

**Japanese local authorities'
activities in the UK/Europe**

3 of March, 2017

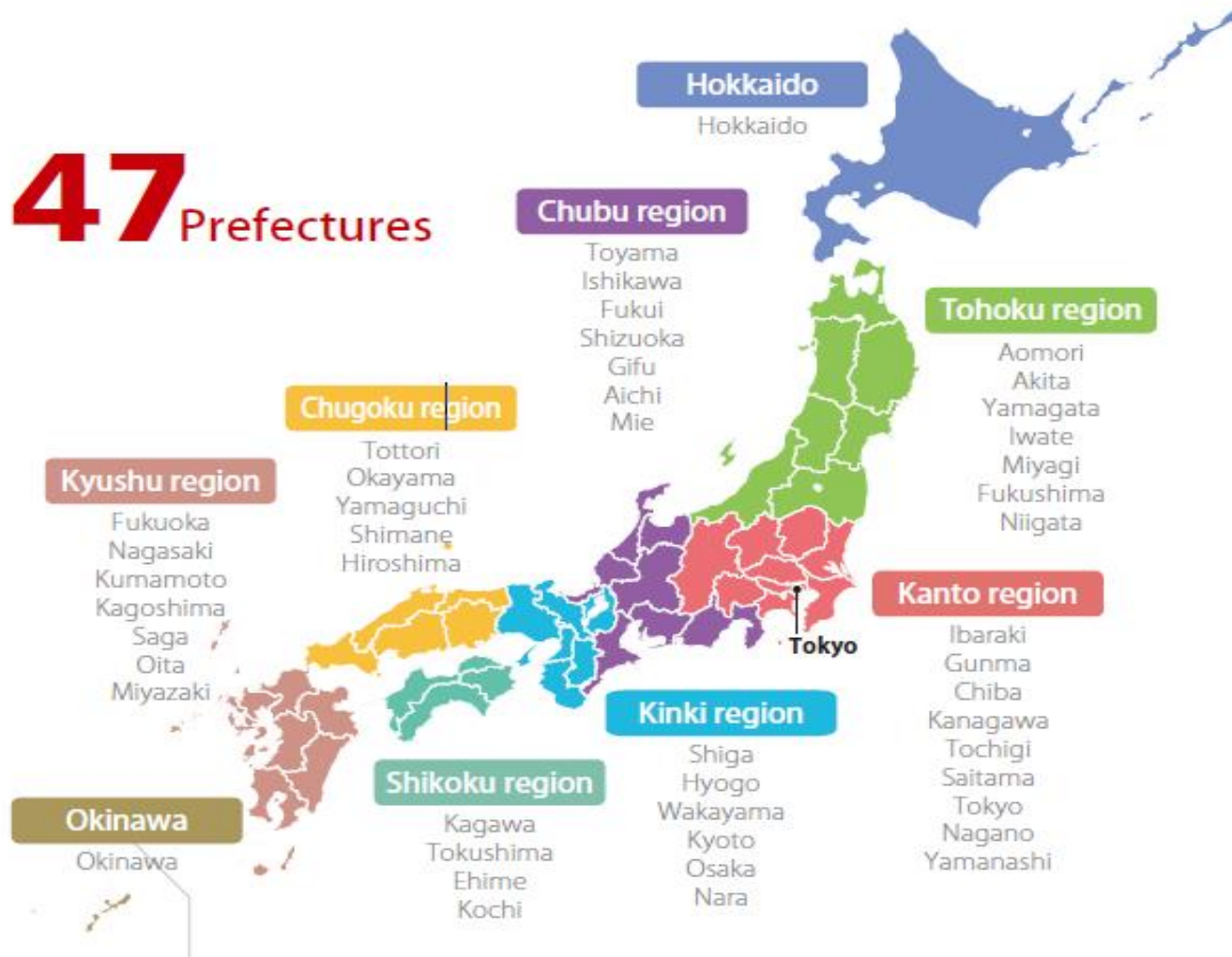
Japan External Trade Organization

Content

- 1. Local Regions of Japan**
- 2. The Government's effort**
 - A. Regional Vitalization Related Grant**
 - B. National Strategic Special Zones**
 - C. MICE**
- 3. Local authorities' effort**
- 4. JETRO activities for regional revitalization together with local authorities**
 - A. Business Seminar**
 - B. Regional Industry Tie-Up Program**
 - C. Export Promotion**
- 5. Appendix**

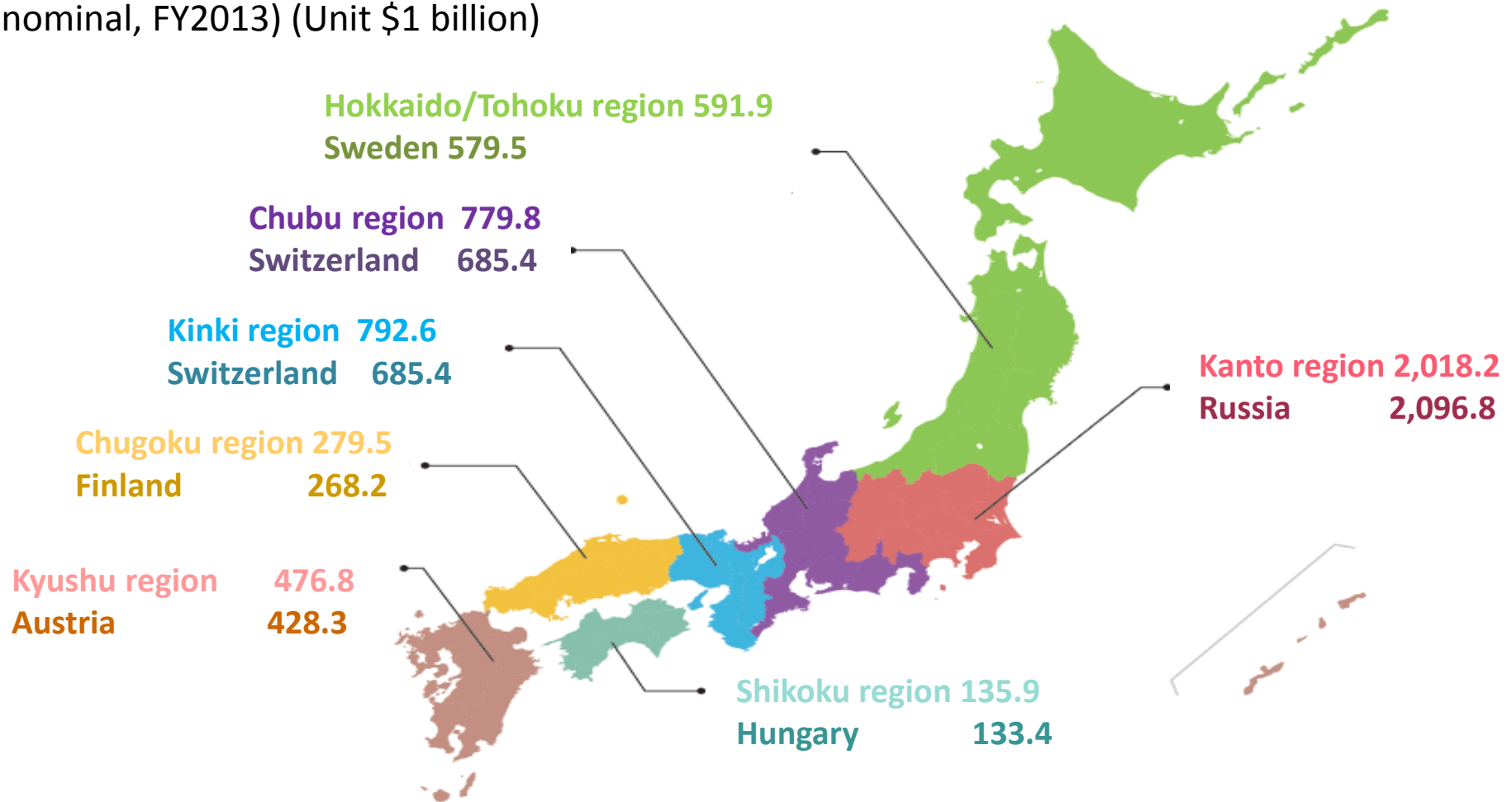
1. Local regions of Japan

Because local regions in Japan provide abundant business opportunities and many potential partners capable of innovation and company-friendly business environments, local regions in Japan are places where you can explore new possibilities for your business.



1. Local regions of Japan

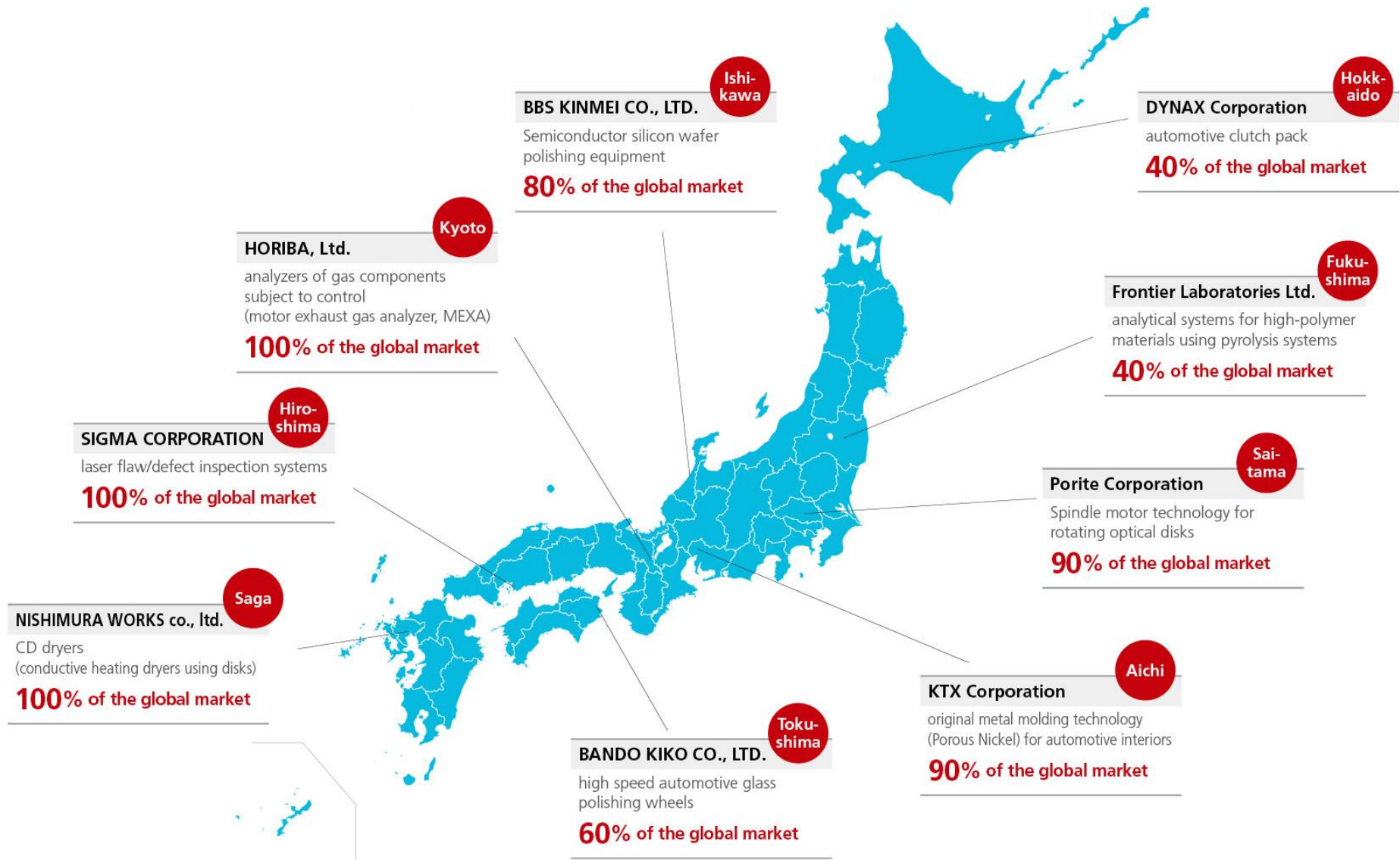
International comparison of Japanese regional GDP in Japan
(nominal, FY2013) (Unit \$1 billion)



Source: Cabinet Office, "Annual Report on Prefectural Accounts for FY2013" (issued in FY2016)

1. Local regions of Japan

Top global niche companies spread throughout Japan



2. The Government's effort—Creating attractive regions

- Each region in Japan has many untapped resources.
- As a part of the structural reform, the government established the Headquarters for overcoming Population Decline and Vitalizing Local Economy in Japan in November 2014.
- The government aims to vitalize attractive regions, put a brake on heavy concentration in Tokyo, solve problems according to the regional characteristics and help the young generation in their employment, marriage and childrearing.
- The Regional Vitalization Grant was established for fiscal 2014.
- Regional Vitalization Special Zones were introduced in 2015 for the attraction of enterprises, tourism promotion, job creation and other regional vitalization measures through deregulation and others.

2. The Government's effort –Regional Vitalization Related Grant

Regional Vitalization Grant (FY 2014 supplementary budget)

<Target field>

- Development of human resources
- Promotion of regional innovation
- Expansion of agriculture, forestry and fisheries business
- Promotion of tourism
- Development of town, etc.

Continuous grant for



- Job creation
- Attraction of human resources to regional areas
- Way of working reform
- Development of town, etc.

Regional Vitalization Acceleration Grant (FY 2015 supplementary budget)



Regional Vitalization Promotion Grant (FY 2016)



Regional Vitalization Base Improvement Grant (FY 2016 supplementary budget)

2. The Government's effort—National Strategic Special Zones

Promotion of growth strategy by a breakthrough for bold regulatory and institutional reforms

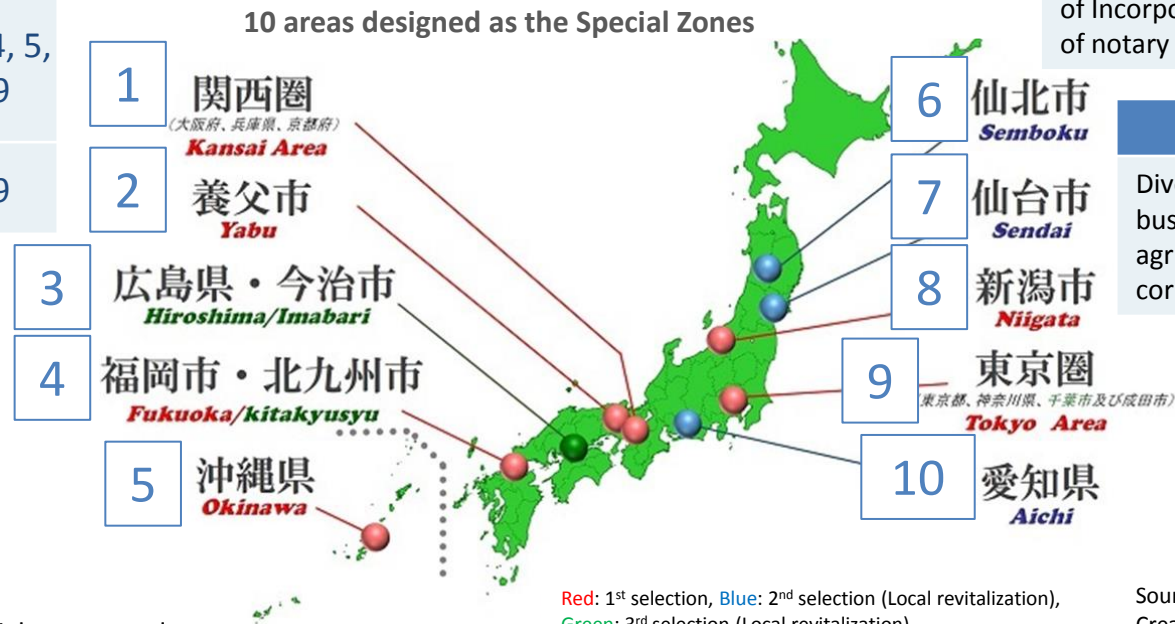
Medical care	
Employment of foreign doctors	9
Speed-up of developing innovative medical devices	1, 7, 9
Special provisions to the Specified Mixed Medical Care Coverage System	1, 4, 7, 9, 10
Special provisions to the Medical Care Act concerning hospital bed regulations	1, 4, 5, 9
Setting up a medical school	9

Tax	
Special treatment for capital investment (Special depreciation system, tax reduction for capital investment)	1, 8
Foreign personnel	
Accepting foreign personnel for housekeeping work	1, 9

Tourism	
Minpaku (the use of vacant houses as tourist accommodation)	1, 9
Revitalization of cities	
Speed-up of the procedure for city planning	9

Startups	
Startup Visa (Deregulation of a visa requirement)	3, 4, 8, 9
Center for employment system reform for business creation	3, 4
Tokyo One-Stop Business Establishment Center	9
Certification of Articles of Incorporation outside of notary offices	9

Agriculture	
Diversified business model by agricultural corporation	2, 6



Source: The Cabinet Office, Local Creation Promotion Office

2. The Government's effort—MICE

- MICE(Meeting, Incentive, Convention and Exhibition) is the focus of all attention as Japan aims to be a tourist destination of choice, and it is also incorporated as a specific measure in the Japan Revival Strategy 2016.
- Japan's goal is to establish an unshakeable place as the No. 1 destination in Asia for international conferences by 2030.
- Japan has the hidden potential to be the host for MICE thanks to its scale of economy, good law & order situation and high academic level. Popularity of Japanese cuisine and interest in Japanese culture can also serve as a favorable tailwind for attracting MICE to Japan.
- Iseshima G7 Summit held in May, 2016 is a typical example of increasing awareness.
- World Parkinson Congress scheduled in Kyoto in 2019 is an example of successfully attracting a conference.

3. Local authorities' effort

【Example of regional Incentives to attract foreign affiliated companies】

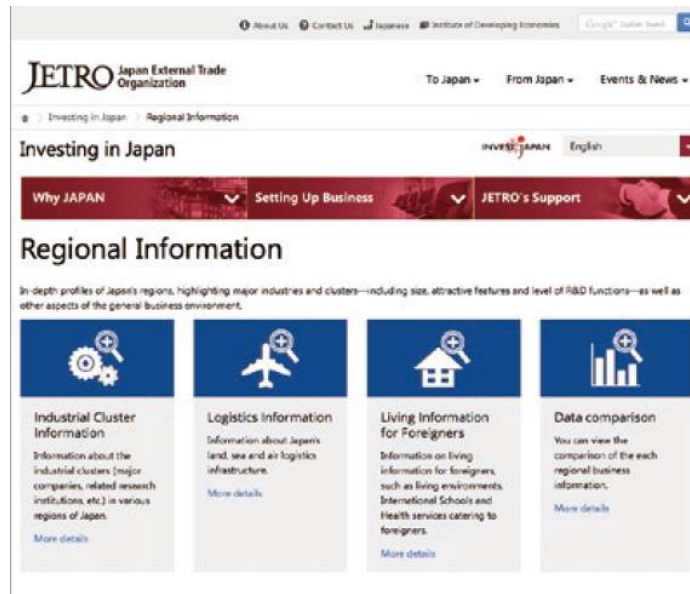
- (1) **Fukuoka City** – Using National Strategic Special Zone deregulation to support foreign entrepreneurs with Startup Visas and other incentives
- (2) **Kanagawa Prefecture** – Supporting industrialization of regenerative medicine and cell therapy in a special zone neighboring Haneda Airport
- (3) **Mie Prefecture** – Attracting foreign-affiliated companies with abundant incentives suitable for target industries
- (4) **Karatsu City** – Taking advantage of inter-region exchange to attract French cosmetic firms

【Local governments' Incentives specialized for foreign/foreign affiliated companies】

Available at websites of each local government

or

Visit JETRO website;
<https://www.jetro.go.jp/en/invest/region.html>



4. JETRO Activities for regional revitalization together with local authorities

(1) Support local governments' FDI promotion activities

- Organize Invest Japan Seminar
- Introduce attractiveness of local regions

(2) Promote attractive local regions

- Promote Inbound tourism together with JTA, JNTO, METI
- Introduce attractive areas for industrial tourism

(3) Support agriculture, forestry and fisheries export from local regions

- Provide information on import related issues
- Facilitate business meetings with potential partners

(4) Regional Industry tie-up program

- Provide opportunities of cross-border academic, business and R&D collaboration between two local regions

(5) Support local companies' overseas business expansion individually

- Provide necessary information and support on overseas business for Japanese SME's

4.-(1) Business Seminar

Mie Business Seminar and Exchange Meetings

Date and Venue; 6th July 2015 at Embassy of Japan, London

Agenda;

- Opening remarks (Ambassador of Japan)
- Presentation (Governor of Mie prefecture)
- Presentation(Chairman of the Japan Society)
- Presentation(JETRO, UK & Japanese companies and UKTI)

Invest Tokyo Seminar 2016 in London

Date and Venue; 23rd May 2016 at Hamilton House, London

Agenda;

- Opening remarks (Governor of Tokyo *video message)
- Greetings (Embassy of Japan and JETRO)
- Presentation(Tokyo Metropolitan Government and UKTI)
- One-on-One consultation and Sub sessions on Fintech, Life Science & IT

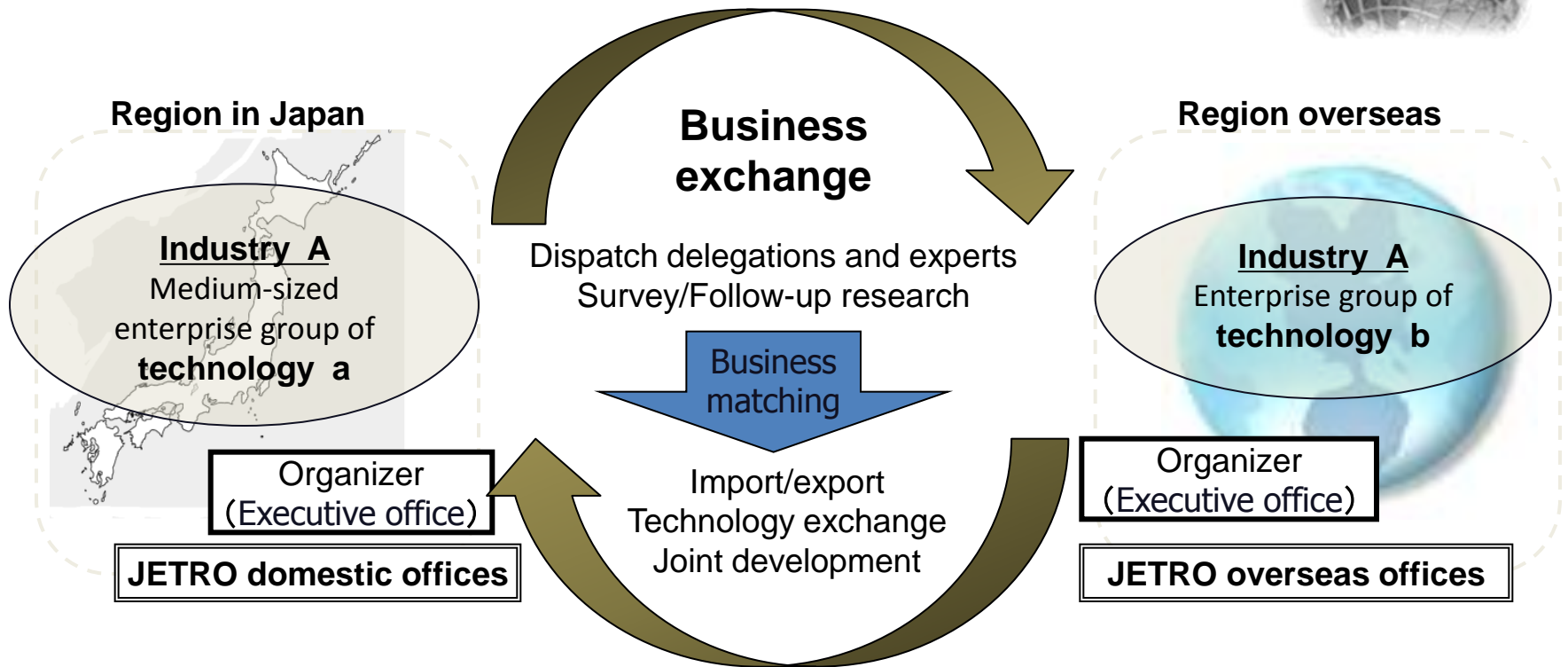
Greater Nagoya Aerospace 2016 Symposium

Date and Venue; 11st July 2016 at Grosvenor House, London

Agenda;

- Opening remarks and Presentation (Director-General of Chubu METI)
- Presentation(Japanese companies)
- Closing Address(JETRO)
- Networking reception (hosted by Governor of Aichi prefecture)

4-(2) Regional Industry Tie-Up Program (RIT)



FY2016 RIT Project

FY2015
FY2016

Total: 16 projects as of FY2016
Projects continuing from FY2015: 9
Projects adopted in FY2016: 7

Europe 9 projects
Yonezawa City – Sachsen, Germany [Organic electronics and related parts]
Toyama Prefecture – Ile-de-France, France [Medical products]
North of Ibaraki Prefecture and nearby area – Baden-Württemberg, Germany [Automobile industry]
Hyogo Area centered on Kobe city – Germany [Life science]
Kitakyushu City – Germany [Industrial equipment and machine]
Saga Prefecture – France [Cosmetic industry]
Nagasaki Prefecture – Scotland, UK [Renewable energy]
Fukushima Prefecture – North Rhine-Westphalia, Germany [Renewable energy]
Greater Nagoya – Western region of Switzerland [Micro-Nano technology industry]

Asia 6 Projects
Shonan Area, Kanagawa Prefecture – Vietnam (Ho Chi Minh City and Hanoi) [ICT]
Hiroshima Prefecture – Can Tho, Soc Trang, Vietnam [Environmental industry]
Yamanashi Prefecture – Thailand [Mechanical and electronics industry]
Tsukuba City – Taiwan [Mechatronics industry]
Hiroshima Prefecture – Bandung city, Indonesia [Environmental cleanup]
Kumamoto Prefecture – Taiwan [Semiconductor industry]

North America 1 project
Mie Prefecture – Western Region of the USA [Aerospace industry]

4-(3)Export promotion

(Example)

Japan Pavilion promoting Japanese food

【Seafood Expo Global】

26-28 April, 2016 @Brussels, Belgium

【Specialty & Fine Food Fair 2016】

4-6 September, 2016 @London, UK

【SIAL 2016】

16-20 October, 2016 @Paris, France

2017 Koshu of Japan trade and press tasting

Koshu of Japan has been promoting wine in the Koshu area since 2010.

Source; Created from website of Koshu of Japan , Media releases

Successful examples of collaboration between foreign companies and Japanese local companies



Electronic components

Eurotech (Italy) × Advanet Inc.

Okaya

Realizing sales channel expansion in Japanese market and joint product development

Eurotech formed an investment partnership with Advanet, which has excellent technologies such as leading-edge built-in board technology and production facilities. This enabled Eurotech products to be launched in Japan. In addition, mutually complementary product lineups realized the expansion of sales channels and cost reduction.



Pharmaceuticals

Lupin Ltd. (India) × Kyowa Pharmaceutical Industry Co., Ltd.

Osaka

Joint research and development of generic drugs boosted their sales

Lupin initiated joint research and development with Kyowa Pharmaceutical Industry. Since then, proactive sector-to-sector exchanges have generated mutual trust at a practical level. The sales of Kyowa Pharmaceutical Industry after forming the investment partnership grew almost threefold coupled with the promotion of the use of generic drugs by the Japanese government. Lupin also achieved favorable results, recording an average growth rate of 11% during latest 5 years.



Chemical products

Merck Ltd. (Germany) × Toyo Aluminium K.K.

Fukushima

Jointly developed a luminous metal effect pigment "Meoxal"

Merck has developed and is manufacturing a new type effect pigment (which realizes excellent color development for automobiles, plastics and cosmetics) at its own R&D base, Onahama Plant (Iwaki-shi, Fukushima Prefecture), in alliance with top metal pigment manufacturer, Toyo Aluminium. Various high value-added products are supplied to global markets from Fukushima.



Semiconductor

Amkor Technology (U.S.) × J-Devices Corporation

Oita

Collaboration between the two semiconductor post-process manufacturers realized the global launch of their products

Amkor Technology tied up with J-Devices Corporation which has already established technical strength and high product quality in the industry. While it has been maximizing mutual corporate values, it has been promoting its new "made in Japan" products equipped with next generation packaging technology around the world. Amkor technology and J-Devices Corporation together achieved 15% shares in the market for semiconductor packaging test service providers in 2013.

Source; Summarized from both Japanese and English version of "Casebook on Investment Alliances with Japanese companies (April 2015)", Ministry of Economy Trade and Industry; Websites of each company; "Success Stories" JETRO

Local universities distinguished by high level of achievements

The collaboration between foreign companies and local Japanese universities that have advanced technologies, research facilities and accumulated notable achievement is producing various innovations.



Successful examples of collaboration between foreign companies and local Japanese universities

Electronics Arkema (France) × Yamagata Univ.

Yama-
gata

Concluded an academic exchange agreement in the organic electronics field

Arkema has been affiliated with two institutions in France in the organic electronics field. They intend to promote globalization of R&D by expanding the boundary of collaboration with Yamagata University, its longstanding research partner, from just engineering to the organic electronics field. In these four sites, they will exchange researchers and students and provide education to accelerate the process from research to commercialization of products in the organic electronics field.

Drug discovery Bayer Healthcare (Germany) × Kyoto Univ.

Kyoto

Strategic research alliance aiming at collaboration with specialties in drug discovery and development

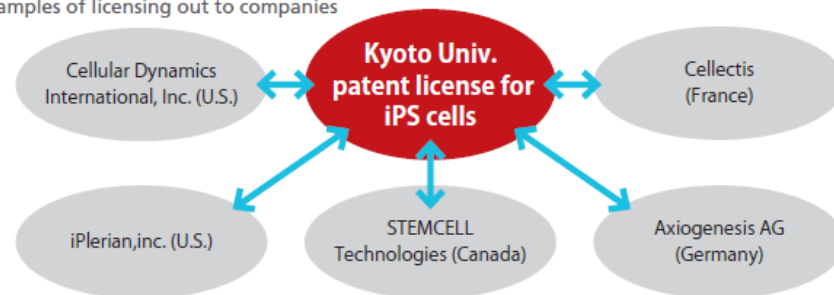
Bayer Healthcare and the Kyoto University's Office of Society-Academia Collaboration for Innovation (KU-SACI) have signed a two year collaboration agreement in disease research (cardiovascular, oncology, hematology, gynecology, ophthalmology, etc.) in order to together seek candidate subjects of drug discovery research. They are set to jointly develop an innovative approach to a wide range of unmet medical needs by tapping into intellectual property that Kyoto University already has.

TOPICS

Kyoto University's patents were licensed out to companies around the world

Kyoto University has concluded licensing agreements with over 100 companies within and outside Japan regarding patents on **iPS cells**. The number of concluded agreements reached 44 (as of the end of September 2015). It is hoped that the collaboration develops into full-fledged partnerships. **Regional universities in Japan have become a hub of global business.**

Examples of licensing out to companies



Source: Created from data of iPS Academia Japan, Inc.

Advanced medicine

Johnson & Johnson (U.S.) × Kyushu Univ.

Fuku-
oka

Established Joint Research Division in advanced medicine field

Johnson & Johnson Medical Company concluded an agreement on joint research in the minimally invasive advanced medical research field with the Center for Advanced Medical Innovation of Kyushu University. Currently, medical care that imposes less stress on the body is required in medical practice. Under these circumstances, they will strive to provide the world with advanced medical devices made in Japan.

Heavy industry

Lamborghini (Italy) × Nagoya Institute of Technology

Aichi

Established laboratory for next-generation materials

Lamborghini established Automobile Lamborghini Advanced Composite Structures Laboratory (ACSL Japan) jointly with the Nagoya Institute of Technology. Focusing on the technologies that enable high-volume production of lightweight carbon fiber composite materials in a short time at low cost, they are engaged in the research and development of next-generation carbon fiber reinforced plastics (CFRP) with Japanese companies in various fields such as the automotive and aviation industries.

Source: Created from the websites of each university and company

Source; Created from websites of each university and company

Talk to JETRO First !



www.investjapan.org

Japan External Trade Organization (JETRO)
London office
Midcity Place 71 high Holborn, London,
WC1V 6AL UK
Tel. +44 (0)20 7421 8300
Email: ldn_invest@jetro.go.jp

This document is owned by JETRO. All of the content in this document, including, but not limited to, still images, text, pictorial works, designs and logos, is owned or licensed by JETRO.

This document shall not be reproduced or reprinted on any medium or registered on any search system in whole or part by any means, without prior permission of JETRO. Although JETRO makes its best efforts to ensure the accuracy of the information contained in this document, JETRO does not take any responsibility regarding losses derived from the information contained in this document.