

Japan's Only Special International Logistics Zone (International Transport Concentration Zone)

Okinawa Prefecture effectively utilizes Japan's only Special International Logistics Zone and is in the process of enhancing its logistical infrastructure and attracting businesses.

International Transport Concentration Zone

International Logistics Hub Industry Development Zones are special economic zones based on the Act on Special Measures for the Promotion and Development of Okinawa.

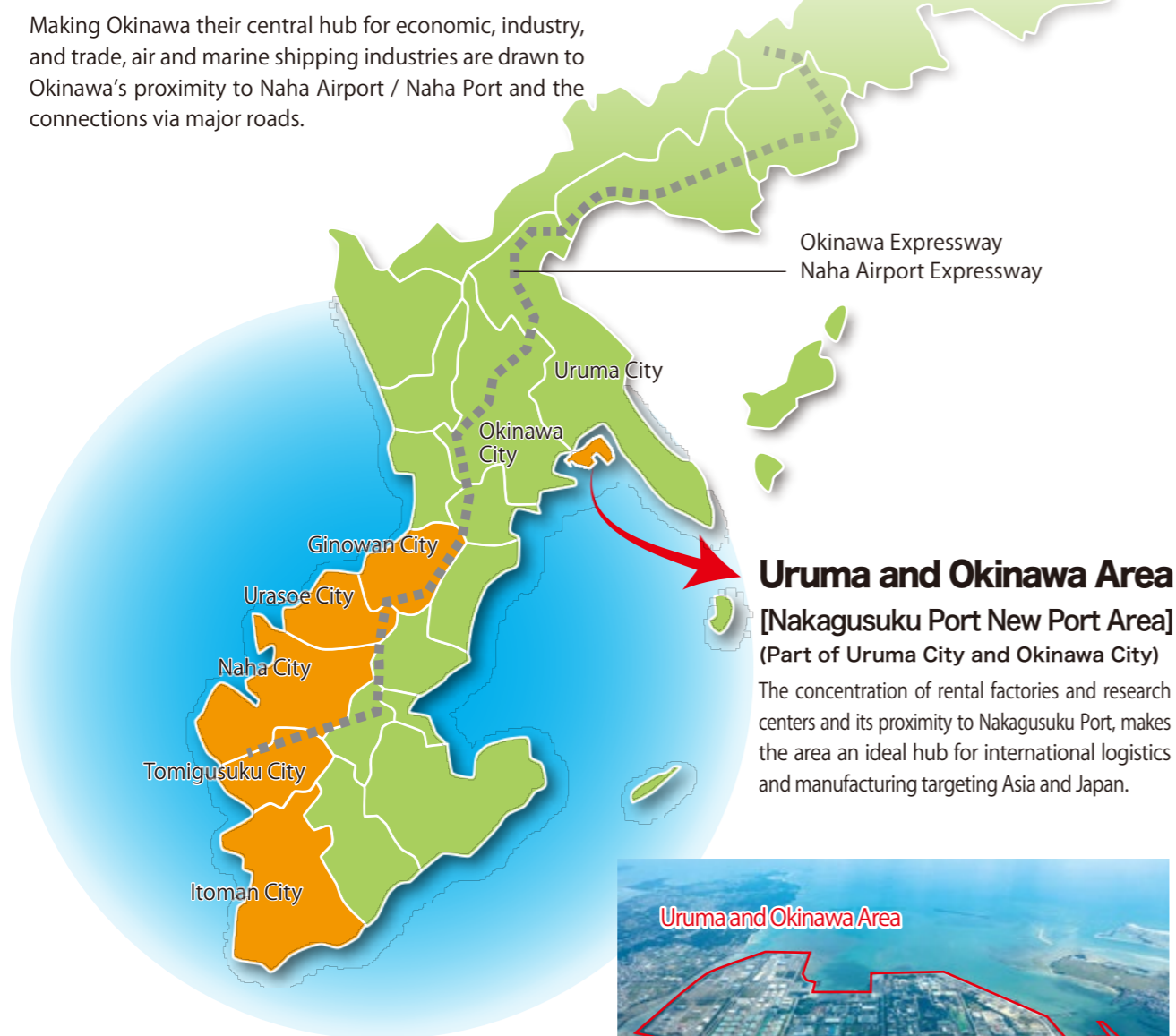
The International Logistics Hub Industry Development Zones in the Uruma/Okinawa District are seeing a continuing accumulation of companies with advanced technology and companies actively developing overseas.

In the International Logistics Hub Industry Development Zone in Naha District (former Free Trade Zone), located close to Naha Airport and Naha Port, a growing number of companies are making use of the location's excellent transportation access.

Naha, Urasoe, Tomigusuku, Ginowan, Itoman Area

[All Areas of Naha City, Urasoe City, Tomigusuku City, Ginowan City, and Itoman City]

Making Okinawa their central hub for economic, industry, and trade, air and marine shipping industries are drawn to Okinawa's proximity to Naha Airport / Naha Port and the connections via major roads.



Uruma and Okinawa Area

[Nakagusuku Port New Port Area]
(Part of Uruma City and Okinawa City)

The concentration of rental factories and research centers and its proximity to Nakagusuku Port, makes the area an ideal hub for international logistics and manufacturing targeting Asia and Japan.



27km from Naha Airport
(45-min. drive)

Tax Incentives

The eight designated industries in the International Logistics Hub (manufacturing industry, special machinery repair industry, special non-brick-and-mortar retailing industry, warehouse industry, airplane maintenance industry, land-based cargo transportation industry, special rental real estate industry, wholesale industry) are eligible for special tax breaks.

Income tax breaks, which are the largest tax breaks available to businesses, are limited to businesses that have invested in the special zone and have guaranteed employment. Furthermore, the businesses must be in one of the five industries (manufacturing industry, special machinery repair industry, special non-brick-and-mortar retailing industry, warehouse industry, airplane maintenance industry) that are expected to contribute largely to trade.

National Taxes

Companies can annually choose to receive either tax breaks on income or investments, or accelerate depreciation.

Income Deductions

Business that are deemed to have established a new business within the Int'l Trans. Conc.Zone will be eligible to receive a 40% tax break on corporate income taxes for the first ten years.
(Requires special business certification from Okinawa prefectural mayor)

Investment Tax Break

A portion of the acquisition price of machinery and equipment exceeding 1 million JPY and buildings and additional facilities exceeding 10 million JPY will be exempt from corporate taxes.
(Deduction rate: 15% for machinery and equipment, 8% for buildings and attached facilities)

Accelerated Depreciation

Machinery and equipment exceeding 1 million JPY and buildings and additional facilities exceeding 10 million JPY are eligible for accelerated depreciation.
(Depreciation rate: 50% for machinery and equipment, 25% for building and attached facilities)

Customs Taxes

Reduced Customs Taxes and Fees for Permits for Customs (Bonded) Area.

Choice in Customs Tax

If processing foreign raw materials and manufacturing products for domestic delivery (import) in bonded factories or other similar locations, either the "raw materials tax rate" or the "commercial product tax rate," whichever is lower, may be selected.

Reduced Fees for Permits for Customs (Bonded) Area

Permits for bonded warehouses, bonded factories, bonded exhibitions, and the entire bonded area can be reduced by 50%.

Regional Taxes

Corporate taxes and real estate taxes can be reduced.

Corporate Business Tax Exclusion

Businesses will be eligible to receive a partial corporate tax break for five years for investments on machinery, equipment, buildings, and additional facilities exceeding 10 million yen.

Real Estate Tax Break

Businesses will be eligible to receive a partial real estate tax break for investments on machinery, equipment, buildings, and additional facilities exceeding 10 million yen.

Tax Break on Fixed Assets

Businesses will be eligible to receive a partial fixed asset tax break for five years for investments on machinery and equipment exceeding 1 million yen and buildings and additional facilities exceeding 10 million yen.

※Please ask for more details regarding tax breaks.

Companies that develop businesses in Okinawa are eligible to receive various forms of aid from the nation and prefecture. Based on Okinawa Prefecture's long-term objectives, the logistical infrastructure centered on Naha Airport and Naha Port is being maintained progressively.

Ample Aid Systems through Various Subsidies and Aid

Vigorously Supporting Companies to Come to Okinawa

1 Okinawa Prefecture Industrial Site Promotion Grant Business Subsidy

Contact: Industrial Site Promotion Division, Department of Commerce, Industry, and Labor, Okinawa Prefectural Government 098-866-2770



Aid is available for expenses related to investments sunk to acquire fixed assets required for operations such as building factories.

- **Subsidy Amount:** Maximum of 1 billion JPY. Limited to 25% of cost of land & buildings.
- **Eligible Expenses:** Land, buildings, and related additional facilities, structures, machinery and equipment
- **Eligibility Requirements:** Over 10 new hires, acquisition (lease) of a 5,000m² plot of land, etc.
- **Eligible Industries:** Manufacturing Industry, etc.

Support for Employment and Securing Workers

2 Local employment subsidy (Okinawa youth hiring promotion course) (wage subsidy)



In Okinawa Prefecture, where there are many young unemployed people, in order to contribute to the improvement of the employment unemployment situation, we set up and maintain business establishments and hire young job seekers (under 35 years old) living in Okinawa Prefecture accordingly We will subsidize a part of the amount equivalent to wages.

- **Payment amount:** 1/3 of the equivalent wage amount (*1/4 for large companies)
- **In general, the payment period is the span of one year (twice every six months).**
However, in the case of exceedingly good business owners*, 1/2 of the equivalent wage amount (1/3 for large companies) will be made for another one year.

*Please contact directly for further details.

3 Regional Hiring Subsidy (Regional hiring course) (facilities subsidy)

In areas where the employment situation is severe, etc., by establishing and maintaining business establishments such as establishment and expansion of equipment, and by subsidizing the business of hiring job seekers residing in the area, the employment structure in that area The purpose is to improve.

- **Payment amount:** A specified amount* will be paid according to the costs incurred for establishment and maintenance of facilities and eligible workers.
- **Subsidies are provided maximum three times in one year.**

Contact: Okinawa Financial Aid Center 098-868-1606
Alternatively, contact the HelloWork under the jurisdiction of one of our offices



*Please contact directly for further details.

Support for Business Activities of Exporters

4 Airline Container Space Project

Contact: Asian Economic Strategy Division, Department of Commerce, Industry, and Labor, Okinawa Prefectural Government 098-866-2340



The Prefecture will rent space from airports within the limits of its budget, and provide it to businesses exporting goods produced within the prefecture.

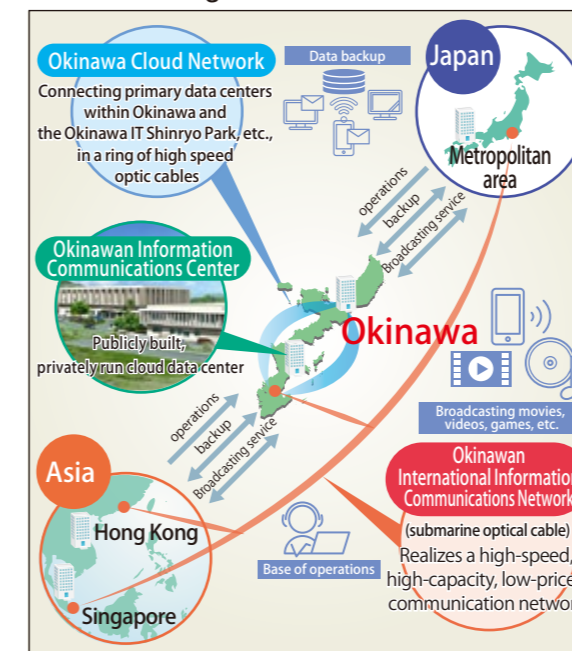
※However, the user must pay for fuel surcharges, customs, cargo handling fees, and other various export expenses.



Okinawa International Logistics Hub Utilization Promotion Project Nationwide Specialty Product Logistics Hub Promotion Project

The International Information Communication Hub that Connects Japan to Asia

Utilization image



Okinawan International Information Communications Network

Offering a high speed, high volume, low price directly to the Metropolitan area and Asia from Okinawa

Okinawa Cloud Network

By connecting primary data centers within Okinawa and the Okinawa IT Shinryo Park, etc., in a ring of high speed optic cables, we will be able to offer a communication environment with availability and redundancy

Okinawan Information Communications Center

A high degree of safety is provided by the stable power supply and earthquake resistant construction of the newest publicly built privately operated cloud data center in Okinawa.

The Expected Business Model

- **Offering Asia operation services**
Using local data centers and the Okinawa cloud network, we offer operation support services at an equal quality to the Metropolitan area from within Okinawa
- **Offering remote backup service**
A business data management service for DR (disaster relief) and BCP (business continuity plan) in Okinawa, where there is little risk of simultaneous natural disasters
- **Offering a content broadcasting service**
This service distributes high volume data, such as images, video, and games, with the Tokyo capital area and other countries in Asia.

Constructing a Coordinated and Collaborating Logistics Hub

Centered on Naha Airport, plans are implemented to attract businesses and maintain an optimal logistics environment.

Naha Airport and Naha Port Container Terminal, which are the nodes of logistics, are only a ten-minute drive apart. Plans have been implemented for the region to become a hub for air and marine logistics. These plans to maintain the logistics environment include equipping the Airport Cargo Terminal, designating the Zone for Concentration of International Logistics Industry, and equipping the cargo center within the zone.



International Logistics Center— Improving Rapid Logistics

Adjacent to Naha Airport, Fast, Close, and only 1-min. by Car

The International Logistics Center was built adjacent to Naha Airport in order to establish the International Logistics Hub. Centers for spare parts, repairs, and inventory for e-commerce products targeting Asia are being attracted by the potential of utilizing the functions available at the Okinawa International Logistics Hub.

Naha Airport Cargo Terminal with Customs Functions

ANA's massive cargo bay operates 24-hours a day and can accommodate international and domestic cargo. The facility includes a customs-processing zone and domestic/international cargo can be reloaded rapidly. Up to ten cargo planes can park in front of the cargo bay at any given time and cargo delivered from major Asian cities can reach their final destinations efficiently through our unique "Hub and Spoke Network".