

Preferential Treatment System in Osaka

1. Subsidies for Investment Promotion

1) Subsidy to Foreign-affiliated Companies

Eligibility	Foreign-capital enterprises moving into Osaka Prefecture to set up a head office.																
Conditions	<p>Applicant shall satisfy all requirements as follows:</p> <p>1) To start business in Osaka Prefecture by obtaining (or leasing) a building with floor area of 250 square meters.</p> <p>2) To hire 25 or more regular employees.</p> <p>3) If its head office is relocated within Osaka Prefecture, the number of regular employees increased after the relocation shall be 25 or more.</p>																
Subsidy rate and Maximum amount	<p>* Maximum amount depends on the number of full-time employee.</p> <p>[In case of the building or room acquisition]</p> <p>5% of investment on building and capital goods.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">No. of regular employee, etc.</th> <th style="text-align: center;">Max. amount of subsidy</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">25 to 99 people</td> <td style="text-align: center;">30 million yen</td> </tr> <tr> <td style="text-align: center;">100 to 199 people</td> <td style="text-align: center;">60 million yen</td> </tr> <tr> <td style="text-align: center;">200 or more people</td> <td style="text-align: center;">100 million yen</td> </tr> </tbody> </table> <p>[In case of the building or room rent]</p> <p>One-third of rent, etc. (for 24 months)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">No. of regular employee, etc.</th> <th style="text-align: center;">Max. amount of subsidy</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">25 to 99 people</td> <td style="text-align: center;">20 million yen</td> </tr> <tr> <td style="text-align: center;">100 to 199 people</td> <td style="text-align: center;">40 million yen</td> </tr> <tr> <td style="text-align: center;">200 or more people</td> <td style="text-align: center;">60 million yen</td> </tr> </tbody> </table>	No. of regular employee, etc.	Max. amount of subsidy	25 to 99 people	30 million yen	100 to 199 people	60 million yen	200 or more people	100 million yen	No. of regular employee, etc.	Max. amount of subsidy	25 to 99 people	20 million yen	100 to 199 people	40 million yen	200 or more people	60 million yen
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Obligation of operations, etc.	<ul style="list-style-type: none"> • To achieve the subsidy requirements within 3 years from the day immediately following the day of application for subsidy. (It is considered as “Beginning of Operation” when the subsidy requirements are satisfied.) • To continue the operation for more than 7 years after the Beginning of Operation. 																
Contact	<p>Investment and Growth Support Division, Osaka Prefectural Government</p> <p>TEL: +81-(0)6-6210-9406, +81-(0)6-6210-9482 FAX: +81-(0)6-6210-9296</p> <p>URL: http://www.pref.osaka.lg.jp/ritchi/osaka-area/index.html</p>																

2) Subsidy for Investment Promotion

Eligibility	<p>Small and medium enterprises that newly build, expand or reconstruct a plant or R&D facility</p> <p>1. Plants or R&D facilities in the Industrial Concentration Promotion Zones (see page 4) Companies which plan to build (or expand) a plant or R&D facility, and obtain the preferential treatment by a local government as company attraction.</p> <p>2. R&D facilities for the cutting-edge industries Companies which are engaged in business which is considered as cutting-edge among bio-life sciences, robot, information home appliances, new energy, etc, and plan to build or expand R&D facilities for such business</p>
Areas applicable	<p>1. Plants or R&D facilities in the Industrial Concentration Promotion Zones Industrial Concentration Promotion Zones</p> <p>2. R&D facilities for the cutting-edge industries In all parts of the following cities/towns: Osaka City, Sakai City, Kishiwada City, Toyonaka City, Ikeda City, Suita City, Takatsuki City, Kaizuka City, Hirakata City, Ibaraki City, Yao City, Izumisano City, Matsubara City, Daito City, Izumi City, Minoh City, Settsu city , Takaishi City, Higashi-Osaka City, Osaka Sayama City, Hannan City, Shimamoto Town</p>
Conditions	<p>[Subsidy for investment] SMEs (*1), with investment of more than 100 million yen (* 2), and the number of regular employees as of the date of Beginning of Operation shall not be below the number as of the date of application. * 1 SMEs: In case of manufacturers, the number of employees shall be less than 300, or the capital shall be less than 300 million yen. * 2 Investment: Expenses related to buildings, machinery and equipment.</p> <p>[Subsidy for corporate tax] SMEs which should ensure more than 10 regular employees from people living in Osaka Prefecture at the time of application, and more than 5 new employees. (Eligibility is restricted to those SMEs that receive above mentioned subsidy for investment. Also, the application shall be submitted after the Beginning of Operation.)</p>
Subsidy rate	<p>[Subsidy for investment] 5% of costs related to buildings, machinery and equipment (10% in case of companies that have a head office or plants or R&D facilities in Osaka Prefecture)</p> <p>[Subsidy for corporate enterprise tax] The subsidy given shall be equal to 50% of the corporate enterprise tax on income from business operations, which is liable to be levied in the year following start of business operations and the year after that as well.</p>
Maximum amount	<p>[Subsidy for investment] 30 million yen [Subsidy for corporate enterprise tax] 20 million yen</p>
Contact	<p>Investment and Growth Support Division, Osaka Prefectural Government TEL: +81-(0)6-6210-9406, +81-(0)6-6210-9482 FAX: +81-(0)6-6210-9296 URL: http://www.pref.osaka.lg.jp/ritchi/osaka-area/index.html</p>

3) Subsidy Program for Establishing Innovation Base in Osaka City

Eligibility	Corporations or organizations to undertake innovation base projects that subsidies are applicable for *Subsidy payments will be made to single corporations or organizations, regardless of whether projects are to be undertaken through collaboration between multiple legal entities. Thus, when applying, please choose a corporation or an organization as a representative of your group of legal entities.
Areas Applicable	All areas within Osaka City
Eligible Bases	[Open innovation promotion projects] Corporations or organizations with the aim of functioning as bases for planning and/or pursuing research and development of new goods/services, by combining their technologies and ideas with those of other companies including venture businesses, universities, and research institutes [Business venture growth-acceleration projects] Corporations or organizations willing to take various forms of action to help venture and other companies conduct their own businesses and grow them
Eligible Businesses	[Open innovation promotion projects] <ul style="list-style-type: none"> ▪ Required to establish a special division for administering their innovation base and promoting open innovation ▪ Required to interact with various companies in order to plan and develop new products and services through open innovation [Business venture growth-acceleration projects] <ul style="list-style-type: none"> ▪ Required to help venture and other companies by routinely providing them with consultation on commercialization to help them grow ▪ Required to host such events as seminars and social gatherings to support the creation of a network of venture and other companies ▪ Required to host such events as social gatherings for developing business projects and to offer opportunities for venture and other companies to give presentations on such assets as their technology and services
Expenses Covered by Subsidy/ Subsidy Rate	[Open innovation promotion projects] <ul style="list-style-type: none"> ▪ Coverage for corporations and organizations planning to own buildings with a 1,000 m² or larger subsidy-applicable area and undertake innovation base projects: Up to 10% of the costs incurred for acquisition/purchase of buildings, ancillary facilities, machinery, and other equipment (300 million yen provided in installments over 5 years) ▪ Coverage for corporations and organizations planning to rent buildings with a 300 m² or larger subsidy-applicable area and undertake innovation base projects: Half of the rent for the buildings and up to 10% of costs for renovations and machinery purchase (60 million yen; provision limited to a maximum of 2 years) [Business venture growth-acceleration projects] <ul style="list-style-type: none"> ▪ Coverage for corporations and organizations planning to own buildings with a 300 m² or larger subsidy-applicable area and undertake innovation base projects: Up to 10% of costs incurred for acquisition/purchase of buildings, ancillary facilities, machinery, and other equipment (100 million yen provided in installments over 5 years) ▪ Coverage for corporations and organizations planning to rent buildings with a 300 m² or larger subsidy-applicable area and undertake innovation base projects: Half of the rent for the buildings and up to 10% of costs for renovations and machinery purchase (60 million yen; provision limited to a maximum of 2 years)
Eligible Area for Subsidy	Total area of the following spaces in the gross floor area of the innovation base—to be used for or as <ul style="list-style-type: none"> ▪ Co-working; events & seminars; exhibition & demonstration; offices for venture and other companies; planning & conducting collaborative research for development; supporting the development of prototypes and other plans; and other spaces confirmed as necessary for administering the innovation base
Application Period	July 12, 2017 to March 31, 2020 *Acceptance may end and/or be cancelled before the closing date depending on the City's budget. In such cases, announcement will be made through the City website and/or some other means.
Contact	Business Development, Osaka City Government Tel: +81-(0)6-6615-6765 Email: ga0024@city.osaka.lg.jp URL: http://www.city.osaka.lg.jp/keizaisenryaku/page/0000404977.html (in Japanese)

2. Tax Incentives

1) Industrial Concentration Preferential Taxation (Reduction of Real Estate Acquisition Tax)

Areas applicable	Industrial Concentration Promotion Zones (see the next page)
Real estate applicable	<p>Plants, laboratories, warehouses (*1) or sites to build such facilities (*2) which are obtained in the Industrial Concentration Promotion Zones during the applicable period (*3).</p> <p>*1. [Applicable buildings] Buildings should be used only for own business (except for the sex industry and other adult entertainment business, etc and the real-estate leasing one for those businesses) as a plant, laboratory, warehouse. Residential house is not applicable. 1. If a building is newly constructed (or expanded, renovated), the application can be accepted only if construction started during the applicable period. 2. For other cases than the construction (i.e. purchase, exchange or gift etc.), only buildings obtained during the applicable period are eligible. 3. Warehouses should be located in the areas defined as Harbor Districts pursuant to the provisions of Chapter 2 of City Planning Law (Act No. 100 of 1968), or the areas defined by harbor administrators pursuant to the provision of Article 38 of Ports and Harbors Act (Act No. 218 of 1950)</p> <p>*2. [Applicable sites] Sites should be acquired during the applicable period, and one of the followings shall be carried out within one year from the day immediately following the day of the acquisition. 1. To start construction (either new construction or expansion) of the applicable buildings on the acquired site 2. To acquire the applicable building (excluding the cases of construction)</p> <p>*3. [Applicable period] Applicable period is between the date that the designation of each zone was announced and March 31st 2019.</p>
Eligibility	<p>SMEs (*4) who acquired property to be used for own business (*5) and received preferential treatment from municipal governments for it.</p> <p>*4. SMEs: Companies or individuals whose capital or investment shall be less than 100 million yen in total.</p> <p>*5. Such business does not include the sex industry and other adult entertainment business, etc and the real-estate leasing one for those businesses.</p>
Amount of relief	An amount equivalent to ½ of the tax liable to be levied on the real estate being acquired (Upper limit: 200 million Yen)
Contact	<p>Investment and Growth Support Division, Osaka Prefectural Government TEL: +81-(0)6-6210-9406, +81-(0)6-6210-9482 FAX: +81-(0)6-6210-9296 URL: http://www.pref.osaka.lg.jp/ritchi/treatment/zei.html</p>

Industrial Concentration Promotion Zones	
City/Town	Names of zones Note) Dates in [] is the date of designated.
Sakai City [Oct. 2, 2007, Jun. 22, 2012, May. 9, 2013]	Sakai Coastal Industrial Area, Sakai Yamato River South Bank Industrial Area, Sakai Oriono Industrial Area, Sakai Daisen-nishi Industrial Area, Sakai Ishizukita Industrial Area, Sakai Naka-ku Industrial Area, Sakai Kena Industrial Area, Sakai Higashi-ku & Kita -ku Industrial Area, Sakai Nishi-ku Industrial Area, Sakai Ohtoriminami Industrial Area, Sakai Nishi-ku Southern Industrial Area, Sakai Mihara Industrial Area, Sakai Mihara-ku Wood Industrial Complex
Kishiwada City [Apr.1, 2009, Apr.12, 2013, Aug. 16, 2013, Mar. 6, 2015, Oct. 30, 2015]	Kishiwada Isonokami Industrial Area, Kishiwada Wood Industrial Complex, Kishiwada Iron Work Industrial Area, Kishiwada Fishing Port, Kishiwada Jizohama Industrial Area, Kishiwada Kishinoura Chikiri Island, Kishiwada Kishinoura Chikiri Island Storage Facility Site Area, Kishiwada Hills Area, Kishiwada Kishinoura Chikiri Island Secondary Manufacturing Facility Site Area
Toyonaka City [Aug. 1, 2008]	Toyonaka Honan Industrial Area, Toyonaka Shonaiminami Industrial Area, Toyonaka Shimaie/ Shonai Takara-machi Industrial Area, Toyonaka Futaba/Oshima Industrial Area, Toyonaka Kanzaki River Minami Industrial Area
Suita City [Sep. 19, 2013]	Suita Yoshino-cho Industrial Area, Suita Enoki-cho Industrial Area, Minami Suita Industrial Area, Suita Nishiotabi-cho/Higashiotabi-cho Industrial Area
Izumiotu City [May 9, 2014]	Sakai-Senboku Port Sukematsu Wharf General Logistics Information Center and District, Izumiotu Old Port District, Sakai-Senboku Port Shiomi-oki District
Takatsuki City [Apr. 1, 2009]	Takatsuki Miyada 1 Industrial Area, Takatsuki Saiwai/Asahi Industrial Area, Takatsuki Sakura/Akeda Industrial Area, Takatsuki Minami-Shodokoro/Shimotanabe Industrial Area
Kaizuka City [Apr. 24, 2013]	Kaizuka Nishikiminami-machi Area, Shin-Kaizuka Wharf District
Hirakata City [Jan. 7, 2008, May 1, 2009, Sep.14,2016]	Hirakata Industrial Complex, Hirakata Osaka Menswear Industrial Complex, Hirakata Central Industrial Area, Hirakata Doyamahigashi Industrial Area, Hirakata South-Central Restricted Industrial Area, Hirakata South-Central Industrial Area, Hirakata Deguchi/Nakafuri Industrial Area, Hirakata Tsuda Science Hills Area
Yao City [Oct. 2, 2007]	Yao Ryuge Restricted Industrial Area, Yao Ryuge Industrial Area, Yao Airport Industrial Area, Yao Kamio Industrial Area, Yao Shibukawa 2 Industrial Area, Yao Futamata Industrial Area, Yao Aioi/Tennojiya Industrial Area
Takaishi City [Oct. 2, 2007, July 1, 2009]	Takaishi Coastal Industrial Area
Daito City [Apr. 1, 2010]	Daito Western Industrial Area
Izumi City [Sep. 30, 2013]	Techno Stage Izumi Industrial Zoning District, Trois Vert Izumi West Block District
Higashiosaka City [Nov.22, 2007, Oct.14,2016]	
Sennan City [Apr. 12, 2013]	Southern and Central Areas of Rinku Town
Hannan City [Apr. 19, 2013]	Hannan Momonokidai Hannan Sky Town Area

Tajiri Town [Nov. 21, 2013]	Central and Northern Areas of Rinku Town
Misaki Town [Apr. 12, 2013]	Tanagawa Seaside Area, Misaki-cho Tanagawa District Multipurpose Park Business Activity Zone

* For more details, please contact the relevant local government.

* Information in this document is subject to change without notice. Please contact Investment and Growth Support Division, Osaka Prefectural Government in advance. (TEL: +81-(0)6-6210-9406, +81-(0)6-6210-9482)

* This information is as of April 1, 2017.

2) Tax Incentive System for Special Zone for Growing Industries (Reduction of Corporate Prefectural Residents' Tax, Corporate Enterprise Tax and Real Estate Acquisition Tax)

Areas applicable	Yumeshima/Sakishima area and Hanshin Port area, Osaka Station area, Northern Osaka area - Saito, etc., Kansai International Airport area, Northern Osaka Health and Biomedical Innovation Town(KENTO) area (as of April 2017)
Applicable tax item	Corporate Prefectural Residents' Tax, Corporate Enterprise Tax and Real Estate Acquisition Tax
Eligible businesses	New energy, life sciences and businesses supporting these industries (Please ask for details.)
Common requirements	<ul style="list-style-type: none"> • Applicants must start the project related to the growing relevant industries within 3 years after approval of the project plan. • No exceptions, such as arrears in payment, may exist for applying companies. <p>* Besides the above, there are specific conditions for each tax items. (such as increases in regular employee numbers etc.)</p>
Contents of reduction	<p>[Corporate Prefectural Residents' Tax and Corporate Enterprise Tax]</p> <p>Zero for 5 years + 1/2 for 5 years for companies newly moving to the special zone (at maximum rate)</p> <p>*For companies relocating from within Osaka Prefecture, the reduction is based on the percentage of increase of employees.</p> <p>[Real Estate Acquisition Tax]</p> <p>Zero for the real estate acquired to be used for the special zone project within 3 years following the approval of the project plan (For the real estate confirmed to be used for the special zone project for one year following the start of usage).</p>
Method and period of approval	<p>Method: The governor decides after listening to the opinion of the review board regarding the project plan created by the applicant.</p> <p>Period: April 1st 2016 - March 31st 2021</p>
Contact	<p>Investment and Growth Support Division, Osaka Prefectural Government</p> <p>TEL: +81-(0)6-6210-9406, +81-(0)6-6210-9482 FAX: +81-(0)6-6210-9296</p> <p>URL: http://www.pref.osaka.lg.jp/ritchi/osaka-area/index.html</p>

3) Special Zones Tax System (Reduction of Corporate Citizens' Tax, Real Estate Tax, Office Tax and City Planning Tax)

Areas applicable	Yumeshima/Sakishima area and Hanshin Port area, Osaka Station area
Applicable tax item	Corporate Citizens' Tax, Real Estate Tax, Office Tax and City Planning Tax
Eligible businesses	<p>New energy, life sciences and businesses supporting new energy and life sciences (Please ask for details.)</p> <p>* Eligible project images - new energy New energy such as sunlight and wind power, smart communities, lithium ion batteries, solar cell, fuel cell and others</p> <p>* Eligible project images - life sciences Medicine, medical devices, regenerative medicine, treatment/nursing robots, medical information systems, clinical trials/clinical research, medical facilities/equipment and others</p> <p>* Eligible project images - businesses supporting new energy and life sciences International freight (shipping / aviation), and MICE</p>
Common requirements	<ul style="list-style-type: none"> • The special zone project must be started within 3 years after approval of the project plan. • Companies must participate in the regional councils of the Kansai Special Zone. (This is not a requirement at the time of getting approval of the project plan.) • No exceptions, such as arrears in payment, may exist for applying companies. <p>* Besides the above, there are specific conditions for each tax items. (such as increases in regular employee numbers etc.)</p>
Contents of reduction	<p>When newly moving to the special zone: no taxes for 5 years + 1/2 taxes for 5 years (at maximum rate)</p> <p>*When relocating from other areas inside the city to the special zone, corporate citizens' tax and office tax are reduced depending on the rate of increase of the employees.</p> <p>*The real estate tax and the city planning tax will be zero for the fixed assets for the special zone project that was acquired within 3 years following the approval of the project plan (Maximum case. For the fixed assets in possession by January 1st following the start of usage and that can be confirmed as used for the special zone project).</p>
Method and period of approval	<p>Method: The mayor decides after listening to the opinion of the review board regarding the project plan created by the applicant.</p> <p>Period: December 1st 2012 - March 31st 2018</p>
Contact	<p>Business Development, Osaka City Government</p> <p>TEL: +81-(0)6-6615-6765 FAX: +81-(0)6-6615-7433</p> <p>URL: http://www.city.osaka.lg.jp/keizaisenryaku/page/0000194706.html</p>