

## Support for business expansion into Okinawa

### What is Okinawa Investment Support Center?

We provide information about business environment and economic situation of Okinawa as well as consultation services for incorporation of a business. We also introduce hubs of international distribution and provide information and support about various incentives for business. In addition, for those who wish to visit and observe companies in Okinawa before you deploy investment or other specific plans, we coordinate and accompany your visit.

#### 【 Normal scenario to establish a company in Okinawa 】



"Okinawa Investment Support Center" can provide one-stop service in accordance with clients' needs.



Available in Japanese,  
Chinese and English



Available via telephone  
and Email



Available  
for face-to-face consultation

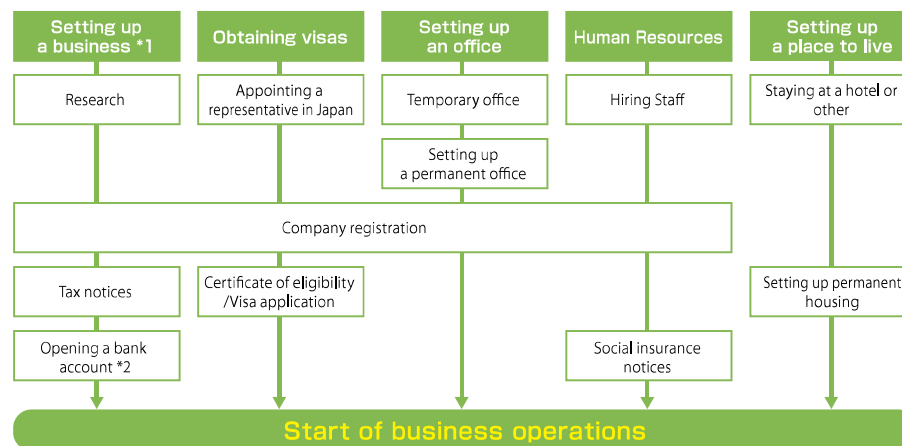
### What is Okinawa Investment Support Center?

Overseas and Business Support Division, Okinawa Industry Promotion Public Corporation  
Business Hours : Monday - Friday 9:00-17:00 (Closed on Saturday, Sunday and Holidays)

+81-98-894-6288 +81-98-859-6233

Email: business\_s@okinawa-ric.or.jp WEB: <http://invest-okinawa.biz>

### Steps of setting up business in Japan



Reference: JETRO Website - Setting up Business [https://www.jetro.go.jp/en/invest/setting\\_up/](https://www.jetro.go.jp/en/invest/setting_up/)  
Okinawa Investment Support Center will provide support for the above procedures as necessary.

#### \*1 General flow of procedures for establishing a company (case of joint-stock corporation)

##### 1. Advance preparations

- ☐ Determination of profile of joint-stock corporation to be established
- ☐ Examination at the Legal Affairs Bureau of identical corporate names
- ☐ Preparation of joint-stock corporation's articles of incorporation
- ☐ Acquisition of registration certificates, etc. for the parent company, and preparation of affidavits regarding the profile of the parent company and affidavits regarding signatures of the representatives of the parent company

##### 2. Application for establishment

- ☐ Notarization of joint-stock corporation's articles of incorporation by a Japanese notary
- ☐ Remittance of joint-stock corporation capital to the account of the incorporator, or representative director, or director at incorporation
- ☐ Appointment of directors and other officers, such as representative directors and auditors
- ☐ Examination by directors and auditors of the legality of establishment procedures
- ☐ Application at the Legal Affairs Bureau for registration of joint-stock corporation establishment and the registration of company seal at the Legal Affairs Bureau

##### 3. Procedures after application

- ☐ The acquisition of a certificate on registered information and a company seal impression certificate
- ☐ Opening of a bank account under the company name \*2
- ☐ The notification of stock acquisition to the Bank of Japan

Reference: JETRO Website - Procedures for registering establishment [https://www.jetro.go.jp/en/invest/setting\\_up/section1/page3/](https://www.jetro.go.jp/en/invest/setting_up/section1/page3/)

#### \*2. Opening a bank account under company name

In general, the following items are required to open a corporate account. Please contact your bank to be corresponded for more details as each bank may have different procedures.

- Landline phone number
- Business card
- Contracts with business partners, etc.
- Passport
- Residence card
- Corporate seal
- Materials that show your business, such as websites
- Certified copy of the corporate register
- Certificate of seal impression of the corporation
- Articles of Incorporation
- Copy of the tax office report

## Support Towards the Reduction of Initial Investments

### Financing system of the Okinawa Development Finance Corporation

Financing is available if needed to conduct business in international logistics hubs/industrial clusters or industrial innovation promotion areas.



Okinawa Development Finance Corporation

Fund name	Amount limit	Repayment period	Contact
Business Development Fund	70% of required capital	Within 25 years	Financing Department No. 1 Industrial Development Financing Group Phone: +81-98-941-1765
Fund for Small and Medium Businesses	¥720 million	Within 20 years	Financing Department No. 2 Small and Medium Enterprise Financing Group No. 1 Phone: +81-98-941-1785
Occupation Fund	¥72 million		Financing Department No. 2 Small and Medium Enterprise Financing Group No. 2 Phone: +81-98-941-1795

\*In addition to the above, a variety of other financing systems are available depending on type of business and objective in use of funds.

\*For more information, please visit the website of Okinawa Development Finance Corporation or contact us by phone.

## Support for transport

### Project for Promoting the Use of Aerial Cargo Space on Passenger Flights

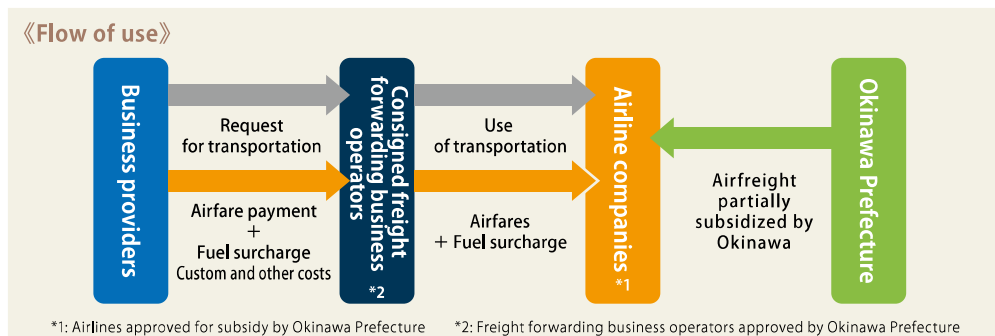
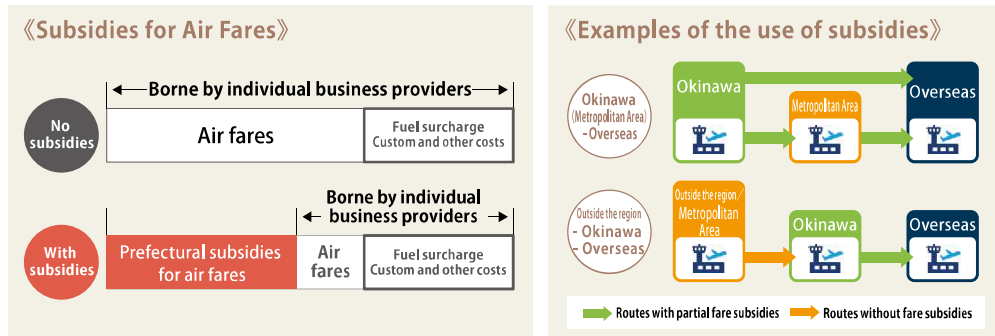
To expand the international air logistics network centered on Naha Airport and enhance its logistics functions, Okinawa Prefecture provides subsidies to airlines. These cover a portion of the airfreight charges associated with exporting goods from Naha Airport to overseas destinations.



Airline Cargo Capacity Use Promotion Project (Japanese language only)

- Target Users: Producers, manufacturers, trade companies and other wholesalers, distributors, consigned freight forwarding business operators
- Target Cargo: Agricultural products, livestock products, marine products, processed food, cosmetics, crafts, precision machines, etc.
- Target Destinations: Taiwan, South Korea, China (excluding Hong Kong and Macau), Hong Kong, Macau, Thailand, Malaysia, Singapore, Indonesia, Vietnam, the Philippines, etc.
- Usage, Conditions, Amount of Subsidy, etc.: Please contact consigned freight forwarding business operators registered with and approved by Okinawa Prefecture for details.

\*For the latest information on eligible destinations and approved freight forwarding business operators, please visit the Global Market Strategy Department page on the official Okinawa Prefecture website.



## Support for Demonstration Experiment

### Okinawa Demonstration Experiment Support Platform

(Contact: Okinawa Prefecture Department of Commerce, Industry and Labor, Industrial Site Promotion Division TEL: +81-98-866-2770)

Overview: To develop a prefectural system as a test bed island in which demonstration experiments and social implementation for new technologies are actively conducted, Okinawa Prefecture has established the Okinawa Demonstration Experiment Support Platform in cooperation with national and municipal governments. We focus on support for providing or mediating fields, recruiting monitors, coordination in communities, consultation for compliance with regulations, and PR.



## Okinawa Industry Promotion Corporation Support Services

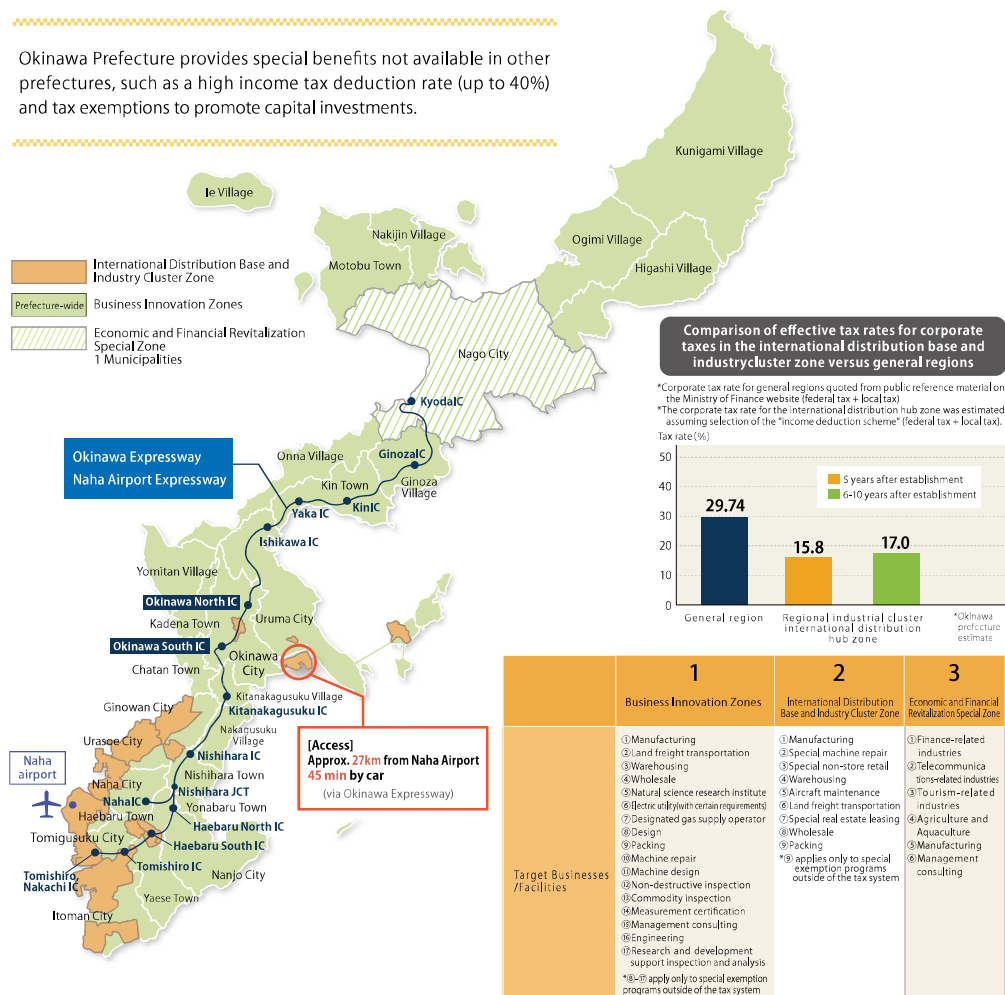
### List of other support services

Okinawa Prefecture supports businesses operators from Okinawa and other prefectures with various services provided by experts. Please feel free to consult us at any time.

Business Name	Contact
<b>Logistics Consultation Desk</b> (Comprehensive Support Project for Logistics Measures) We have a desk for free consultation with advisors who are experts in logistics. They provide advice, information, and suggestions on how to improve logistics.	Okinawa Prefecture Department of Commerce, Industry and Labor, Global Market Strategy Division TEL : +81-98-866-2340
<b>Okinawa Special Zone/Regional Tax System One-stop Consultation Desk</b> (Business to Promote the Utilization of Special Zones in Okinawa and Regional Tax Benefits) Various tax exemptions may be available to business operators from Okinawa and other prefectures who make capital investments in Okinawa. We have a one-stop consultation desk that provides information on how to utilize these systems, offers a preliminary consultation service, and assists with the preparation of application forms.	Okinawa Special Zone/ Regional Tax System One-stop Consultation Desk TEL : +81-98-894-6377 Okinawa Prefecture Industrial Policy Division TEL : +81-98-866-2330
<b>Manufacturing Support for Acquiring Local Orders and Improving Productivity</b> To enhance the regional economic cycle and strengthen the profitability of the manufacturing industry in Okinawa, we resolve issues by supporting inter-company matching of local businesses and dispatching experts to help secure orders, assist technological development to improve productivity, and develop human resources to bring about improvements at manufacturing sites and save labor.	Manufacturing Promotion Division, Department of Commerce, Industry and Labor, Okinawa Prefecture TEL : +81-98-866-2337
<b>Support Program for Product Development and Technology Introduction in Okinawa's Manufacturing Sector</b> To strengthen the competitiveness of the manufacturing industry in Okinawa, we provide support for projects led by local manufacturers that focus on developing high-value-added products and introducing advanced production technologies.	Okinawa Industrial Promotion Public Corporation Industry Promotion Section TEL : +81-98-859-6239
<b>Business to Promote the Utilization of Okinawa International Logistics Hub</b> To expand the overseas sales channels for specialties from Okinawa by utilizing the logistics hub in Okinawa, we subsidize a portion of the expenses incurred in traveling overseas for exhibitions in Asia and other overseas regions as well as the cost of inviting buyers from overseas.	Okinawa Industrial Promotion Public Corporation Overseas Business Support Section TEL : +81-98-859-6238
<b>Business for Networking with Asian Businesses</b> 1) We support the establishment of networks with overseas companies when local companies expand their business overseas. 2) We provide support for overseas companies engaged in investment, site location, business transactions, company inspections, economic exchanges, etc. in Okinawa.	Okinawa Prefecture Department of Commerce, Industry and Labor, Global Market Strategy Division TEL : +81-98-866-2340

## Special Zones and Regional Systems based on the Act on Special Measures for the Promotion and Development of Okinawa

Okinawa Prefecture provides special benefits not available in other prefectures, such as a high income tax deduction rate (up to 40%) and tax exemptions to promote capital investments.



For more information about the application of the tax system, please consult the Okinawa Special Zone/Regional Tax System One-Stop Assistance Services.

Within the Okinawa Industry Promotion Public Corporation  
 Okinawa Special Zone/Regional Tax System  
 One-Stop Assistance Services :  
 TEL +81-98-894-6377  
 E-mail:okikutu@okinawa-ric.or.jp



(Japanese language only)

	1	2	3
	Business Innovation Zones	International Distribution Base and Industry Cluster Zone	Economic and Financial Revitalization Special Zone
Target Businesses /Facilities	① Manufacturing ② Freight transportation ③ Warehouse ④ Wholesale ⑤ Natural science research institute ⑥ Electric utility (with certain requirements) ⑦ Designated gas supply operator ⑧ Design ⑨ Packing ⑩ Machine repair ⑪ Non-destructive inspection ⑫ Commodity inspection ⑬ Measurement certification ⑭ Management consulting ⑮ Engineering ⑯ Research and development support inspection and analysis *⑧-⑯ apply only to special exemption programs outside of the tax system	① Manufacturing ② Special machine repair industries ③ Special non-store retail ④ Warehouse ⑤ Aircraft maintenance ⑥ Land freight transportation ⑦ Special real estate leasing ⑧ Wholesale ⑨ Packing *⑧ applies only to special exemption programs outside of the tax system	① Finance-related industries ② Telecommunications-related industries ③ Tourism-related industries ④ Agriculture and Aquaculture ⑤ Manufacturing ⑥ Management consulting
National tax	Income Tax Deductions Investment Tax Deductions Special Depreciation	— — —	— — —
Local tax	Business Tax Real Estate Acquisition Tax Property Tax Office Tax (Naha City only)	— — — —	— — — —

\*1: For national tax, only one special measure can be selected for each fiscal year.  
 \*2: Office tax is based on Article 33 of the Local Tax Law Supplementary Provisions. In all other cases, Prefectures and Municipalities will implement measures according to laws and regulations, following the national deficit compensation measures.

## Business Innovation Zones All over the prefecture (41 municipalities)

Businesses within the limits of the area designated in the Industrial Innovation Promotion Plan established by the Okinawa prefectural governor (throughout the prefecture) may take advantage of tax incentives with regard to the following national and local taxes for plans to implement industrial advancement and business innovation measures, provided that they have first received approval regarding the eligibility of said plans from the prefectural governor and confirmation by the responsible cabinet minister.



(Japanese language only)

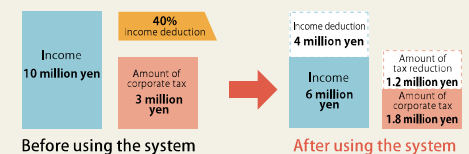
	Incentives	Outline of tax incentives	Applicable industries
National tax	① Investment tax credit	If new or additional facilities that exceed a certain value (machinery and equipment, furniture and fixtures 1 million yen Note 2, buildings and their attached facilities 10 million yen Note 3) and are in accordance with the approved implementation plan for industrial upgrading and business innovation measures are increased within Okinawa, a set percentage of the acquisition value of said facilities will be deducted from the corporate income tax. Deduction rate: Machinery, installations, appliances, fixtures 15% Buildings and their auxiliary facilities, structure* 8% (Limited to 20% of the corporate tax amount, can be carried forward for 4 years, maximum acquisition price of 2 billion yen)	1. Manufacturing 2. Road freight forwarding 3. Warehousing 4. Wholesale 5. Natural science research institute 6. Electric utility (with certain requirements) 7. Designated gas supply operator 8. Design 9. Packing 10. Machine repair 11. Machine design 12. Non-destructive inspection 13. Commodity inspection 14. Measurement certification 15. Management consulting 16. Engineering 17. Research and development support inspection and analysis
	② Special depreciation	If new or additional facilities that exceed a certain value (machinery and equipment, furniture and fixtures 1 million yen Note 2, buildings and their attached facilities 10 million yen Note 3) and are in accordance with the approved implementation plan for industrial upgrading and business innovation measures are increased within Okinawa, special depreciation is granted. Deduction rate: Machinery, installations, appliances, fixtures 34% Buildings and their auxiliary facilities, structure* 20% (Upper limit of acquisition price of ¥2 billion)	
Local tax	③ Tax exemption from corporate enterprise tax	Within the designated zones, if the cost of installing new equipment (5 million yen for machinery, installations, appliances, fixtures, 10 million yen for buildings and their auxiliary facilities) for the implementation of activities certified as promoting industry development / business innovation exceeds a certain price, there is partial tax exemption from corporate enterprise tax (5 years) <sup>2,3</sup>	
	④ Tax exemption from real estate acquisition tax	Within the designated zones, if the purchase of buildings or land for the implementation of activities certified as promoting industry development / business innovation exceeds a certain price (10 million yen), there is partial tax exemption from real estate acquisition tax <sup>3</sup>	
	⑤ Tax exemption from property tax	Within the designated zones, if the cost of installing new equipment (5 million yen for machinery, installations, appliances, fixtures, 10 million yen for buildings and their auxiliary facilities) for the implementation of activities certified as promoting industry development / business innovation exceeds a certain price, depending on the ordinances of each municipality, there is partial tax exemption from property tax (5 years) <sup>3</sup> *Except warehousing businesses	
	⑥ Tax reduction of business tax	Within Naha City, if the cost of acquiring new equipment is 10 million yen or more, and the cost for acquiring buildings, etc. is 100 million yen or more for the implementation of activities certified as promoting industry development / business innovation, out of the payable office tax, the taxable office floor surface area can be calculated as half the actual surface area (5 years) *Only in Naha City	*Items from 8 to 17 are not subject to the tax incentives related to national and local taxes (excluding business office tax).

\*To receive the tax incentives ①, ③, ④, and ⑤, an approval is required for each by the Governor of Okinawa and the confirmation by the relevant minister. When applying for the tax incentives, please consult the nearest tax office and Okinawa Regional Taxation Office (for national taxes), the prefectural tax office (for prefectural tax), and nearest municipal tax division (for municipal tax). Please understand that approval, however, does not ensure application of the tax incentives. (Judgment for application shall be made by the relevant tax office.)  
 Note 1: For national tax incentives, choose either ① or ②. (Individuals can only choose ②.)  
 Note 2: Appliances and fixtures are limited to those used exclusively for research and development, or other appliances and fixtures specified by government ordinances.  
 Note 3: Only auxiliary facilities installed at the same time as the building are eligible for tax incentives.  
 Note 4: Structures are limited to gas storage tanks for storing liquefied natural gas used by a gas supply business or manufacturing business, and pipelines for the use of said gas.  
 Note 5: Limited to land acquired where construction starts within one year after acquisition (purchase).

## Advantages of utilizing special zones / local systems

### 1 Income deduction

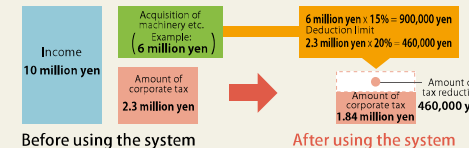
A maximum of 40% of taxable income of corporate income tax can be deducted (only applicable to industrial clusters of international logistics bases).



\* Corporate tax (national tax + local tax) is calculated as 30%  
 \* When using income deduction, the effective corporate tax is about 30%→20%

### 2 Investment tax credit

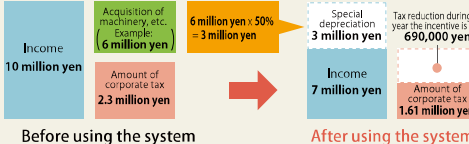
When machinery and equipment, etc. are newly installed or expanded, a certain amount of their acquisition price can be deducted from the corporate tax.



\* Income refers to the amount when deducting only ordinary depreciation  
 \* Income tax (national tax) is calculated as 23%  
 \* Amounts exceeding the maximum deductible limit (20% of corporate tax) can be deducted from the following fiscal year (can be carried forward for 4 years)

### 3 Special depreciation

When machinery and equipment, etc. are newly installed or expanded, a certain amount of the acquired value can be included in expenses as special depreciation expenses.



\* Income refers to the amount when deducting only ordinary depreciation  
 \* Income tax (national tax) is calculated as 23%  
 \* The special depreciation rate of 50% can only be used when utilizing the International Distribution Base Industrial Cluster Region System



## International Distribution Base and Industry Cluster Zone

Naha, Urasoe, Tomishiro, Ginowan, Itoman district, Uruma, Okinawa district, Haeburu, Yaese district (Nakagusuku Port Shinko Zone, Nakamine/Kamiesu Zone, Henza Zone, Ikento Zone)

Companies in zones designated under the International Logistics Hub Industry Concentration Plan formulated by the Governor of Okinawa are eligible for the following tax structure incentives after passing a screening process including approval from the Governor and verifications by the relevant Minister regarding points such as their business plan.



(Japanese language only)

	Incentives	Outline of tax incentives	Applicable industries
National (Japan) tax	① Income Deduction	Corporations that have been newly established in an international logistics hub/industrial cluster, operate exclusively in any of the targeted industries, and have 15 or more permanent employees, will receive a 40% deduction on corporate taxes for 10 years after being established. (The same also applies to corporate business tax and corporate inhabitant tax.) *For specific international logistics hub businesses, certification by the Governor of Okinawa Prefecture and confirmation by a Cabinet Minister are required.	1. Manufacturing businesses 2. Warehousing businesses 3. Specified equipment maintenance businesses 4. Specified nonstore retailing 5. Aircraft maintenance businesses
	② Investment tax credit (ITC)	If new facilities are built or expanded exceeding a specified amount (1 million yen for machinery and equipment; 10 million yen for buildings and their related equipment; see note 2) for supplying target industries in the target region, a fixed proportion of the acquisition cost will be deducted from corporate taxes. Tax credit rate: 15% of machinery and equipment; 8% of buildings and their related equipment (up to 20% of the amount of corporate tax; carry-forward: 4 years; upper limit of 20 million yen for acquisition costs)	
	③ Special depreciation system	If new facilities are built or expanded exceeding a specified amount (1 million yen for machinery and equipment; 10 million yen for buildings and their related equipment; see note 2) for supplying target industries in the target region, special depreciation will be recognized. Special depreciation rate: 50% for machinery and equipment; 25% for buildings and their related equipment (upper limit of Acquisition price of ¥2 billion)	
Customs duties	④ Application of selective system for customs duties	If you accept products in Japan processed or manufactured in a bonded factory, or similar, from raw materials that were foreign cargo and you are charged customs duties on those products, you are allowed to choose either a taxation scheme applying to the materials (excluding special items) or a scheme applying to the products.	1. Manufacturing businesses 2. Warehousing businesses 3. Road cargo transportation businesses
	⑤ Reduced customs bond permission fee	The customs bond permission fee will be halved for bonded warehouses, bonded factories, bonded show rooms, and general bonded areas.	4. Wholesaling businesses 5. Specified equipment repair businesses 6. Specified nonstore retailing 7. Specified real estate leasing 8. And aircraft maintenance businesses 9. Packing businesses*Note 4
Local taxes	⑥ Corporate enterprise tax exemption	If facilities are built out or expanded exceeding a specified amount (10 million yen for machinery and equipment; 10 million yen for buildings and their related equipment) for supplying target industries in the target region, a portion of corporate enterprise taxes will be waived (for 5 years) (see note 2).	
	⑦ Real estate acquisition tax exemption	If facilities are built or expanded exceeding a specified amount (10 million yen for machinery and equipment; 10 million yen for buildings and their related equipment) for supplying target industries in the target region, a portion of real estate acquisition taxes will be waived (see note 2, see note 3).	
	⑧ Fixed asset tax exemption *Except warehousing businesses	If facilities are built or expanded exceeding a specified amount (1 million yen for machinery and equipment; 10 million yen for buildings and their related equipment) for supplying target industries in the target region, a portion of fixed asset taxes levied according to each municipality's regulations will be waived (for 5 years) (see note 2, see note 3).	
	⑨ Business office tax exemption *Naha city only	In Naha city, if the total cost for acquiring machinery, equipment, etc. to supply target industries equals or exceeds 10 million yen, or if the total acquisition cost of constructing new buildings, etc. equals or exceeds 100 million yen, calculations will be halved for commercial floor space subject to asset taxation as part of the business facility tax. (for 5 years)	

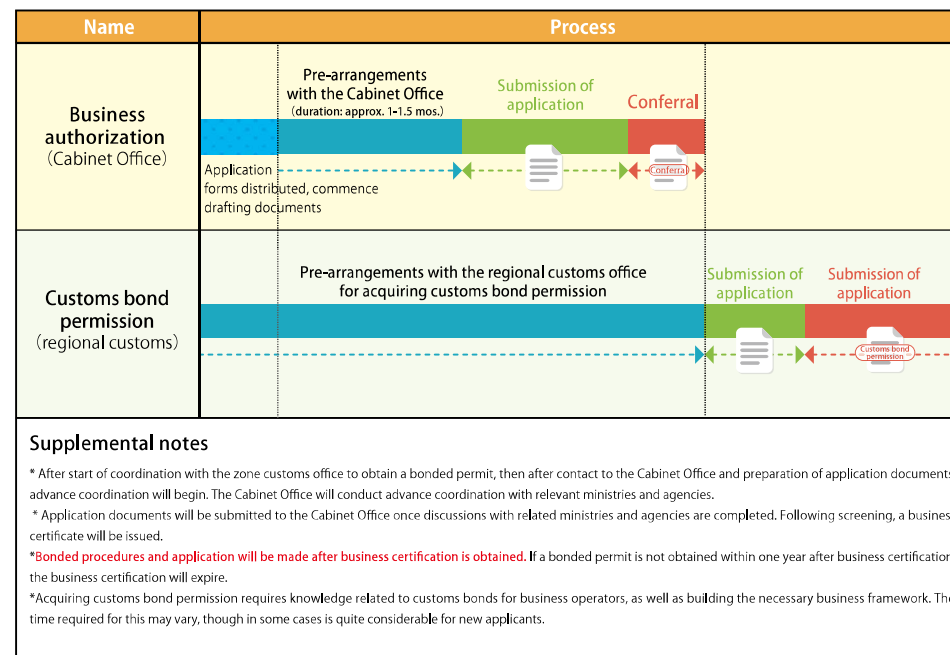
\* To receive the tax incentives ①, ②, ③, ④, ⑤, ⑥, ⑦, and ⑧, an approval is required for each by the Governor of Okinawa and the confirmation by the relevant minister. To receive the tax incentives ⑨, a permission by the regional customs and an approval by the relevant minister.

When applying for the tax incentives, please consult the nearest tax office and Okinawa Regional Taxation Office (for national taxes), the Okinawa Regional Customs Consultation Office (for customs), the prefectural tax office (for prefectural tax), and nearest municipal tax division (for municipal tax). Please understand that approval, however, does not ensure application of the tax incentives. (Judgment for application shall be made by the relevant tax office.)

Note 1: For national tax incentives, choose either ①, ②, or ③. (Individuals can only choose ③.)  
Note 2: Only auxiliary facilities installed at the same time as the building are eligible for tax incentives.

Note 3: Limited to land acquired where construction starts within one year after acquisition (purchase).  
Note 4: Packaging businesses are not eligible for tax incentives for national and local taxes (excluding business office tax).

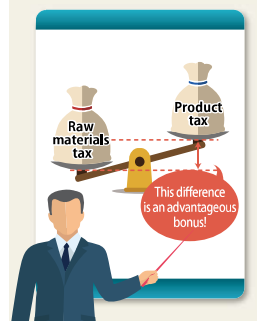
## How to obtain business certification for special customs taxation



### Selective system for customs duty

Companies can select either "materials customs" or "product customs" in the international distribution hub zone. If you take raw material that is foreign cargo secured with a customs bond and you process or manufacture it and ship (import) it into Japan as a product, you are allowed to choose the cheaper of two taxation schemes ("materials customs" or "product customs") for the customs duty.

\*Exclusions apply to some products.



### What is the bonded area system?

The bonded area system is a system that allows a business to receive permission for a customs bonded zone from the Chief Customs Inspector and to store, process, manufacture, display, etc. foreign cargo in specified locations and facilities without having paid custom duties and consumption taxes.

Companies that have received bonded area permission

- If you process or manufacture components and/or raw materials that were foreign cargo and export them as products outside Japan, you do not need to pay customs duties or consumption taxes.
- You can store, inspect, refurbish, finish, etc. foreign cargo for which customs duties and consumption taxes have not been paid and export or ship them domestically in response to market demand. If they are shipped domestically, customs duties and consumption taxes must be paid.
- If stored foreign cargo is shipped abroad as returned goods or is destroyed as defective goods, there is no need to pay customs duties or consumption taxes.

