

Why Kanagawa?

So many reasons to **select** Kanagawa



**SELECT
KANAGAWA**

NEXT

Why Kanagawa is the preferred
location for businesses

The charm of Kanagawa?

Kanagawa: A Region that Consistently Shapes the Changing Times

With a population of approximately 9.2 million, Kanagawa has played a leading role in Japan's development as a gateway to the world since the opening of the Yokohama Port in 1859 and has supported Japan's development with its high economic performance.



International exchange hub

Equipped with the international trading ports of **Yokohama**, **Kawasaki**, and **Yokosuka**, and connected to **Haneda Airport** by the Tamagawa Sky Bridge and other means, Kanagawa serves as a hub for international exchange, open to Asia and the world.



Well-developed transportation network

Kanagawa has developed a wide range of infrastructure that facilitates inter-city cooperation, including extensive road and rail networks in the Tokyo Metropolitan Area, providing easy access to major cities in Japan.

The upcoming full opening of the Linear Chuo Shinkansen line connecting the Tokyo Metropolitan Area with the Chubu and Kansai regions is expected to further enhance Kanagawa's appeal and potential.



Diverse natural environment

Enjoy the beauty of Mount Fuji reflected on the surface of **Lake Ashinoko** in Hakone and the changing scenery of the four seasons, including the vivid autumn leaves of **Tanzawa-Oyama**, all in harmony with the diverse natural environment.



Courtesy of Kanagawa Tourism Association

History and culture

Each area in Kanagawa has its unique traditions and culture, such as **Kamakura**, the birthplace of the shogunate, and **Odawara**, a castle town that flourished under the Hojo clan during the Warring States period. They continue to attract many visitors even today.



Why Kanagawa? Characteristics and Strengths of Kanagawa

Kanagawa is connected to the rest of Japan and the world by an extensive transportation network of roads, railroads, airports, and sea ports. As an attractive region, it welcomes many visitors to explore its rich nature and history.

High economic performance

As a domestic and international exchange hub, Kanagawa is home to a growing variety of industries. At 35,287.8 billion yen (in FY2021), Kanagawa's gross prefectural product is comparable to the gross domestic product of Finland, and its economic prowess is as high as that of a country.



Courtesy of Kawasaki City Tourism Association

Clusters of key industries and companies

Kanagawa is home to a concentration of manufacturing bases of automobiles and other transportation machinery, mainly in the Keihin waterfront area and the central and Shonan regions, and is second in Japan in shipment value and other aspects of manufactured goods.

In addition, an increasing number of global companies with high international recognition and superior technological capabilities are concentrated in Kanagawa, bringing an ever-growing number of R&D centers to the area. Foreign-affiliated companies are also actively expanding their operations in Kanagawa, creating new business opportunities every day as an industrial center serving the world.



Courtesy of Isuzu Motors, Ltd.



Eat Well, Live Well.



Innovation all for the patients
 CHUGAI PHARMACEUTICAL CO., LTD.
 Roche Group



Why Kanagawa?
 Superior investment environment

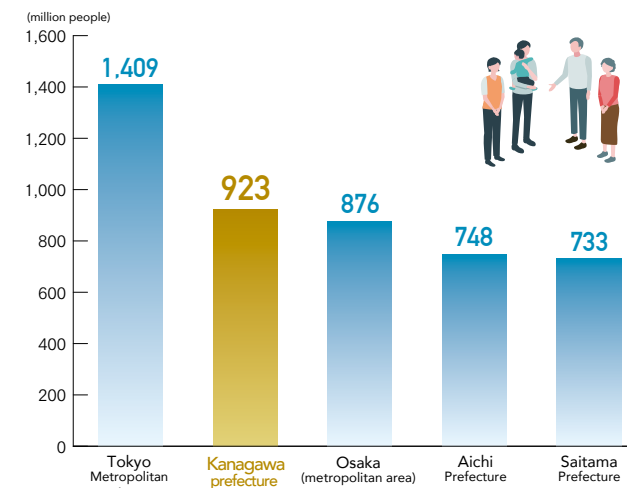
Talent acquisition

Kanagawa has a population of approximately 9.2 million, with a working-age population and ratio of approximately 5.8 million and 63%, respectively, both ranking second in Japan.

In addition, the number of employees at academic and R&D institutions in the prefecture is approximately 55,000, ranking first in Japan.

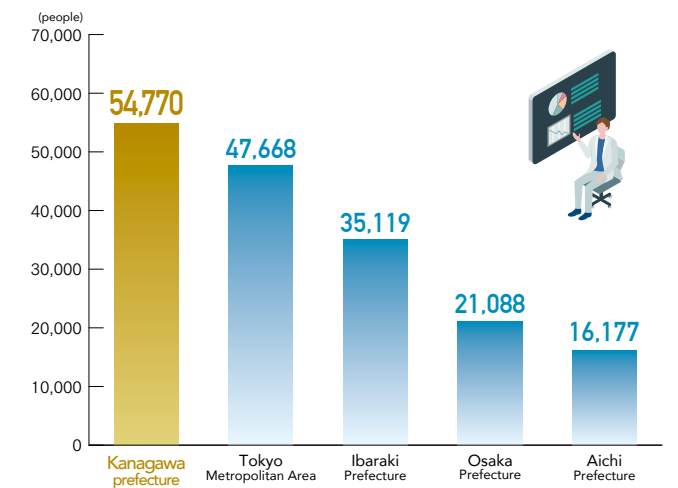


Population by prefecture



Population projections (as of October 1, 2023) by the Bureau of Statistics, Ministry of Internal Affairs and Communications

Number of employees in academic and R&D institutions



- Economic Census Basic Survey 2021- (Ministry of Internal Affairs and Communications) Industry medium classification "71 Academic and Development Research Institutes"

Rich international profile

Kanagawa, the starting place of Japan's westernization during the Meiji period, has nurtured a rich international profile through exchanges in a wide range of fields.

Currently, approximately 260,000 foreign residents from 179 countries and regions live in Kanagawa, and the prefecture is committed to creating a comfortable working and living environment for its foreign residents.

Number of international schools in the prefecture : 10 (as of April 2024)

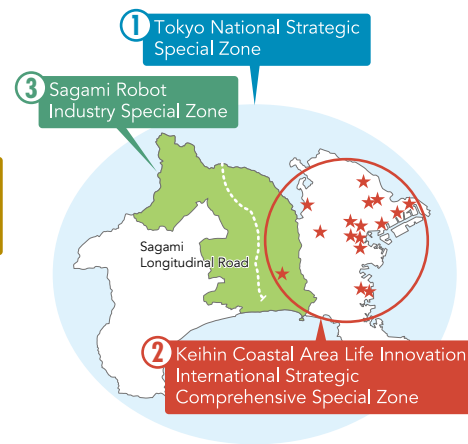


Kanagawa is home to clusters of industries and R&D centers that form the economic foundation of the region, with a large influx of people, goods, and information from overseas.

Three "special zones" that power the engine of the local economy

The special zone scheme is a national reform program that offers special measures such as **deregulation and preferential tax treatment** in selected regions and sectors to create and develop stronger business hubs.

Preferential treatment, including subsidies of up to 1 billion yen, is available for investment schemes under one of the following special zone systems!



1 Tokyo National Strategic Special Zone [all of Kanagawa Pref.]

In this special zone, the government focuses on regulatory reforms and other measures to increase the international competitiveness of industries and create a hub for international economic activities. The entire Kanagawa Prefecture is included in this zone.

2 Keihin Coastal Area Life Innovation International Strategic Comprehensive Special Zone [part of Yokohama City, Kawasaki City and Fujisawa City]

Kanagawa Prefecture, Yokohama City, and Kawasaki City jointly applied for and received designation as the Keihin Coastal Area Life Innovation International Strategic Comprehensive Special Zone. This comprehensive special zone promotes efforts to achieve economic growth and life innovation while maximizing regional resources such as the industrial infrastructure clustered in the Keihin Coastal Area.

Special Zone Support Menu → Tax support Financial support Public economic support Deregulation

Tokyo National Strategic Special Zone
Keihin Coastal Area Life Innovation International Strategic Comprehensive Special Zone
Contact information } Inochi and Future Strategy Headquarters Office ☎ 045-210-3269

3 Sagami Robotics Industry Special Zone [Sagamihara City, Hiratsuka City, Fujisawa City, Chigasaki City, Atsugi City, Yamato City, Isehara City, Ebina City, Zama City, Ayase City, Samukawa Town, Aikawa Town]

To foster robotics industry development, the area along the Sagami Longitudinal Expressway has been designated as a "Sagami Robotics Industry Special Zone" to facilitate the practical application and dissemination of life-supporting robots and to create a cluster of related companies to provide an optimal environment for the verification of life-supporting robots.



- Special Zone Support Menu
- Deregulation** The prefectural and national governments will discuss the relaxation of regulations that hinder verification experiments, etc., based on the requests of companies.
 - Development support** Support for robot development and improvement by the Robot Implementation Promotion Center, etc., joint development support from industry, academia, government, and backup from technical advisors.
 - Verification experiment** You can use the 'pre-verification field' for free, allowing you to check operations before the verification experiment in a former school building or on a simulated road.
 - Dissemination support** Subsidy systems for verification programs and introduction costs to assist facilities that consider adopting robots developed in the special zone.

Sagami Robotics Industry Special Zone
Contact information } Industry Promotion Division ☎ 045-210-5652

Also → We provide support for companies looking for properties!

If you are looking for industrial land, offices for rent, or other property information, Please send your requests here.

https://dshinsei.e-kanagawa.lg.jp/140007-u/offer/offerDetail_initDisplay?tempSeq=69057&accessFrom=



You can also use the programs of municipalities within the prefecture.

<https://k-yuchi.jp/treatment/>



Why Kanagawa?
Superior investment environment

Support scope has been expanded

Measures to Attract Businesses in Kanagawa NEXT

SELECT KANAGAWA

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Effort period: April 1, 2024 - March 31, 2028

Outline of each support system

1 Investment Promotion Subsidy

Target ▶ Relocation from outside the prefecture / Reinvestment within the prefecture

- Subsidies are provided up to a certain percentage of the total investment in land, buildings, and equipment.
- Subsidy amount**
3% (large companies), 6% (small and medium companies) of the total investment, up to 500 million yen.
For those utilizing the special zone system, etc. (*) the amount of this subsidy becomes 6% (large companies) or 12% (small and medium companies) of the total investment, up to 1 billion yen.



(*) Applicable to cases where business development is planned by utilizing the special zone system, or where the average guest room area for a lodging facility is 40 m² or more, and a limousine bus stop is to be built.

2 Tax Benefit

Target ▶ Relocation from outside the prefecture / Reinvestment within the prefecture

- Half of the real estate acquisition tax (*) is waived.

(*) In Urban Revitalization Zones, the real estate acquisition tax is further reduced by 3/10 or 6/10, up to a maximum of 4/5, by utilizing the special measures for local taxation as determined by the local government.



3 Low Interest Financing (only for SMEs)

Target ▶ Relocation from outside the prefecture / Reinvestment within the prefecture

- The prefecture provides subsidies to financial institutions, allowing them to offer loans at lower interest rates. In addition, long-term and fixed loan terms are set.
- Financing amount**
Up to 1 billion yen. However, the loan shall be no more than 80% of the project cost (*) and the loan period shall not exceed 20 years (including a grace period of up to two years).
- Interest rate**
For details, please contact the Financing Division at 045-210-5681.



(*) Not eligible for financial leasing and installment payments for equipment and building lease contracts.

4 Rent Subsidy

Target ▶ Relocation from outside the prefecture / Reinvestment within the prefecture (only for foreign companies)

- Subsidy period**
6 months (from the start of operation)
- Subsidy amount**
1/3 of the monthly rent (excluding consumption tax, security deposit, and key money), up to 6 million yen.
For those utilizing the special zone system, etc., the rent will be half of the monthly rent, with a maximum of 9 million yen.



How to obtain from Select Kanagawa NEXT?



Business facilities such as factories, laboratories, and facilities with headquarters functions

Item	If a new business facility is established	NEW If no new business facilities are established	Remarks
Application date	Application must be submitted before the date of contract for land, building ,etc.		—
Target industries	<ul style="list-style-type: none"> ME-BYO related industries Robotics-related industries Carbon neutrality-related industries NEW Tourism-related industries Advanced materials-related industries Advanced medical-related industries IT/electronics-related industries Transportation machinery and equipment-related industries Regional Development industry (◆See below) <p>*R&D Centers for all industrial sectors are included. NEW</p>	Not specified	A comprehensive judgment is made based on the manufactured goods and clients at the newly established business location, etc.
Target business types	<ul style="list-style-type: none"> Manufacturing Electricity industries (Power plants only) Information and communications Wholesale (Fabless companies (*1) only) Retail (Duty-free shops (*2) only) Academic research, Professional and technical services Entertainment industries (Theme parks only) 	<ul style="list-style-type: none"> Manufacturing (food products, beverages, petroleum and coal products, general-purpose machinery and equipment, production machinery and equipment, business machinery and equipment, transportation machinery and equipment) 	For more information, please contact the Investment Promotion and International Business Division.
Investment amount	<p>Large companies : ¥2 billion or more</p> <p>Small and medium-sized companies : ¥50 million or more</p>	4 billion yen or more	There is no investment amount requirement for rent-subsidized projects only.
Employment	<p>Large companies : 30 or more NEW</p> <p>Small and medium-sized enterprises : 10 or more (for rent subsidy projects, at least 5 in designated areas (*3))</p>	60 people or more	<p>The calculation formula is (a+b).</p> <p>a Number of permanent employees (*4)</p> <p>b Half of the number of non-permanent employees (*4) NEW</p> <p>(This can only be calculated if it is less than a.)</p>
NEW Decarbonization efforts	<ul style="list-style-type: none"> Commitment to zero actual greenhouse gas emissions in 2050 Obtain third-party certification from international frameworks or initiatives 		—

◆ Regional Development Industry

The following industries are eligible for support as regionally developed industries, provided that they are located in the specified region. (※3)
 Manufacturing (food products, beverages, **NEW** general-purpose machinery and equipment, **NEW** production machinery and equipment, **NEW** business machinery and equipment)



Lodging facilities

Item	Located in the Yokohama and Kawasaki area	Located in other areas
Application date	Application must be submitted before the date of contract for land, building ,etc.	
Target industry	Tourism-related industries	
Target business types	Lodging (limited to inns and hotels)	
Number of rooms	100 rooms or more	<ul style="list-style-type: none"> 30 rooms or more (However, those with a total room area of 600 m2 or more are eligible to apply, even if the number of rooms is less than 30) In case of less than 100 rooms, please check with the municipality to decide whether or not it is able to provide support.
Average room size	20m ² or more	
Items related to Act on Development of Hotels for Inbound Tourists	Registered as a hotel or inn under the Act on Development of Hotels for Inbound Tourists (Act No. 279 of 1949) (Registration is required before the start of operation)	
Items related to foreign tourist information centers	An information center for foreign tourists certified by the Japan National Tourism Organization must be located in the lodging facility. (*5) (Must be installed before the start of operation)	
NEW Decarbonization efforts	<ul style="list-style-type: none"> Commitment to zero real greenhouse gas emissions in 2050 Obtain third-party certification for international frameworks or initiatives 	

- ※1 A "Fabless Company" is a "manufacturing leaser" that does not manufacture its products on its own, but supplies raw materials that it owns to subcontract factories, etc. to manufacture its products, which are then wholesaled under its name.
- ※2 A "duty-free store" is a retail business licensed as a bonded warehouse under Article 42 of the Customs Act (Law No. 61 of 1954). Permission must be obtained before the start of operation.
- ※3 Specified area covers the Yokosuka-Miura area (Yokosuka City, Kamakura City, Zushi City, Miura City, Hayama Town) and the prefecture's west area (Odawara City, Minami Ashigara City, Nakai Town, Oi Town, Matsuda Town, Yamakita Town, Kaisei Town, Hakone Town, Manazuru Town and Yugawara Town).

- ※4 Among those who are employed for the operation of a business establishment, etc., and who have submitted a notification of being insured by employment insurance as stipulated by Article 7 of the Employment Insurance Act (Act No. 116 of 1974) and have received the confirmation of Article 9, paragraph 1 of the same Act, and who are either general insured persons prescribed in Article 60-2, paragraph 1, item 1 of the same Act, or senior citizen insured persons prescribed in Article 37-2, paragraph 1 of the same Act, those who have no fixed term of employment are defined as permanent employees, and those with fixed term of employment are defined as non-permanent employees.
- ※5 This means the presence of a foreign tourist information center certified by the Japan National Tourist Organization inside a lodging facility, regardless of whether the classification of certification is Category I, II, III, or a partner facility.

More support options are available for foreign companies.*

* "Foreign company" means a Japanese corporation or a Japanese branch established by a foreign company as stipulated in Article 2, Item 2 of the Companies Act (Act No. 86 of 2005), whose more than one-third of shares or equity is owned by foreign investors.



One-stop service

Together with the Japan External Trade Organization (JETRO), municipalities in the prefecture, and other related organizations, we provide consultation services for foreign companies entering or establishing hubs in the prefecture. We can also assist with corporate registration, visa applications, and other necessary procedures for company relocation, as well as office selection.



Assistance tailored to the needs of foreign companies

Investment environment guide

We provide support for foreign companies interested in Kanagawa as a potential location for their business operations by providing real estate information and on-site tours of prospective properties.

Free startup office

The office (IBSC Kanagawa) is available for rent free of charge for 50 business days for foreign start-ups.

Rental office

We offer office space at reasonable rates for up to 3 years for foreign companies to expand their business. Area: approx. 17 - 22m² Monthly rent: approx. 40,000 - 60,000 yen

Foreign Firm Setup Support Program

Foreign companies establishing a base in the prefecture will be eligible for subsidies of 1/2 of the following costs. (up to 2 million yen)

- ① Cost of obtaining status of residence
- ② Establishment of a base of operations and various notifications
- ③ Recruitment expenses
- ④ Interpretation and translation expenses related to ① to ③

Rent Subsidy

For foreign companies establishing business offices or other facilities in the prefecture, employment requirements will be relaxed, such as the requirement for at least five permanent employees (at least three of whom must be Japanese or permanent residents, etc.). The subsidy amount for rent is 1/3 of the monthly rent for 6 months, with a maximum of 6 million yen. However, if the applicant intends to use the special zone system for business development, the subsidy will be 1/2 of the monthly rent amount, with a maximum of 9 million yen.

PR at the time of entry

Holding a press release

The prefectural government will support PR activities by holding a press release on the profile of the company when it enters the prefecture with the support of the prefectural government.

Post-entry follow-up

Support seminars for foreign companies

As part of the post-entry support for companies entering the prefecture, we will hold seminars on information necessary for post-entry activities and networking events.

Overseas offices

Please feel free to contact us

Singapore Office

JETRO Singapore Kanagawa Division
16 Raffles Quay, #38-05 Hong Leong Bldg, Singapore 048581
TEL +65-6221-8174

New York Office (USA)

JETRO New York Kanagawa Division
565 Fifth Avenue, 4th Floor, New York, NY 10017 U.S.A.
TEL +1-212-997-0400

Dalian Office (China)

Swish-hotel Dalian #1204
21 Wu Hui Road, Zhong Shan District, Dalian, 116001 P.R.CHINA
Phone +86-411-8230-1906

For Foreign companies

Q&A



General expansion from overseas

Q1. I want to establish a hub in Japan, but I don't know where to start.

A1. In cooperation with the Japan External Trade Organization (JETRO), municipalities in the prefecture, and other related organizations, the prefectural government offers a variety of consultation services for companies wishing to expand their business in Kanagawa. Please feel free to contact us.

Rental office

Q2. I would like to use the rental office. What do I have to do?

A2. Before applying, a preliminary consultation session to confirm the requirements and explain the necessary documents is required.

- ① Preliminary consultation
- ② Submission of application form
- ③ Evaluation
- ④ Submission of application form for ordinary property loan
- ⑤ Contract
- ⑥ Rent payment
- ⑦ Move in

Q3. Are there any requirements to use the rental office?

A3. Companies eligible to use the rental office must meet all of the following requirements.
① LA foreign company (Japanese corporation or Japanese branch) newly established in the prefecture to conduct business in Japan. However, companies that have been incorporated in Japan for less than one year at the time of application for rental office are included.
② The ratio of foreign capital must be at least one-third.
③ The company must have a plan to continue its business in the prefecture after moving out of the office. The maximum duration of tenancy is 3 years from the date of commencement of tenancy.

Foreign Firm Setup Support Program

Q4. I would like to apply Foreign Firm Setup Support Subsidy.

A4. Before applying, a preliminary consultation session to confirm the requirements and explain the necessary documents is required. Please contact the Investment Promotion and International Business Division.

- ① Preliminary consultation
- ② Submission of pre-commencement notification
- ③ Establishment of a Japanese corporation or branch
- ④ Submission of subsidy application form
- ⑤ Submission of performance report
- ⑥ Settlement of accounts

Q5. Is there anything I should pay attention to after receiving the subsidy?

A5. After the subsidy is granted, the company is required to maintain a two-year business presence in the prefecture. In the event of a violation of this obligation (including the case of exit), the full amount of the subsidy must be returned along with an additional fee. The company needs to submit status reports after 1 year and 2 years from the date of establishment and will be subjected to a hearing.

Regarding the scheme and its requirements

- Q1.** I am not sure if my business falls under the "target industry" or "target sector" requirements for receiving support.
- A1.** The "target industry" and "target sector" are determined based on a comprehensive evaluation of the products (or final products in the case of parts manufacturing) that will be manufactured at the new business location and the type of company to which the products will be delivered. Please contact the Investment Promotion and International Business Division.
- Q2.** What is the definition of a small business?
- A2.** It depends on the definition based on the Small and Medium-sized Enterprise Basic Act. As an example, in the manufacturing industry, a company with capital of 300 million yen or less or with 300 or less employees on a regular basis falls under this category.
- Q3.** Can I still receive support even when I have signed a contract to purchase land or design a building before applying?
- A3.** If you have signed a contract before applying, we will not provide any support.
- Q4.** Are there any conditions regarding the operation of the subsidy recipients?
- A4.** Companies that receive Investment Promotion Subsidy must continuously meet the requirements for 10 years from the start of operation, and companies that receive Rent Subsidy must continuously meet the requirements for 2 years from the start of operation. In the event of a violation of this obligation (including the case of exit), the full amount of the subsidy must be returned along with an additional fee.



Application procedures and procedures of system use

- Q5.** What are the procedures to use the support system?
- A5.** The process is shown in the following steps ① to ⑥.
- ① Preliminary consultation
 - ② Submission of application form
 - ③ Subsidy for business location improvement Review Committee
 - ④ Project approval or subsidy decision
 - ⑤ Start of business operation and completion inspection
 - ⑥ Usage of various support systems
- ① You will be asked about the details of your business plan at the preliminary consultation.
- ② The application must be submitted before the commencement of the business (usually no later than one day before the signing date of the contract for land, building, etc.).
- ③ The project plan will be reviewed by a committee of external experts, etc.
- ④ The project will be approved or the subsidy decision will be made around 10 days after the review meeting, and a press release announcing the approval or decision will be issued on the same day.
- ⑤ The applicant is required to submit a notification of commencement of business operation within 30 days from the date of start of business operation (the date on which the payment of the investment based on the business plan is completed and the number of employees as planned is secured), followed by a completion inspection.
- ⑥ Low Interest Financing can be used right after the approval without having to wait for the "Start of business operation and completion inspection" after the approval.
- Q6.** Is there a time limit to the start the business operations?
- A6.** Plans that exceed 5 years (3 years in the case of using Investment Promotion Subsidy, and 2 years in the case of Rent Subsidy) from the project approval to the start of operation (the period of A5 Flow Chart no. ④ - ⑤) cannot be approved.

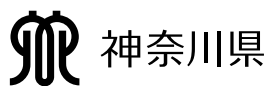
Regarding the use of the special zone system

- Q7.** Under what circumstances can I use the "business development under the special zone system" under which further preferential treatment for support projects is provided?
- A7.**
- When implementing business projects specified in the "Area Plan" of the "Tokyo National Strategic Special Zone"

This applies to business development projects that receive special exceptions and support measures in the special zone for specified fields, such as research and development of pharmaceuticals and medical devices for advanced medical care, research and development of regenerative medicine, and research and development of robots for medical and nursing care.
 - When implementing a specific regional revitalization business or a general regional revitalization business in the "Sagami Robotics Industry Special Zone", or a business supported by such businesses.

This applies to business development projects that receive special exceptions and support measures in the special zone, such as verification experiments of life-supporting robots.
 - When implementing specific international strategic businesses or general international strategic businesses in the "Keihin Coastal Area Life Innovation International Strategic Comprehensive Special Zone", or businesses supported by such businesses.

This applies to business development projects that receive support and special measures in the special zone, such as the development and manufacture of innovative pharmaceuticals and medical devices and the creation of health-related industries.
 - Key projects in the Sagami Robotics Industry Special Zone
 - Joint R&D projects in the Kanagawa version of open innovation in the "Sagami Robotics Industry Special Zone"



Contact us

About the general scheme

Investment Promotion and International Business Division,
Industry Department, Industry and Labor Bureau

1 Nihonodori, Naka-ku, Yokohama 231- 8588

TEL. Domestic companies : **045-210-5573** | Foreign companies : **045-210-5565**

H P. <https://www.pref.kanagawa.jp/docs/pw3/selectkanagawanext/index.html>



About the financing scheme to assist business relocation

Financing Division, Small and Medium Enterprise Department,
Industry and Labor Bureau

1 Nihonodori, Naka-ku, Yokohama 231- 8588

TEL. **045-210-5681** | H P. <https://www.pref.kanagawa.jp/docs/m6c/cnt/f5779/>

