and Distribution Park
4. Minara-Seibu Industrial Park (Sojo Area)
5. Onomichi Distribution Park
6. Minooki Industrial Park
7. Shoboara Industrial Park
8. Techno Town Higashi-Hiroshima
9. Saiji Industrial Park
10. Chiyoza Distribution Park
11. Ujigami Industrial Park
12. Dawa Industrial Park
13. Kouchi By-Airport
14. Kui Industrial Park
15. Shinichi Industrial Park
16. Hiroshima Seto-Shinto
17. Naeshiro Industrial Park
18. Naeshiro Industrial Park
19. Aoga marinosports District
20. Yasuura Industrial Park
21. Myoshi Industrial Park
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 I
7. Yamaguchi Industrial Distribution Complex
8. Suzenji Industrial Park
9. Higashiokyo Factory Park
10. Onoda, Kusunoki Industrial Park
11. Hikari Soft Park
12. Yonemitsu Industrial Park
13. Techno Port Shudo
14. Toyohigashi Industrial Park
15. Nishinagato Industrial Park
16. Leading Plaza Jumonji
17. Mine Techno Park
18. Asou Industrial Park
Research Institutes

Expressways and Arterial Roads

In service
Under (re)construction
Planned
Proposed
Interchange
Major Port
Airport

Business Incubation Facilities

Expressways and Arterial Roads

In service
Under (re)construction
Planned
Proposed
Interchange
Major Port
Airport

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-kokubaiji club
6 Hiroshin Incubation Center, "H - 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.
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  Web: ricchi.hiwave.or.jp/invest/index.la

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