

# Support Program Based on the Regional Future Investment Promotion Act

A support program is available for the corporations planning to do a business in the area designated by the Regional Future Investment Promotion Act Basic Plan as the one characterizing the region. The corporations are required to draw up a Regional Economy Promotion Plan, which needs to be approved by Nagano Prefecture, and confirmed by the Japanese Government.

## Requirements for Approval of Regional Economy Promotion Plan

- ① Utilizing resources that is designated in the Basic Plan as the one that characterizes the region.
- ② Creating high added values [Increase in added values: 36,850,000 yen]
- ③ Being expected to have one of the following economic effects:
  - 6% increase in volume of business compared to the starting year
  - 6% increase in sales compared to the starting year
  - 10% increase in salary payment to the employees compared to the starting year

## Content of the Program

### ○ Exception to Taxation (Regional Future Investment Promotion Taxation)

※Confirmation by the government is necessary.

Exempted Facilities	Special Depreciation	Tax Deduction
Machinery, equipment, and fixtures	40%	4%
If requirements are met for additional exemption:	50%	5%
Buildings, attached facilities, constructions	20%	2%

### 〈Requirements for exception to taxation〉

- Being cutting-edge
- Total investment value of 20,000,000 yen or more
- Investment value of over 10% of the depreciation expenses of the previous business year
- The sales growth rate (%) of the relevant business is above 0%, and the market growth rate (%) of the relevant business for the last five business years is 5% or more.

### 〈Requirement for additional exemption〉 ※Applied to the approval made on April 1, 2019 or later.

- The growth rate of added values of the immediately preceding business year is 8% or more

### ○ Reduction in Local Taxes (Real Estate Acquisition Tax, Property Tax, etc.)

※Confirmation by the government is necessary.

Reduced Tax	Type of Reduction	Requirement
Real Estate Acquisition Tax	Exemption (In case of land, the area covered by a building only)	The total property acquisition cost of over 50,000,000 yen (For agriculture, forestry, fishery and their related industries), and 100,000,000 yen for other industries
Property Tax (For large depreciable properties)	Exemption (for 3 years)	

### ○ Financing Program (Fund for Promoting Regional Revitalization and Employment) by Japan Finance Corporation

Capable Applicant	Businesses approved of regional economy promotion
Loan Period	Equipment funds: Max. of 20 years (Deferment period: max. of 2 out of the 20 years) Operating funds: Max. of 7 years (Deferment period: max. of 2 out of the 7 years)
Maximum Loan Amount	Micro Business Loans: 72,000,000 yen (Operating funds: 48,000,000 yen or smaller) SME Loans: 720,000,000 yen (Operating funds: 250,000,000 yen or smaller)
Loan Interest Rate	“Base rate” or “Special rate”

### ○ Other Support Measures

- Exception to the SME Credit Insurance Act
- Exception to the Food Marketing Structure Improvement Promotion Act
- Fee reduction in patent and request for application examination, etc.

#### What are the “related industries” in “Agriculture, forestry, fishery and their related industries”?

Manufacturing industry of food products, beverage, tobacco and feed, lumber and wood products, furniture and accessories, pulp, paper and paper products, plastic products, rubber products. Wholesale business of various goods, food and drink, wood and bamboo materials, agricultural machinery and equipment, and furniture and fixtures.