

# TOKYO LEADING THE WORLD IN BUSINESS



# Message from the Governor

Tokyo is a world-leading megacity. It's "mega" not just in sheer size, but also in its wealth of assets, attractions, and potential.

The sophisticated technologies and highly skilled talent of Tokyo's companies; universities and research institutes concentrating knowledge and expertise; clean water and air, and the world's highest level of public safety; and a vibrant dynamism that generates new cultural trends that are the focus of global attention, such as anime and manga—these are some of our city's exceptional and unique attractions, which will help you develop your business in Tokyo and make your lives here more exciting.

So that you can capitalize on these strengths, I am determined to use our resources to significantly transform and create a new Tokyo that will be the engine driving not just Japan, but the world as well. It will be even more open to investment, talent, and companies from around the world.

For example, we will work to relax regulations and provide detailed support to help you smoothly develop your business in Japan. We will also focus on building the living environment, including international schools and improved multilingual signage, so that your families can feel reassured and enjoy life in Tokyo. On top of this, we will regain our status as an international financial center and fully demonstrate Tokyo's presence as a global economic powerhouse.

My future vision for Tokyo as a city drawing people from around the world is that of smart eco-friendly city, a city that ensures safety and security, and a city that fully embraces diversity, where everyone can lead vibrant and active lives. Tokyo is the city that can allow you to realize your ideas in an easier and more certain way, and in the best of forms.

The Tokyo 2020 Olympic and Paralympic Games, which will be held in just four more years, presents the perfect opportunity for business. Please join us in creating new innovation and let us together drive global business from Tokyo.

I look very forward to welcoming you to our city.



A handwritten signature in black ink, which appears to be 'Yuriko Koike'.

Yuriko Koike  
Governor of Tokyo

# Why Tokyo

With a population of 13.50 million people, Tokyo, the capital of Japan, is a world-leading megalopolis. Its gross metropolitan product is valued at USD 1.1687 trillion (FY 2011), an amount rivaling the GDPs of Mexico and South Korea.

Tokyo has about 2,750 major companies with a capital of 1 billion yen or more. This figure is nearly half of the total number of such companies in Japan. An international business center, Tokyo is also home to 76 percent of the foreign-affiliated companies in Japan, with over 2,300. Tokyo also ranks top class in the world in number of Fortune Global 500 company headquarters. Such a large accumulation of companies serves as a magnet attracting even more companies to Tokyo, driving the city's economy.



Sources: Statistics of Tokyo (Tokyo Metropolitan Government website); Cabinet Office "Annual Report on Prefectural Accounts (FY2011)"; Tokyo Metropolitan Government "Industry and Employment in Tokyo - A Graphic Overview 2015"; Fortune Global 500 (2015); Financial Times "Global Cities of the Future 2014/15"; The Mori Memorial Foundation "Global Power City Index 2015"; A.T. Kearney "Global Cities Index and Emerging Cities Outlook" (2014); Economist Intelligence Unit "Hot spots: Benchmarking global city competitiveness" (2012); TripAdvisor World City Survey (2014); United Nations "World Urbanization Prospects: The 2014 Revision"

Tokyo has everything you need to make your business a success.

Specifically, Tokyo enjoys a high global reputation for its huge market, wealth of potential business partners and highly skilled professionals, solid protection of intellectual property rights, and convenient transportation.

## Huge market and sophisticated consumers

The Greater Tokyo Area (Tokyo and the adjacent three prefectures) is a huge economy with a population of some 37 million people, which greatly surpasses the populations of major metropolitan areas of the world such as New York and London. According to a study released by the United Nations, this area is projected to retain this position even in 2030. This means companies can benefit from direct access to the world's largest markets now and over the long-term. In particular, the world's third largest healthcare market, ICT – one of Japan's leading industries – and the environment market, which is expected to grow further with the advancement of measures to address global warming, are drawing much attention from overseas as well as attractive markets. Consumers in Japan demand a high level of quality and have a sizable appetite for high valued-added consumer products. Thus, products and services that are successful in Tokyo can be expected to also earn high marks in the global market.

### Population size and ranking of urban agglomerations

2014			2030		
Rank	Urban agglomeration	Population (unit: million)	Rank	Urban agglomeration	Population (unit: million)
1	Tokyo, Japan	37.8	1	Tokyo, Japan	37.2
2	Delhi, India	25.0	2	Delhi, India	36.1
3	Shanghai, China	23.0	3	Shanghai, China	30.8
4	Ciudad de México (Mexico City), Mexico	20.8	4	Mumbai (Bombay), India	27.8
5	São Paulo, Brazil	20.8	5	Beijing, China	27.7

Source: United Nations "World Urbanization Prospects: The 2014 Revision"

## Wealth of potential business partners and highly skilled professionals

Another strong characteristic of Tokyo is its wealth of potential business partners and highly skilled professionals. Tokyo has a large number of companies, universities and research institutions. There are also numerous small and medium-sized companies boasting world-leading technologies. Foreign companies expanding operation to Tokyo can create innovation with business partners in Tokyo, and then expand the business into other parts of Asia and the world. Tokyo makes this type of business plan possible.



## Comfortable business environment

Japanese society places great importance on freedom and fairness. This environment will offer invaluable benefits as you build and develop your business. Business operations can be conducted with peace of mind as Japan offers the highest level of protection of intellectual property rights in Asia.

In Tokyo, there are many high-performance office buildings with superb earthquake resistance and emergency power systems to ensure that your business can continue to operate 24 hours a day, 365 days a year, even in the event of a disaster, and multipurpose office buildings equipped with MICE\* facilities.

Tokyo has a very convenient transport network. There is an intricate rail network of 13 subway lines and JR and private railway lines, allowing quick and easy travel within the city. The railways in Japan boast the world's highest level of precision. Those establishing offices in Tokyo's special economic zones can conduct business efficiently without needless waste of time.

Haneda Airport, with a greater number of international flights now, can be reached in about 30 minutes by train from the city center, and Narita Airport can be accessed in about one hour by train, making travel to and from your global headquarters extremely convenient.

\*MICE: Meetings, Incentives, Conferences and Exhibitions



Flight times to major cities from Tokyo International Airport

Seoul	1 hr 55 min	Kuala Lumpur	7 hr 15 min
Beijing	3 hr 05 min	Bangkok	6 hr 10 min
Shanghai	2 hr 30 min	London	11 hr 50 min
Hong Kong	4 hr 10 min	Paris	12 hr 00 min
Taipei	2 hr 40 min	San Francisco	9 hr 15 min
Singapore	6 hr 55 min	Los Angeles	10 hr 00 min

\*The above times are estimates for one-way trips. Actual flight time may vary depending on the aircraft, weather, and season.

Source: Tokyo International Airport website

# Advantages of the Special Economic Zones

The Tokyo Metropolitan Government is advancing efforts to attract foreign companies and further improve the international business environment within the special economic zones designated by the national government such as the Tokyo Area National Strategic Special Zone and the Special Zone for Asian Headquarters.

Here we introduce various incentives and support for foreign companies expanding to Tokyo's special economic zones.

**NSSZ** Advantages provided within the Tokyo Area National Strategic Special Zone

**AHQ** Advantages provided within the Special Zone for Asian Headquarters

## NSSZ Tokyo One-Stop Business Establishment Center

Through personalized service provided by staff knowledgeable in administrative procedures and experts, the center helps to facilitate the prompt completion of various filing procedures required when starting a business, including those for certification of articles of incorporation, company registration and notification of incorporation, taxes, social security, and immigration. Furthermore, to meet the needs of companies, the center also offers interpretation and translation services in several languages.

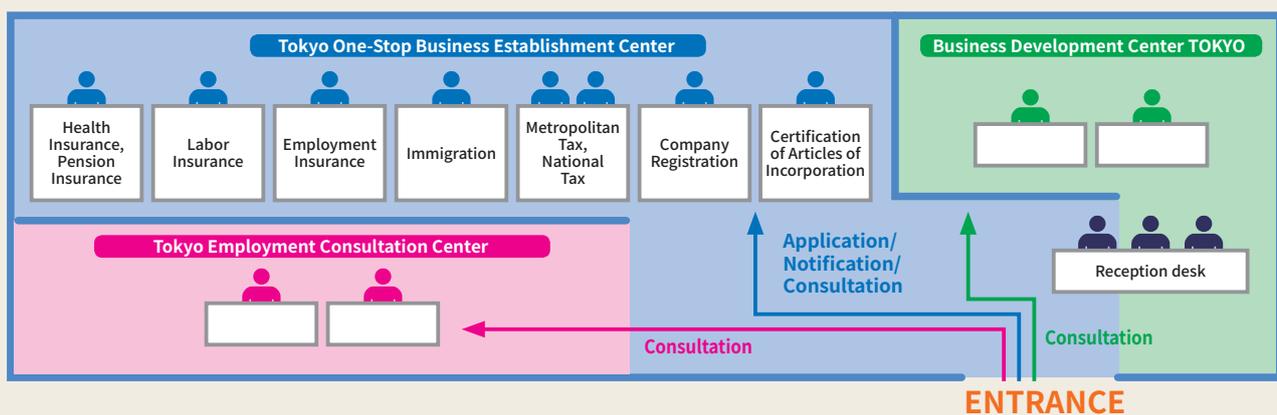
## Entire Area of Tokyo Business Development Center TOKYO

Staff members fluent in English provide full services for the development of business within the special zone areas, including consultations concerning business in general such as Japanese business customs and provision of support for the various procedures required from establishment of the company to development of sales channels. The Business Development Center TOKYO also helps foreign company employees and their families in their daily life in Tokyo by providing information concerning matters such as real estate, shopping, healthcare, and education in several languages. The center's desks are located in the Marunouchi and Akasaka districts.

## NSSZ Tokyo Employment Consultation Center

Lawyers and certified social insurance and labor consultants provide consultation on employment and labor issues to startups and companies entering the Japanese market from overseas so they can accurately understand Japanese employment regulations and smoothly expand business.

\*The Tokyo One-Stop Business Establishment Center, the Business Development Center TOKYO branch office and the Tokyo Employment Consultation Center are located on the 7th floor of ARK Mori Building in the Akasaka district, Minato Ward. By coming here, you can receive services provided by these three facilities in one stop.



## AHQ Free business consulting services

Free consultation for establishment of a regional headquarters or R&D center within the Special Zone for Asian Headquarters will be provided in accordance with companies' needs.

Services include assistance in:

- Formulating corporate growth strategies
- Analyzing market surveys
- Finding business partners

AHQ

### Subsidy program for expenses including recruitment costs

Foreign companies newly establishing their Asian regional headquarters/R&D center in the special economic zone can receive a subsidy of up to one-half of the expenses incurred in setting up business including recruitment cost (maximum JPY 5 million).

**Subsidy maximum**

**1/2 of actual expenses Max JPY 5 Million**

AHQ

### Introduction of office space at reduced rates

Serviced offices in the special economic zone may be available to foreign companies and entrepreneurs intending to start up business in Tokyo, or are already doing so, at 10-50% off of the regular rental rate for up to one year. Please note that the number of designated properties is limited.

\*This service is offered by our partner, The Executive Centre.

AHQ

NSSZ

### Tax incentives

● **AHQ**

Japanese subsidiaries that newly establish their regional headquarters or R&D center in Tokyo's special economic zone\* will be eligible to receive one of the two benefits shown at right if they fulfill certain conditions.

\*These companies will also be exempt from metropolitan taxes (fixed assets tax, city planning tax, real estate acquisition tax).

● **NSSZ**

Companies directly engaged in a designated business in the NSSZ (companies receiving designation by the Minister of State for the National Strategic Special Zones) are eligible for a taxable income deduction of 20% if they fulfill certain conditions.

Reduction of effective corporation tax rate	Current rate	After deduction of taxable income
Companies with capital of over 100 million yen	30.86%	24.69%
Companies with capital up to 100 million yen and subject to a higher than standard tax rate	34.81%	27.85%

Companies are also eligible to receive one of the two benefits shown at right if they purchase machinery, etc., within the special zone.

\*Special provisions to the fixed asset tax and for national strategic private sector urban renewal projects can also apply to a company if it fulfills certain conditions.

**1. Investment tax credit**

Buildings, etc. — 6% deduction  
Machinery, etc. — 12% deduction

**2. Special depreciation**

Buildings, etc. — 20% deduction  
Machinery, etc. — 40% deduction

**1. Investment tax credit**

Buildings, etc. — 8% deduction  
Machinery, etc. — 15% deduction

**2. Special depreciation**

Buildings, etc. — 25% deduction  
Machinery, etc. — 50% deduction

NSSZ

### Special provision to the Immigration Control and Refugee Recognition Act (Immigration Act) concerning the acceptance of foreign entrepreneurs

In order to promote the introduction of management resources from abroad such as talent and technology and funds, if foreign nationals wishing to start up businesses in the special zone receive confirmation by the Tokyo Metropolitan Government on their business startup activities, they can receive "business manager" status of residence for half a year.

### Others

- Low interest loans ..... NSSZ AHQ
- Quicker immigration process and simplified documents, relaxation of requirements for acquisition of status of residence, etc. .... AHQ
- Expedited patent application reviews and reduction of patent fees ..... Entire Area of Tokyo
- Reduction of investment procedures, provision of financing support ..... Entire Area of Tokyo

# Tokyo's Special Economic Zones

## Tokyo Area National Strategic Special Zone

The National Strategic Special Zone is a system advancing comprehensive and focused implementation of regulatory reform in order to strengthen the international competitiveness of industry and promote the formation of a center for international economic activities.

Tokyo Metropolis, Kanagawa Prefecture, and Chiba City and Narita City in Chiba Prefecture have been designated as the Tokyo Area by the national government.

### 1. Development of international business centers

The TMG is working to develop a global business environment by using special provisions to acts. These include the City Planning Act, the Road Act concerning area management, regulations on foreign doctors, the Inns and Hotels Act concerning the increase of accommodation facilities, and the Immigration and Immigration Control and Refugee Recognition Act concerning the acceptance of foreign entrepreneurs. The Tokyo One-Stop Business Establishment Center and Tokyo Employment Consultation Center have also been established with this aim.

- **Utilizing the special provision to the City Planning Act, etc.**

Urban renewal projects to be scheduled within the Tokyo Area National Strategic Special Zone will be speeded up by being designated as national projects.

Projects include: development of international business centers in line with fortifying transportation node functions, such as the building of a large underground bus terminal in front of Tokyo Station and new stations near Toranomom and Shinagawa stations; development of centers with stronger MICE\* functions for attracting foreign businesses and facilitating business exchange in the Otemachi, Roppongi and other districts; and development of centers for business exchange in various fields such as international finance and the content industry in the Otemachi to Kabutocho district, the Takeshiba district, and elsewhere.

- **Utilizing the special provision to agreements on foreign doctors**

A special provision has been made to bilateral agreements concerning a doctor's license to practice in the Special Zone in order to meet the needs of the increasing number of foreign patients.

Previously, under bilateral agreements between Japan and each country, foreign doctors were allowed to treat patients from their own country only. With this exception, at medical institutions in the Special Zone, foreign doctors can treat foreign patients of any nationality.

- **Utilizing the special provision to the Road Act related to area management**

Measures will be taken to promote the creation of vibrancy. For example, relaxing criteria for road occupancy permits will make it possible to hold various events utilizing space on and under roads, and others.

Events that incorporate local characteristics are scheduled to be held on streets in the Marunouchi district, Shinjuku sub-center, areas around Osaki Station, areas around Kamata Station, and the Jiyugaoka area.

- **Establishment of the Tokyo One-Stop Business Establishment Center and Tokyo Employment Consultation Center**

Tokyo One-Stop Business Establishment Center has been established within the JETRO headquarters to unify the procedures required to launch a business. It helps startups and foreign companies promptly complete various filing procedures, including those for certification of articles of incorporation, company registration and notification of incorporation, taxes, social security, and immigration.

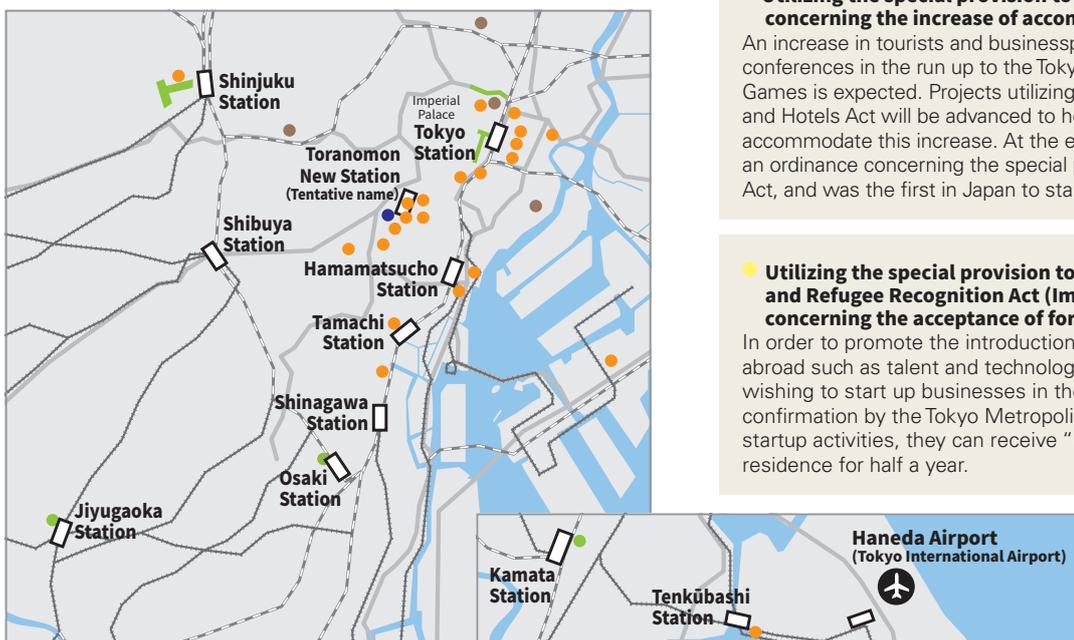
On the same floor is the Tokyo Employment Consultation Center, which supports startups and companies expanding into Japan from overseas by helping them properly understand Japanese employment regulations and smoothly develop their business here.

- **Utilizing the special provision to the Inns and Hotels Act concerning the increase of accommodation facilities**

An increase in tourists and businesspeople attending meetings and conferences in the run up to the Tokyo 2020 Olympic and Paralympic Games is expected. Projects utilizing the special provisions to the Inns and Hotels Act will be advanced to help resolve the lack of lodgings to accommodate this increase. At the end of 2015, Ota Ward established an ordinance concerning the special provision to the Inns and Hotels Act, and was the first in Japan to start up operation from January 2016.

- **Utilizing the special provision to the Immigration Control and Refugee Recognition Act (Immigration Act) concerning the acceptance of foreign entrepreneurs**

In order to promote the introduction of management resources from abroad such as talent and technology and funds, if foreign nationals wishing to start up businesses in the special zone receive confirmation by the Tokyo Metropolitan Government on their business startup activities, they can receive "business manager" status of residence for half a year.

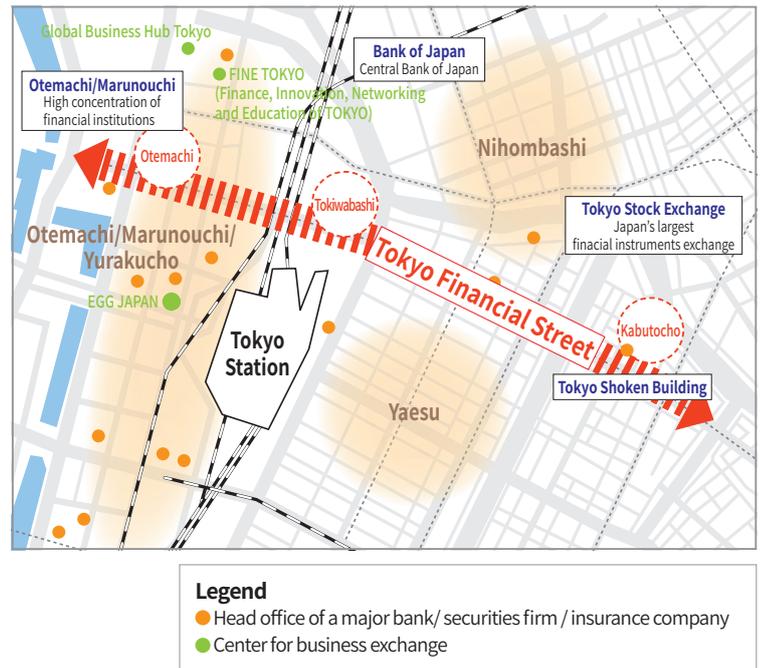


\*MICE: Meetings, Incentives, Conferences and Exhibitions

## 2. Realization of the Tokyo Global Financial Center

The area along Eitai-dori Avenue, which links the Otemachi district, the Nihombashi district, and the Kabutocho district, where the head offices of major banks and other financial institutions, the Bank of Japan, and the Tokyo Stock Exchange, respectively, are located, will be positioned as Tokyo's financial street to support the establishment of the Tokyo Global Financial Center, and various financial functions will be developed through public-private collaboration.

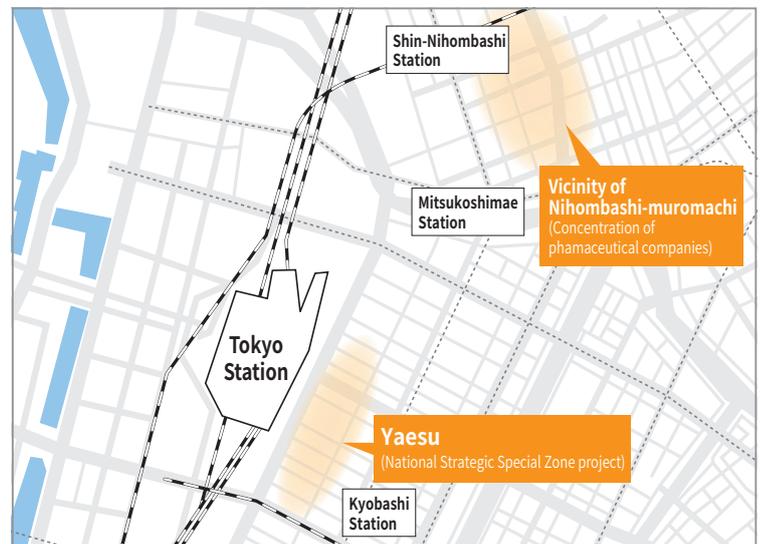
Special provisions to the City Planning Act and others will be employed to quickly develop financial functions in the Tokiwabashi and Kabutocho areas, both located around this street. New efforts will be made to develop financial centers that make full use of the concentration of Japanese and foreign financial institutions, develop centers to promote business exchange among international financial professionals, support asset management and other startups, and develop centers facilitating exchange between investors and companies.



## 3. Creation of a global life sciences business hub

In the Special Zone, special provisions for medical care (special provisions to the Specified Mixed Medical Care Coverage System and to the Medical Care Act concerning hospital bed regulations) apply to medical institutions in Tokyo that provide innovative and advanced medical care, in order to expedite the clinical application of advanced medicine care. Medical institutions that provide such care can apply the various accumulated data in their basic research. This is expected to help enhance the effectiveness and safety of medical technologies and lead to the discovery of promising "seeds."

Going forward, the TMG plans to develop business centers for the life sciences in the Nihombashi district and Yaesu district (near Tokyo Station) to promote matchups between pharmaceutical companies and startups, facilitate the commercialization of pharmaceuticals and other such products, and to boost the life sciences industry.



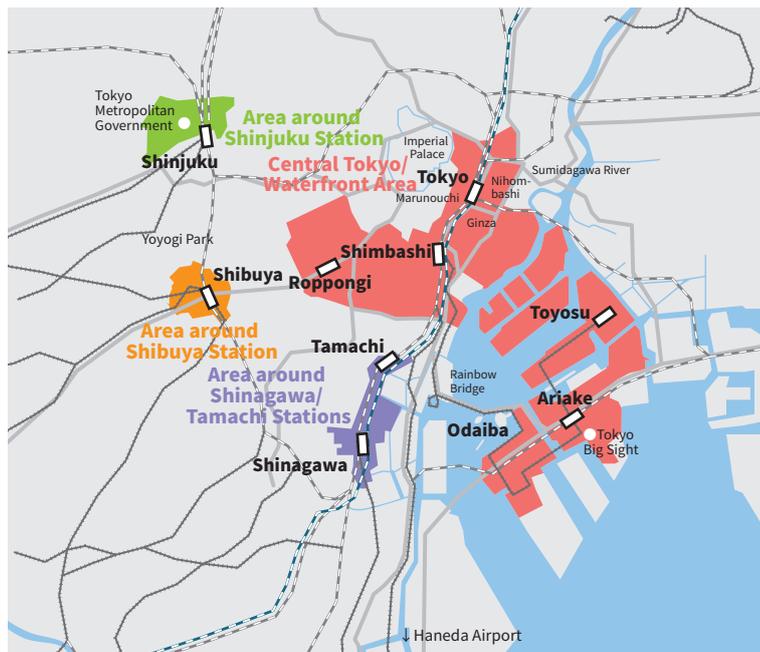
## 4. Other

### Utilizing the special ordinance to the Urban Park Act concerning urban park occupancy permit

In order to address the growing need for daycare services arising from greater participation in society by women, daycare centers will be established in urban parks to resolve the issue of children on the waiting list. Parks in Arakawa and Setagaya wards are scheduled to have daycare centers.

# Tokyo's Special Zone for Asian Headquarters

This zone received designation by the national government in 2011 as a Comprehensive Special Zone for International Competitiveness. A project to attract more than 500 foreign companies including 50 companies establishing their Asian regional headquarters or R&D centers by end FY2016 is underway in five areas in central Tokyo with the aim to gather even more Asian regional headquarters and R&D centers.



## Central Tokyo / Waterfront Area

### Marunouchi/Otemachi

This district is Japan's financial and economic center, which is home to the headquarters of banks, trading companies, mass media firms, and other businesses. The Business Development Center TOKYO, a business consultation desk for companies expanding into Tokyo, is located here as well.



### Nihombashi

The finance and business district of Nihombashi is an area where one can find traditional old shops in harmony with state-of-the-art buildings. With the Bank of Japan and the Tokyo Stock Exchange headquartered here, Nihombashi serves as the center of Japan's finances, on par with the City in London and Wall Street in New York and other global financial centers. As this district is also home to pharmaceutical companies and related organizations, initiatives are underway to create a life sciences business hub here.

### Roppongi

Roppongi is a cosmopolitan district with numerous foreign embassies located in the area. With recent years seeing a construction of huge mixed-used facilities complete with stores, hotels, museums and other facilities, it is a popular shopping and art spot.

### Ginza

The embodiment of Tokyo's sophistication, featuring streets lined with traditional department stores and high-end boutiques, Ginza is well known as one of the world's leading shopping districts, drawing tourists from all over the globe.

### Shimbashi/Toranomon

This district—close to the Kasumigaseki district where the ministries and agencies of the national government are located—is one of Tokyo's leading office districts. Following the mixed-use skyscraper project, which was implemented in conjunction with construction of a section of Ring Road No.2, a project to build an international business center in line with the construction of a new Hibiya Line subway station is underway.



### Toyosu/Ariake/Odaiba

The bay area, represented by the waterfront subcenter, integrates the elements of work, residence, study, and entertainment. It is the location of Japan's largest international exhibition center, Tokyo Big Sight, and is undergoing development as a focal point for MICE\* and international tourism. Conveniently accessible from the center of Tokyo and Haneda Airport, it is well positioned as an air, sea, and land transportation node.



\*MICE: Meetings, Incentives, Conferences, Exhibitions

### Attracting Businesses / Business Exchange

- Find and attract foreign companies
- Tax incentives (tax deductible investment / special depreciation)
- Quicker immigration process and simplified documents / relaxation of requirements for status of residence visa
- Build centers with MICE\* functions (improve visitor convenience from Haneda Airport to MICE facilities)

\*MICE: Meetings, Incentives, Conferences, Exhibitions

### Business Support

- Business support services provided by the Business Development Center TOKYO
- Subsidy program for expenses related to hiring personnel
- Low interest loans

## Major Activities

### Living Environment Development

- Living support by the Business Development Center TOKYO
- Increase medical institutions that can offer care in foreign languages
- Increase schools where children can be educated in English or other languages
- Provide living information in multiple languages
- Subsidy program for international schools and medical institutions newly establishing or expanding their facilities to hire medical doctors and teachers of foreign nationality

### Business Environment with Secure BCP\*

- Develop office buildings that are quake-resistant and have independent power generation systems to ensure business continuity even in the event of a disaster
- Develop multi-functional office buildings and other such facilities with advanced business support functions such as serviced apartments and MICE\* facilities

\*BCP: Business Continuity Plan

### Area around Shinjuku Station

Shinjuku Station is a gigantic terminal boasting the largest number of users of any station in Japan. In Shinjuku, the east and west sides pose an interesting contrast: the west side has the Tokyo Metropolitan Government buildings and rows of other majestic skyscrapers such as office buildings and hotels, while the east side has a lively atmosphere, centering on Kabukicho, Japan's most famous entertainment district.



### Area around Shinagawa/Tamachi Stations

Shinagawa Station is a major transportation hub accommodating the high-speed Shinkansen trains heading west and the express trains for Haneda and Narita airports, among others. Since it has also been selected as the starting point for the maglev Chuo Shinkansen line, its importance as a transportation hub is expected to increase even more in the future. Attractive, modern, and ecofriendly urban development has been underway in recent years, with the building of skyscrapers and high-rise residential complexes in a large-scale redevelopment project.



### Area around Shibuya Station

The Shibuya area is highly frequented by young people for being at the forefront of fashion and culture, and is a popular international destination. This area is also becoming a hub for the creative content industry.



### Vacant site formerly used by Haneda Airport

Haneda Airport is Japan's largest airport, with a superb location just 30 minutes from Tokyo Station by train. This airport is ranked fourth in the world in annual passenger traffic. Construction is underway at former sites of airport facilities, which were vacated due to offshore development and establishment of the international terminal area, to build mixed-use office facilities and other facilities that leverage their proximity to the airport's international zone.



Sources: Tokyo Metropolitan Government "Tokyo City Profile and Government" (2012); ACI ANNUAL World Airport Traffic Report (2014); Regional Council for the Asian Headquarters Special Zone "Vision for Tokyo's Special Zone for Asian Headquarters" (2012); Tokyo Big Sight website

# Attractive Sectors in Tokyo's Special Zones and Companies Locating to the Zones

## Healthcare Sector

According to OECD statistics on health expenditure by country, the healthcare market in Japan ranks third in the world, following the United States and China.

The Japanese government positions the healthcare sector as a key industry, and is implementing various measures including the introduction of a system for conditional and time-limited approval of products such as for regenerative medicine to achieve the world's quickest time for approval.

In order to curb medical expenditure that is soaring due to the increasing elderly population, Japan is also working to promote the use of generic drugs and introduce ICT to the areas of health, medicine, and long-term care for more efficient and higher quality health care. This gives rise to many various business opportunities.

Tokyo has a large number of key institutions conducting Japan's medical treatment and drug-related research and clinical trials such as medical schools, hospitals affiliated to medical schools, and other specialized medical institutions, as well as long-term care and welfare facilities. Accordingly, Tokyo attracts pharmaceutical and medical device companies from around Japan, and this is a large strength of Tokyo. Developing your business in Tokyo will expand your opportunities to partner with these companies and research institutions.

In the Nihombashi district, which is adjacent to Tokyo Station and very convenient for transportation, the concentration of pharmaceutical companies and related organizations is being leveraged for the establishment of business exchange centers for information exchange and business matchups in the area of life sciences.

Sources: OECD "OECD HEALTH DATA"(GLOBAL NOTE website); Jiho Inc. "Pharmaceutical Handbook 2015"; Ministry of Health, Labour, and Welfare website; Tokyo Metropolitan Government "Basic Strategy for Promotion of Industry (2011-2020)"; Tokyo Metropolitan Government "Creating the Future: Long-Term Vision for Tokyo"(2014)

## ICT Sector

The ICT industry is a leading industry driving the Japanese economy. It is estimated that the ICT market will expand to nearly USD130 billion in 2019. In the Japanese ICT market, large changes are occurring such as the growth of mobile communications and other new platforms, and it is thought that such trends will drive market growth. Moreover, with the need to bolster the security of the telecommunications infrastructure and other important infrastructure in Tokyo in preparation for the Tokyo 2020 Olympic and Paralympic Games, it is projected that demands for related products and services will grow.

As many companies have their headquarters and offices located in Tokyo and its vicinity, you will be able to approach companies from various sectors. Many ICT-related companies also have their offices in Tokyo, with over 20 percent of the companies in Japan situated in Tokyo. By advancing into Tokyo, you will expand your opportunities to partner with companies in the same sector and companies in sectors with a high affinity for IoT. Another strong advantage of Tokyo is its rich pool of talent in the software and information processing industries, making it easy to secure the manpower to develop applications and other needs.

\*The size of the Japanese market was converted into US dollars based on the rate of JPY120 to the dollar.

Sources: Gartner "Gartner Market Databook 1Q15 Update" (2015); IDC "Domestic IT Market by Product: Results up to 4th quarter of 2014, and projections for 2015-2019" (2015); Ministry of Economy, Trade and Industry "2014 Survey of Specified Service Industries"

## Environmental Sector

The environment market is expanding in Japan. In 2013, it was a record-breaking JPY93.2870 trillion. Growth is especially noted in businesses related to global warming measures employing renewable energy, and waste treatment and efficient use of resources.

The 2011 earthquake and tsunami led to demands in Japan to secure a more flexible and efficient energy supply system utilizing various energy sources to ensure a stable supply of energy, which is the foundation for industrial activities. As such, initiatives to expand the use of renewable energy are urgently needed. In addition, with the COP21 adoption of the Paris Agreement for new measures to address climate change after 2020, businesses related to renewable energies, energy-efficient vehicles and other energy-saving products are promising.

The Tokyo Metropolitan Government (TMG) introduced the cap-and-trade system from FY 2010, and launched the second phase of this program from FY 2015. Against this backdrop, it is anticipated that demand will expand in office buildings for energy-efficient equipment and other such facilities. The TMG also aims to make Tokyo a smart-energy city, and in addition to such energy-efficient measures, is striving to make energy management more popular and promote the use of renewable energy, and expand the use of hydrogen energy. You can look forward to many business opportunities here.

Sources: Ministry of the Environment "Change in Environment Industry Market Size, Employment and Others" (2015); Tokyo Metropolitan Government Bureau of Environment website; Tokyo Metropolitan Government "Creating the Future: Long-Term Vision for Tokyo"(2014)

## “Japanese tourism resources with untapped growth potentials”

**Ms. Marjorie L. Dewey** President, Connectworldwide Japan Co, Ltd.

We provide consulting services for Japanese hotels/ryokans including marketing and customer service methodologies suited to languages, cultures and religions found in more than 50 countries.

Guests from overseas are interested in history, tradition, cutting-edge technologies, and fashion, and above all Japanese cuisine. Travelers emphasize that even relatively unknown eateries offer rich and satisfying selections. Another key point is that Tokyo and other cities in Japan are safe. We see considerable potential internationally for Tokyo and the Japanese tourism industry, which boasts a large economy, ample tourism resources, and a top-quality level of customer service.

As part of our business expansion in Tokyo's special economic zone, consulting services provided by the Tokyo Metropolitan Government rapidly identified suitable business partners with whom to jointly develop new business. We were able to draw on connections through the free consulting services to arrange talks and smoothly set up our business in a short span of time, which helped us gain a chance to increase our domestic sales.



## “We want to be the language localization platform of choice for Japanese companies”

**Mr. David Crouch** CEO & Representative Director, LinguaNext Japan K.K.

Our company provides a solution which allows customers to run their enterprise software applications in multiple languages efficiently. It can be used by Japanese companies in their overseas operations and by software companies from any country wanting to sell their solutions in overseas markets. With its great need for two-way translation between foreign languages including English and Japanese, Japan was always very high on our list of priorities.

We chose to set up our R&D center in Tokyo as many IT companies are based here. And Japan has a huge, well-educated talent pool. Additionally, convenience and safety are further advantages. Tokyo has the best transport system in the world. Tokyo's low crime rate allows foreigners to focus on their work without worrying about the safety of their family.

I appreciate that the support provided by the Tokyo Metropolitan Government (TMG) has opened doors to expand business in Japan. The program team members accompanied me to meetings with potential business partners. This has been particularly helpful in establishing credibility with business partners. Furthermore, it was very significant that the TMG has helped clarify sales channels.

In addition, we are also planning to utilize a subsidy that the TMG provides for employee recruitment.



## “Advancing into Japan, which ranks among the world's top pharmaceutical markets”

**Mr. Philippe Auvaro** President & Representative Director, Aspen Japan K.K.

The Aspen group is the fifth largest manufacturer of generic drugs. We also manufacture branded and OTC products as well as consumer health and nutritional products. Today we operate in 49 countries and provide products to more than 150 countries worldwide.

Japan's pharmaceutical market is huge—No. 2 in the world. (as of 2012) Tokyo is special among global cities because both the regulatory authorities and headquarters of pharmaceutical companies with potential for partnership with Aspen are concentrated here. This is an excellent environment for operating in line with regulations and expanding business through collaboration with partners.

It was exactly when Aspen was moving towards establishing an operation in Japan that we came across this support program provided by the Tokyo Metropolitan Government (TMG) for international companies entering the Special Zone for Asian Headquarters.

The TMG provided precise and detailed consulting support, which included advice and suggestions on regulatory approval procedures and operations such as recruiting, as well as research on various topics that were key to Aspen's successful entry into the Japanese market. Without TMG's assistance, matters would not have proceeded so efficiently. I highly appreciate this program. Aspen was very fortunate.



\*Company name and person interviewed may have changed since the time of interview.

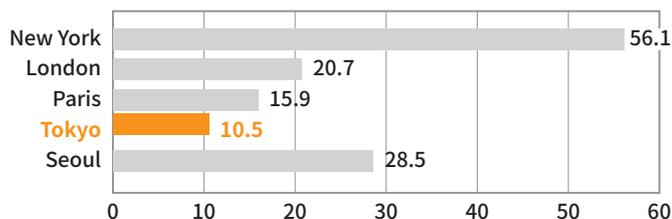
# Attractions of Tokyo

## A safe and secure city

Tokyo is an extremely safe city, and you can feel safe walking the streets alone even at night. There are only 10.5 murders per million population annually, a low level compared with other major cities around the world. Everywhere in Tokyo there are police boxes\* within a distance of about 500 meters (within a 10-minute walk), which support Tokyo's safety.

\*Police officers are stationed in police boxes to ensure peace and order in the community and for the convenience of the residents.

**Murders per 1,000,000 population** (cases / 1,000,000 people)



## Substantial health care and educational environment

With some 24,000 medical institutions, Tokyo has over 10 percent of all the medical institutions in Japan. Japan ranks among the top in the world in medical facilities, with about 10 times more CT scanning and MRI machines per 10,000 population than in the UK, and about double that of the United States. The Tokyo Metropolitan Government (TMG) is striving to increase medical institutions offering services in foreign languages to reassure foreign businesspeople and their families that they can receive medical care in their native language such as English.

The TMG is also working to have more international schools so that the children of foreign businesspeople can be educated in English and other languages.

## Clean water and air

Tokyo has introduced an advanced water treatment system and established its own water quality standards, which are stricter than the national standards, for the stable provision of safe and delicious water. Furthermore, Tokyo has the least air pollutant emissions per urban area among Asian cities. The clean air ensures that you can live in a healthy and comfortable manner.

**Air pollutant emissions per urban area**

City	Country	Total emissions
Tokyo	Japan	1,484kg/ha
Singapore	Singapore	7,172kg/ha
Seoul	South Korea	7,541kg/ha
Shanghai	China	11,703kg/ha

Sources: The Mori Memorial Foundation "Tokyo's Future Scenarios"; Metropolitan Police Department website; Ministry of Health, Labour and Welfare "Medical Institutions Survey" (2013); Tokyo Metropolitan Government "Tokyo's Medical Institutions" (2015); Tokyo Convention & Visitors Bureau website; Regional Council for the Asian Headquarters Special Zone "Vision for Tokyo's Special Zone for Asian Headquarters" (2012); 2011 Tokyo Metropolitan Government survey; Japan Michelin Tire Co., Ltd. "Michelin Guide Tokyo Yokohama Shonan 2014"

## Diverse art and culture

Tokyo provides an environment where people can enjoy the traditional performing arts of Japan such as kabuki and noh, and sumo, Japan's national sport. It also has a thriving art scene, including music, theater, and other activities. There are over 100 art galleries and museums, offering abundant opportunities to appreciate first-class artworks. Tokyo is also a trendsetter for youth fashion and pop culture, such as anime and manga, which is attracting the attention of the rest of the world as the symbols of "Cool Japan."

## Gourmet capital

In Tokyo you can enjoy not only traditional Japanese cuisine but also food from all parts of Japan and diverse cuisine from around the world. In the Michelin Guide (2014), Tokyo leads the world's cities in the total number of Michelin stars. On the other hand, there are also huge numbers of eateries offering cheap but delicious food called "B-grade gourmet."



## Beautiful nature

Tokyo is blessed with a rich natural environment. You can enjoy hiking on Mt. Takao, which was also introduced in the Michelin Guide, by travelling just one hour to the west by train from central Tokyo.

Furthermore, you can enjoy blue seas, white sandy beaches, and large open-air hot springs by the ocean on Tokyo's islands including the Ogasawara Islands, which were inscribed on UNESCO's World Heritage List.



## A spirit of hospitality

Said to be related to the spirit of the tea ceremony, there is a culture or climate that values hospitality in Japan. This spirit is also deeply rooted in Tokyo. If you visit Tokyo you will surely experience that hospitality at hotels, shops, and everywhere else in the city.

**Q1. What benefits are there for foreign or foreign affiliated companies newly establishing business in the Tokyo's Special Economic Zones?**

**A1.** Those who establish their headquarters/R&D center within Tokyo's Special Zone for Asian Headquarters can receive various support and incentives such as free-consulting service, a subsidy, information on offices that can be rented at half the regular rate, preferential tax treatment and business and living support by the Business Development Center TOKYO. In the Tokyo Area National Strategic Special Zone, companies can receive services such as support facilitating the prompt completion of various filing procedures required when starting a business, provided by the Tokyo One-Stop Business Establishment Center, and help for better understanding of Japan's employment rules and consultation for smooth development of business provided by the Tokyo Employment Consultation Center.

**Q3. Can you introduce me to suitable business partners for the development of my business in Tokyo?**

**A3.** The Tokyo Metropolitan Government provides free business management consulting services for foreign companies establishing their headquarters or R&D center in the Special Zone for Asian Headquarters. As a part of such services, we also provide business matchup services. Out of the numerous candidates available, we search for business partners that suit the wishes of the company and arrange meetings.

**Q5. Is it possible to receive the benefits of both the Special Zone for Asian Headquarters and the Tokyo Area National Strategic Special Zone?**

**A5.** Though these special economic zones have been designated under different laws, the areas of the Special Zone for Asian Headquarters are located within the Tokyo Area National Strategic Special Zone. Thus companies setting up business in Tokyo's Special Zone for Asian Headquarters are also eligible to receive benefits available to companies setting up operations in the Tokyo Area National Strategic Special Zone if those companies fulfill certain conditions under the National Strategic Special Zones Act.

**Q7. In the Special Economic Zones, are measures taken to ensure business continuity in the event of disasters?**

**A7.** Special Economic Zone areas have quake-resistant, high-performance office buildings with emergency power systems to ensure that your business can continue to operate even in the event of a major disaster. Many urban development projects to provide such high-performance office buildings are also underway.

**Q2. What are the procedures that need to be taken to establish a Japanese subsidiary in the Tokyo's Special Economic Zones?**

**A2.** At the Tokyo One-Stop Business Establishment Center, through personalized service provided by staff knowledgeable in administrative procedures and experts, you can promptly complete the various filing procedures required when setting up and launching a business, including those for certification of articles of incorporation, company registration, taxes, social security, and immigration.

In addition, at the Business Development Center TOKYO, located on the same floor, staff fluent in English can introduce you to experts in legal affairs and taxes, and provide advice on office hunting and other matters.

**Q4. I would like to apply for the Asian Headquarters subsidy program. What are the procedures for application?**

**A4.** Please contact the TMG before determining the plan to establish an office. Prior consultation on the operation's business plans and other matters is required. After establishment of operations, apply for the subsidy within the same fiscal year.

Note: Certain conditions are required for eligibility. Please see the Tokyo's Special Economic Zones website for details.

**Q6. I am looking for Japanese-English bilinguals in Tokyo. Is any support given for hiring those people?**

**A6.** The Business Development Center TOKYO will help you find such people. Furthermore, in order to meet increasing corporate needs for global human resources and with a focus on the Tokyo 2020 Olympics and Paralympic Games as well, the TMG is bolstering initiatives to raise globally competent individuals.

**Q8. If my family accompanies me to Japan, I am concerned about their lives here due to language issues. Is there support offered to help family members live in Tokyo with peace-of-mind?**

**A8.** The TMG has expanded both administrative services and information provided in English in order to support foreign businesspersons and their families and ensure that they can live comfortably in a manner similar to that of their home countries. For example, the Business Development Center TOKYO provides information related to daily life such as international schools and hospitals with staff who can speak English. Such living information is also provided at Tokyo's Special Economic Zones website.



TOKYO  
METROPOLITAN  
GOVERNMENT



Destination:  
Success

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