

FY2024

Application Guidelines for the Business Operations Establishment Subsidy Program

1. Purpose

The Tokyo Metropolitan Government is promoting the activities to attract overseas corporations with aim of becoming a driving force to revitalize the entire Japanese economy and accumulate human resources, capital, companies and intangible management resources in order to bring Japanese economy to its growth path that is entering into aged society phase ahead of other countries around the world.

Hence, with the purpose of actively attracting such overseas corporations to Special Zone for Asian Headquarters in Tokyo, the Tokyo Metropolitan Government grants subsidies to overseas corporations to cover a part of the costs incurred in establishing business operations (Japanese corporation, etc. (*)) in Special Zone for Asian Headquarters.

(*) Japanese corporations, etc.:

Referring to Japanese corporations or branch offices established by overseas corporations

2. Parties Eligible for Subsidies

(1) Japanese corporation, etc. established in special Zone for Asian Headquarters in the same fiscal year when the overseas corporation (excluding corporations that operates asset management businesses or FinTech businesses as their main business) submits the application for the subsidy is eligible for subsidies under this Subsidy Program.

(2) Japanese corporations, etc. that are eligible for subsidies are required to fulfill all the following criteria.

1. Persons whom one of the following two criteria are applicable.
 - a. Persons who have submitted their investment plan to the Tokyo Metropolitan Government in the businesses to discover and attract overseas corporations.
 - b. Other than a. above, persons deemed especially necessary to be eligible for subsidies in order to promote the establishment of bases for overseas corporations.
2. The overseas corporation must consult with the Tokyo Metropolitan Government before finalizing plans to establish business operations.
3. The overseas corporation must not have established business operations in Japan before establishing the business operations that this Subsidy Program is applicable to.
4. The main business conducted by Japanese corporations etc. carries functions that are recognized by the Tokyo Metropolitan Government as having the potential to contribute significantly to the revitalization of Tokyo's economy, such as research and development bases and regional headquarters etc.
5. To have one or more employees (personnel who is covered by employment insurance) in full-time employment at the Japanese corporation, etc.
6. In the case of Japanese corporations, to have an investment amount ratio of 1/3 or more from an overseas corporation.
7. Has not been granted for the Subsidy to attract GX-Related Companies, Overseas Financial Corporation Business Operations Establishment Subsidy, Subsidy to Support Base of Operations of Overseas Financial Corporations, or Subsidy to Support Overseas Financial Corporations in Priority Fields.

(3) In addition to the aforementioned items, the overseas corporation and Japanese corporation, etc. must fulfill all the following criteria.

1. Are not in violation of any laws or ordinances, etc.

2. Have no delinquent taxes.
3. Are not in violation of the terms of any contracts made with public offices, etc.
4. Are not corporations that have the possibility of threatening public safety or well-being.
5. Are not corporations whose business objectives include political, religious, or election campaign-related activities.
6. Are not organized crime groups, and do not have an organized crime group member, etc. among the representatives, executives, employees, or other members of the corporation.
7. Do not have past businesses or other concerns that the Tokyo Metropolitan Government deems unsuitable as a company eligible for subsidy.

3. Expenses Eligible for Subsidy

The expenses listed below, related to the establishment of business operations, are eligible for subsidy. Expenses eligible for subsidy are after the date of advance consultation with the Tokyo Metropolitan Government, from April 1 of the fiscal year for which the subsidy was applied for, until the subsidy grant application date and shall apply to payments by Overseas Corporations and Japanese Corporations, etc. However, this excludes fees equivalent to consumption tax, payments to governmental offices, and other fees that do not come under provision of services, as well as expenses that are eligible for other public subsidies or grants.

1. Fees incurred in consultation with experts

Fees paid to experts (lawyers, administrative scriveners, tax accountants, licensed social insurance consultants, etc.) for services such as consultation on legal/tax matters and drafting and submission of materials required in case of requesting the said experts to provide the said services upon commencement of the main businesses.

2. Personnel recruitment costs

Fees paid to a fee-charging employment placement business provider for the introduction and employment of personnel during the establishment of business operations. Payments made to the following fee-charging employment placement businesses are eligible for subsidy coverage.

a. Use of a fee-charging employment placement business provider in Japan

A fee-charging employment placement business provider as defined in Paragraph 1, Article 30 of the Employment Security Act.

b. Use of a fee-charging employment placement business provider overseas

A fee-charging employment placement business provider for which notification/permission/declaration, etc. have been accepted by the national/local government, etc. of the business provider in question.

*The personnel introduced by the fee-charging employment placement business provider must work full-time for one year or more at the place of business in question.

3. Initial costs for office occupancy

When securing offices in Special Zone for Asian Headquarters that are necessary for executing the primary business, key money, admission fees, and other moving-in, non-refundable costs that must be paid will be paid.

(2) Source of payment of expenses

The expenses eligible for subsidy described above are assumed to be paid by either the overseas

corporation or the Japanese corporation, etc. at the point in time when the Japanese corporation, etc. is established. This subsidy covers the expenses eligible for subsidy regardless of whether it is paid by the overseas corporation or the Japanese corporation, etc., Even for expenses paid by the overseas corporation, the application for subsidy must be submitted by the Japanese corporation, etc. that is eligible for the subsidy.

(3) Currency that the subsidy will be granted in

The subsidy shall be paid out in Japanese yen.

In cases where the expenses that are eligible for subsidy are paid in a foreign currency, please convert the amount to Japanese yen before submitting an application for the subsidy. In such cases, the exchange rate applied shall be the middle price of the telegraphic transfer rate (foreign exchange posted rates) of a designated financial institution of Tokyo (Mizuho Bank) on the date of payment of the expenses eligible for subsidy, or a date deemed suitable by the Tokyo Metropolitan Government (figures below 1 yen are rounded off to the nearest whole number).

4. Subsidy Rate and Maximum Subsidy

(1) Subsidy rate

No more than ½ of the total expenses recognized as expenses eligible for subsidy

*Figures less than 1,000 yen are rounded off to the nearest 1,000 yen.

(2) Maximum subsidy

Up to 7,500,000 yen per company

5. Flow of Processes Leading Up to the Granting of Subsidy

The following is the flow of procedures, etc. leading up to the granting of subsidy.

(1) Contact and confirmation with Business Development Center TOKYO, and advanced consultation with the Tokyo Metropolitan Government

(2) Establishment of business operations

(3) Submission of application (in the same fiscal year after the establishment of business operations) *1

(4) Decision on the subsidy grant

(5) Report on Actual Expenses *2

(6) Payment of subsidy

*1 See "7 Subsidy Application" for the details of Subsidy application procedure.

*2 See "9 Report on Actual Expenses" for the details of reporting actual expenses

6. Advance Consultation

(1) For new business operations that are scheduled to be established in Special Zone for Asian Headquarters, overseas corporations that intend to make use of the Subsidy Program must consult with the Tokyo Metropolitan Government before determining the plans for establishing the business operations in question, and provide an explanation about the outline of the business and other details.

(2) Flow of processes for the advance consultation

1. Before the advance consultation with the Tokyo Metropolitan Government, please contact and confirm with Business Development Center TOKYO first concerning the application procedures for the subsidy, the business contents of the overseas corporation in question, and the plans for the

business operations that are scheduled to be established, then complete Company Overview (For Advanced Consultation) (Form 1).

2. Submit Company Overview (For Advanced Consultation) (Form 1) to the Tokyo Metropolitan Government, and arrange for the date and time of the advance consultation. (The consultation will take place in the conference room, etc. of the Tokyo Metropolitan Government Building.)
3. During the advance consultation, provide an explanation about the business contents of the overseas corporation in question and the plans for the business operations that are scheduled to be established, etc. to the Tokyo Metropolitan Government. Consultants from Business Development Center TOKYO will also be present during this advance consultation. Please also prepare materials that provide information about the business contents and other details.

7. Subsidy Application

- (1) The Japanese corporation, etc. of the overseas corporation, which is the party eligible for subsidy, is required to submit the subsidy application after the establishment of business operations. Subsidy application is accepted at any time.
- (2) An application for the subsidy may be submitted only during the fiscal year of the establishment of business operations.

The establishment of business operations under this Subsidy Program must fulfill all the following four criteria.

1. Secure a facility to be used as the place of exclusive business operations
 2. Register the establishment of an incorporated company or office of an overseas company in accordance with the Commercial Registration Act
 3. Secure the employees who will be engaged in full-time employment for the operation of the business
 4. Start the operation of the main business.
- (3) When submitting a subsidy application, please submit the application documents listed in List of Documents to be Submitted to the Tokyo Metropolitan Government (Attachment) to the following office.

If the documents submitted have been drawn up in a language other than Japanese or English, please attach a translation in Japanese or English.

[Office for submission]

Attraction of Companies, Strategic Projects Promotion Section, Strategy Promotion Division,
Office for Startup and Global Financial City Strategy, Tokyo Metropolitan Government
TMG No. 1 Building,
2-8-1 Nishishinjuku, Tokyo 163-8001, Japan

- (4) Subsidy application is restricted to one application for each overseas corporation.
- (5) At the point when the subsidy application is submitted, the overseas corporation is deemed to have understood and accepted these Guidelines and “the Grant Outline for the Business Operations Establishment Subsidy Program” (6Susenji No.79, dated 31 July 2024).
- (6) Application documents and other materials submitted will not be returned.

8. Decision to Grant Subsidy

- (1) The subsidy will be granted, and the application shall be notified accordingly, if it is deemed that the

application has been properly filed, and it is appropriate to grant the subsidy.

- (2) Upon granting of the subsidy, necessary conditions may be placed on the applicant.

9. Report of Actual Expenses

- (1) Submit a report on the actual expenses of the business immediately after being notified of the decision to grant the subsidy.
- (2) For the Report of Actual Expenses, submit the application documents listed in “List of Documents to be Submitted to TMG (attached)” to [Destination of Submission] in (3), “7 Subsidy Application”.
- (3) Based on the submitted Report of Actual Expenses, the TMG will conduct an examination and, if necessary, an on-site inspection, determine the amount that is deemed appropriate to be granted, and notify the recipient with a “Notification on Determination to Grant Amount” (Form 8).

10. Subsidy Grant

- (1) Submit a “Request for Payment” (Form 9) to [Destination] in (3) “7 Subsidy Application” immediately after receiving the Notification on Determination to Grant Amount.

11. Responsibilities After the Subsidy is Paid Out

The following responsibilities shall be placed on the recipient of the subsidy by the end of the following two fiscal years after the end of the fiscal year of the establishment of business operations (until the last day of the second fiscal year after the fiscal year of establishment).

- (1) Duty to ensure continuation of business operations
During the abovementioned period, the subsidized party must ensure continuation of business operations in Special Zone for Asian Headquarters.
- (2) Duty to report on business activities
Business reports concerning each fiscal year within the abovementioned period shall be submitted in the form of the Business Activity Report (Form 10) by 30 June of the fiscal year following each fiscal year.
- (3) Notification of Changes
In the event that changes are made to any of the items listed below during the abovementioned period, the subsidized party shall submit the Notification of Changes (Form 11) immediately after the change has been effected.
 1. A change to the name of the subsidized party
 2. A change to the address of the subsidized party
 3. A change to the representative of the subsidized party (representative in Japan in the case of a branch office)
 4. An event arises that results in failure to fulfill other criteria for the granting of the subsidy

12. Rescission of Decision to Grant Subsidy, and Return of the Subsidy

- (1) Rescission of the decision to grant subsidy
Should any of the following apply to a subsidized party, all or part of the decision to grant the subsidy can be rescinded.
When the decision to grant a subsidy is rescinded, in principle, the subsidized party is required to return

the subsidy.

1. When fraudulent information was given or other improper means were taken to receive the subsidy.
2. When conditions attached to the granting of the subsidy, or any laws or ordinances are violated.
3. When it becomes impossible to fulfill the grant criteria by the end of the following two fiscal years after the fiscal year of establishment (by the last day of the second fiscal year after the fiscal year of establishment).
4. When the duty to ensure continuation of business operations has been violated.
5. When other instructions set forth based on these Guidelines have been violated.

(2) Return of the subsidy

When all or part of the decision to grant a subsidy has been rescinded, the subsidized party must return the subsidy that has already been paid out, corresponding to the range of subsidy that has been rescinded. In such cases, in principle, a penalty for violation of the agreement shall be added to the amount that must be returned.

13. Other

- (1) Various forms to be submitted to Tokyo Metropolitan Government and notified by Tokyo Metropolitan Government are available in Japanese and English versions.
- (2) Tokyo Metropolitan Government or Business Development Center TOKYO may conduct a site investigation to check on the status of the business and other matters, before and after the decision to grant the subsidy.
- (3) The company name, name of representative, contents and amount of subsidy, and other information concerning the subsidized party may be disclosed.

Attachment

List of Documents to be Submitted to the Tokyo Metropolitan Government

1. During advance consultation

	Category	Remarks
<input type="checkbox"/>	Company Overview (For Advance Consultation) (Form 1)*	Attach materials that provide details information about the contents of the business, etc.

* Application can be made in English version.

2. Upon submission of subsidy application

[Subsidy application documents]

	Category	Remarks
<input type="checkbox"/>	Company Overview (Form 2)*	Attach materials that provide details information about the contents of the business, etc.
<input type="checkbox"/>	Subsidy Application Form (Form 3)*	
<input type="checkbox"/>	Pledge (Form 4)*	

* Application can be made in English version.

[Attachments]

	Category	Remarks
Universal		
<input type="checkbox"/>	Documents that can confirm the name of the representative of the	Certified copy of

	applicant (representative in Japan in the case of a branch office)	commercial registration, etc.
<input type="checkbox"/>	Documents that can confirm the address of the applicant	Certified copy of commercial registration, etc.
<input type="checkbox"/>	Documents that can confirm the shareholder composition of the applicant	Registry of main shareholders, etc.
<input type="checkbox"/>	Documents that enable the authentication of the seal, etc. used by the applicant	Certificate of seal impression, etc.
<input type="checkbox"/>	Documents that can confirm the business performance of the overseas corporation in the past two years	Financial statements, etc.
<input type="checkbox"/>	Documents that can confirm the business plans for the applicant concerning each fiscal year, in the fiscal year of establishment and the following two fiscal years	
<input type="checkbox"/>	Documents that can confirm the employment of one or more employees by the business	Employment contracts, etc.
<input type="checkbox"/>	Documents that serve as grounds for the sum of money filed for the application	Receipts, etc.
<input type="checkbox"/>	Other documents deemed necessary by the Tokyo Metropolitan Government	
Expenses incurred in consultation with experts		
<input type="checkbox"/>	Documents that can confirm the contents, frequency, period, etc. of the consultations	
Expenses incurred in personnel recruitment		
<input type="checkbox"/>	Documents that can confirm the employment of employees, in relation to the subsidy, for one year or more	Employment contracts, etc.
<input type="checkbox"/>	(In cases where a fee-charging employment placement business provider overseas is used) Documents that can confirm that notification/permission/declaration by the business operator in question have been accepted by the national/local government of the business in question	
Initial costs for office occupancy		
<input type="checkbox"/>	Documents that can confirm securing offices, in relation to the subsidy	Lease agreement, etc.

* If the documents have been prepared in a language other than Japanese or English, please attach a translation in Japanese or English.

* Certificates, etc. issued by public offices must be documents issued within three months from the date of receipt of the subsidy application.

3. Report of Actual Expenses

[Documents to report on actual expenses]

Category	Remarks
<input type="checkbox"/> Report on Actual Expenses (Form 7) ※	

※Application can be made in English version

[Attached documents]

Consulting fees for experts, etc.		
<input type="checkbox"/>	Documents that can confirm the details, number of times, period, etc. of the consultation, etc.	
Personnel recruitment costs		

	<input type="checkbox"/>	Documents that can confirm the employment of the employee for the said expenses for more than one year.	Lease agreement, etc.
	<input type="checkbox"/>	(In the case of using an overseas fee-charging employment agency) Documents that show that the national, local, or other government entity of the said agency has received the notification, license, declaration, etc. of the said agency.	
Initial office move-in costs			
	<input type="checkbox"/>	Documents that can confirm that the business has secured the office, etc. related to the said expenses.	Lease agreement, etc.

* If the documents have been prepared in a language other than Japanese or English, please attach a translation in Japanese or English.

* Certificates, etc. issued by public offices must be documents issued within three months from the date of receipt of the subsidy application.