



**IBARAKI**

Rekindling the Relationship: Japan-Canada Chambers Council  
Session 2: Investing in Japan's Regions

# Investment Environment in Ibaraki Prefecture

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# 1 . Introduction to Ibaraki Prefecture

# 1. Introduction to Ibaraki Prefecture

## (1) Where is Ibaraki Prefecture located?

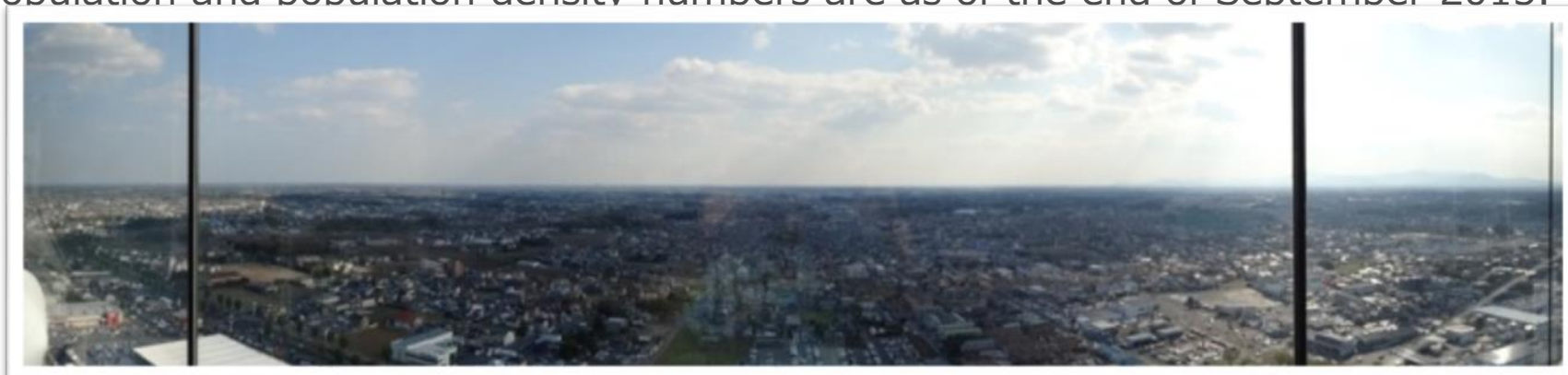


# 1. Introduction to Ibaraki Prefecture

## (2) General Statistics

Item	Number	Note
Population	2,910 K	11 <sup>th</sup> in Japan
Area	6,097km <sup>2</sup>	24 <sup>th</sup> in Japan
<u>Inhabitable Land</u>	<u>3,901km<sup>2</sup></u>	<u>4<sup>th</sup> in Japan</u>
Population Density	477person/km <sup>2</sup>	12 <sup>th</sup> in Japan

Population and population density numbers are as of the end of September 2015.



The view from the 25<sup>th</sup> floor observatory of Ibaraki Prefectural Government Office.

# 1. Introduction to Ibaraki Prefecture

## (3) Well-balanced industrial structure

### Primary industry

- Gross agricultural production for 2013 was 435.6 billion yen, the 2<sup>nd</sup> largest in Japan following Hokkaido.
- Ibaraki is Japan's number one producer for a number of products, including melon, lotus root, green pepper, Japanese honewort, and mackerel.

### Secondary industry

- Tsukuba City is a center of science and technology-related industries including the robotics industry (more detail later).
- Hitachi City, where the global enterprise HITACHI was founded, has many electric- and electronics-related companies.
- The Kashima coastal industrial area is a center for heavy and petrochemical industries such as Nippon Steel & Sumitomo Metal (former Sumitomo Metal).

### Tertiary industry

- Ibaraki is well provided for in all areas by the service industry.



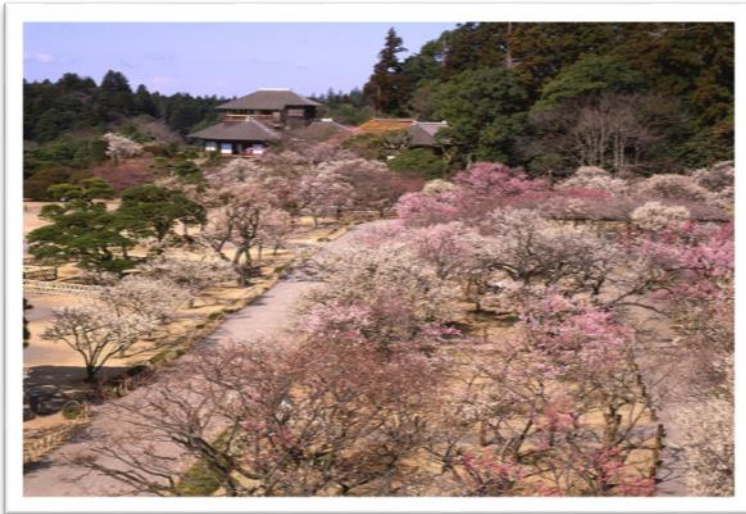
Rural landscape in Hokota City



Kashima Coastal Industrial Park

# 1. Introduction to Ibaraki Prefecture

## (4) Major Sightseeing Locations





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## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture

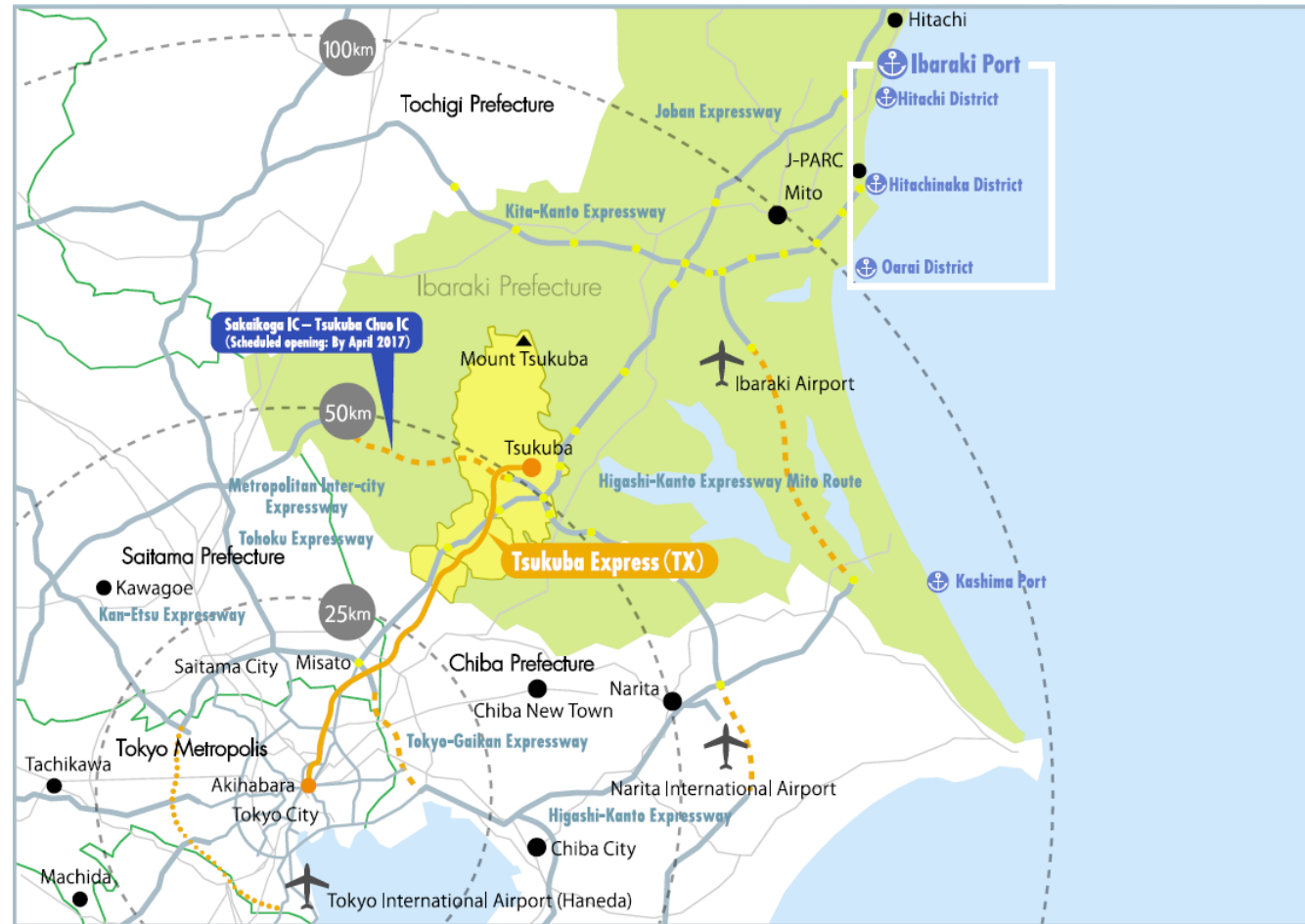
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### (1) Strategic Transport Network

## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture - (1)

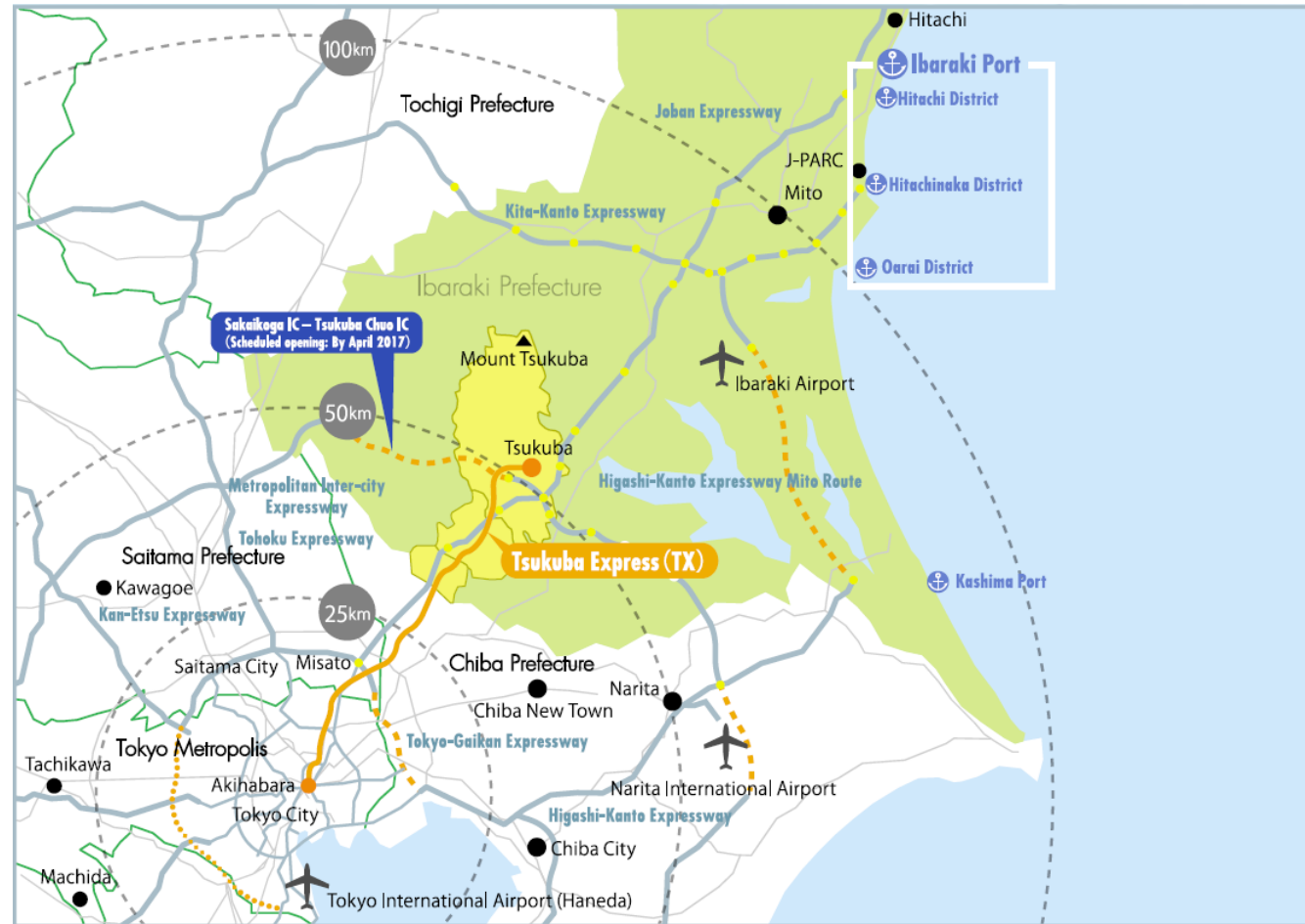
The Tsukuba Express connects Tsukuba to the heart of Japan's capital, Tokyo, in 45 minutes

Expressway network extending in all directions



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture - (1)

Access to Tsukuba in 55 minutes from Narita International Airport (Japan's international gateway)



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture

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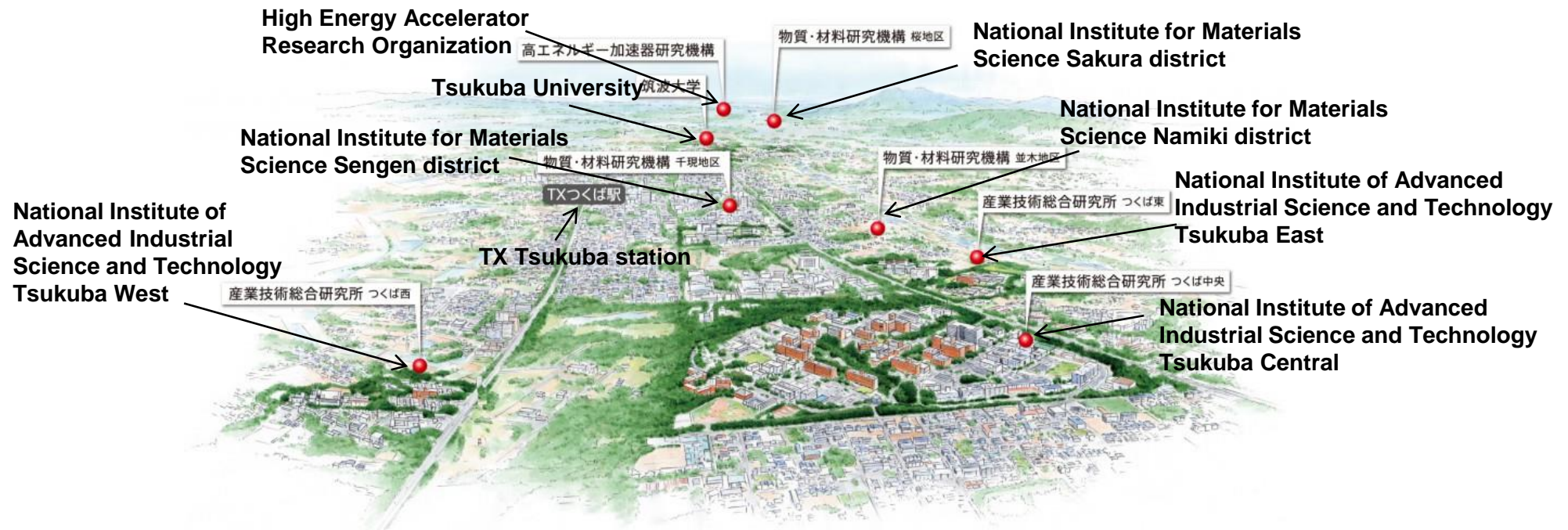
(2)

An Optimum Environment for R&D

## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(2)

### An Integrated Hub of Innovative Research Institutions

Roughly 1/3 of Japan's national research institutes are located in Tsukuba Science City.



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(2)

J-PARC is one of the world's top quantum beam research hubs



3種類の加速器施設と3つの実験施設  
3 kind of accelerator facilities and 3 experimental facilities  
ミクロの世界を探る粒子強度最前線  
Our high-intensity proton beams stand at the cutting edge



Makoto Kobayashi – Professor Emeritus of KEK  
(Recipient of the 2008 Nobel Prize in Physics)

## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture -(2)

### Tsukuba's Excellent Human Resources

Item	Number
Population	214,590 (2 <sup>nd</sup> in Ibaraki)
Average age	40.3 (45.8 in Japan)
Working population percentage (15 to 64)	68.7% (62.1% in Japan)
Number of researchers	16,034
- Number of people with a doctorate	8,236
- Number of foreign researchers	5,291

## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(2)



The global enterprise the Hitachi Group originated in Ibaraki Prefecture.



- Hitachi Ltd., Power Systems Company, Hitachi Office
- Mitsubishi Hitachi Power Systems Ltd., Hitachi Plant

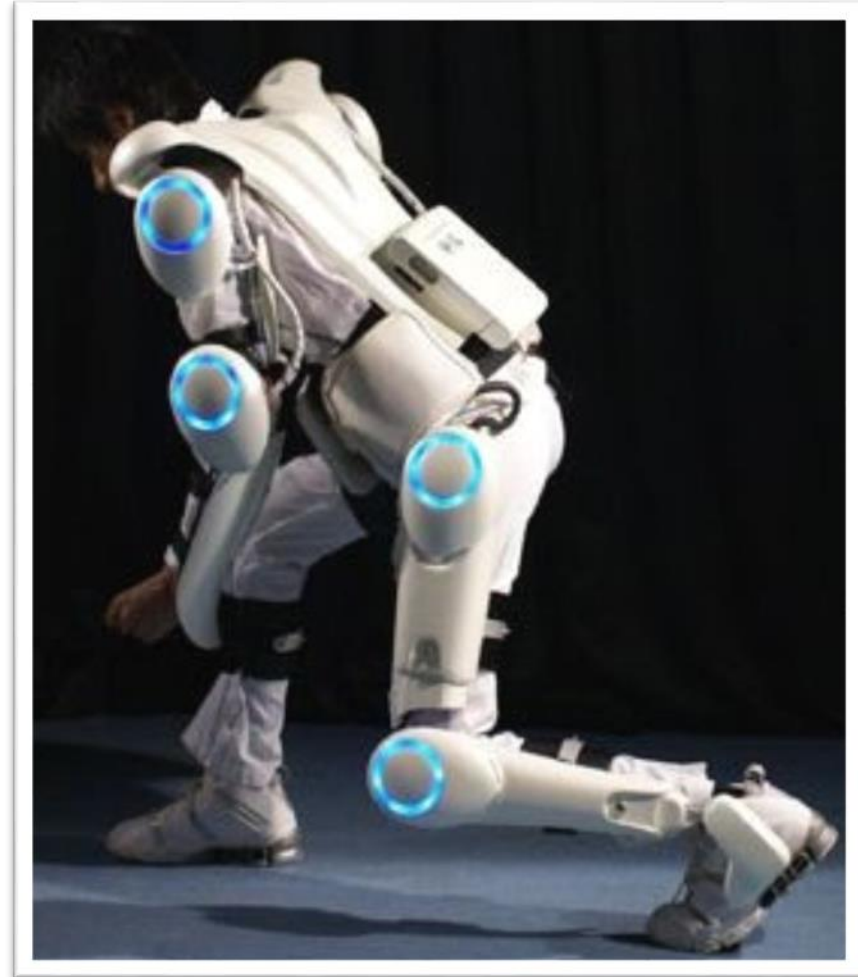




## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(2)

The global venture CYBERDYNE originated in Tsukuba City.

Medical Device HAL  
(Hybrid Assistive Limb)



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(2)

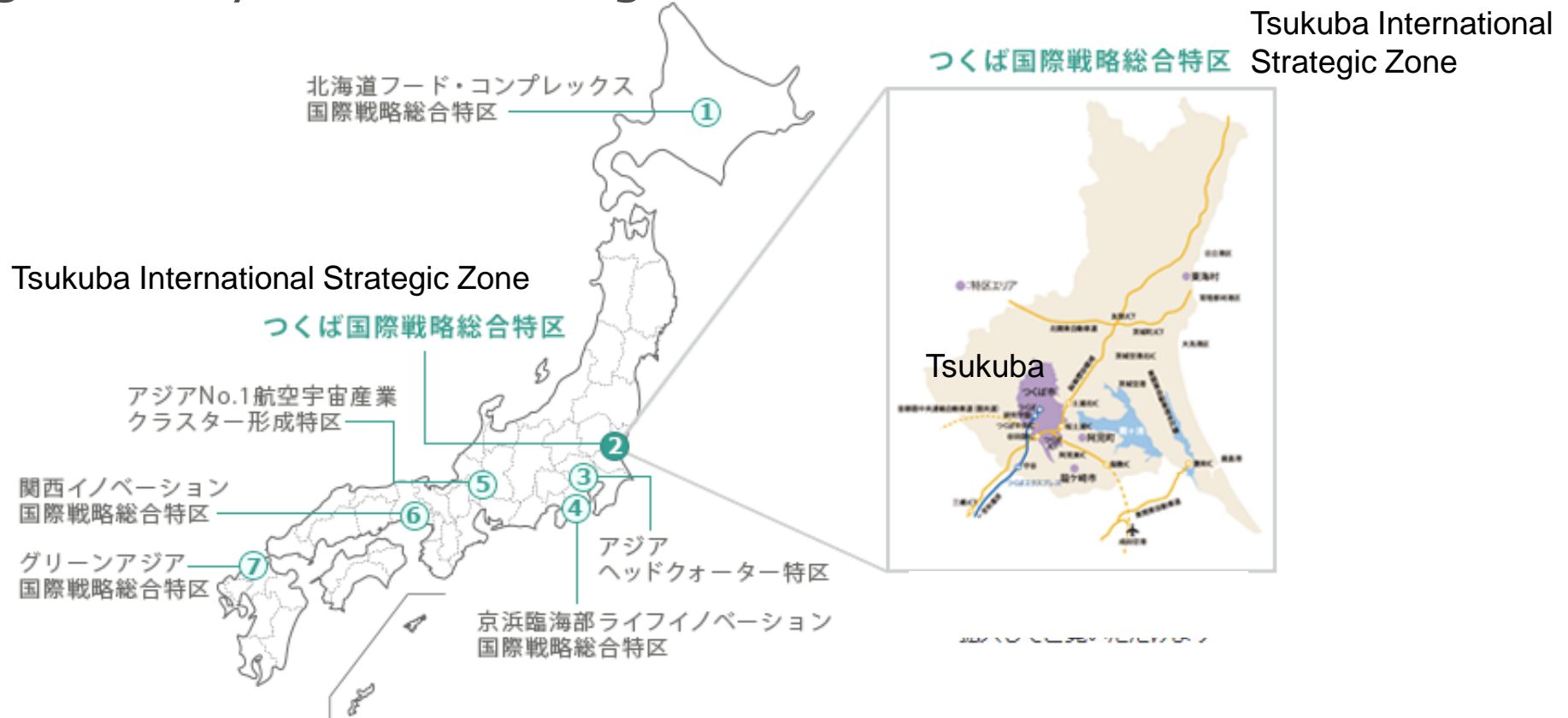
The second most desirable location in Japan for foreign-owned companies to establish an R&D site

Rank	Head Office	Production base	<u>R&amp;D site</u>	Distribution center
1	Kanagawa (220)	Shizuoka (33)	Kanagawa (14)	Kanagawa/Osaka (14)
2	Osaka (100)	Kanagawa (29)	<u>Ibaraki (8)</u>	
3	Hyogo (68)	<u>Ibaraki (20)</u>	Hyogo (7)	Chiba (12)
4	Chiba (38)	Chiba (19)	Aichi/Shizuoka (6)	Aichi (10)
5	Saitama (33)	Aichi (18)		Shizuoka/Saitama (6)
6	Aichi (25)	Hyogo (17)	Chiba (4)	
7	Shizuoka (11)	Tochigi/Saitama (16)	Fukushima/Saitama /Tochigi/Osaka (3)	Tochigi (4)
8	<u>Ibaraki (9)</u>			
9	Fukuoka (8)	Mie (10)		Hyogo/Miyagi/Fukuoka (3)
10	Hiroshima (7)	Gunma/Fukuoka (9)		

Compiled by JETRO from “Data of foreign affiliates – web version” by KK Toyo Keizai Shimbun (excluding Tokyo)

## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(2)

Tsukuba International Strategic Zone – one of 7 zones designated by the national government in 2011



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture -(2)

### 8 Projects of the Tsukuba International Strategic Zone

#### 4 Initial Projects (Approved on December 22, 2011)

Life Innovation Area	Green innovation area
<p>Development and practical utilization of BNCT</p> <p>Practical utilization of personal care robots</p>	<p>Practical utilization of algal biomass energy</p> <p>Formation of a global nanotechnology center (TIA-nano).</p>

#### 4 Additional Projects

- Development of innovative pharmaceutical products and medical technology based on Tsukuba's biomedical resources (Approved in Oct. 2013)
- Domestic production of nuclear medicine (Approved in Oct. 2013)
- Practical utilization of and creation of a global hub for innovative medical robots and medical technologies (Approved in Oct. 2013)
- Development and practical utilization of a strategic recycling system for urban mines (Approved in Apr. 2015)

## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture -(2)

**G7 Science & Technology Ministers' Meeting in Tsukuba, Ibaraki**  
**2016.5.15 (SUN) - 17 (TUE)**  
**To be held at Tsukuba International Congress Center**



Excerpt from a press conference given by Chief Cabinet Secretary Yoshihide Suga on the morning of July 3, 2015 (In reply to the question of why Tsukuba was chosen as the venue of the Science and Technology Ministers' Meeting)

“Tsukuba, a center of advanced science and technology, is one of the world’s largest science cities. This environment allows us to showcase Japan’s science and technology level to the world. And Tsukuba was very earnest in promoting the city as the meeting place.”

## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture

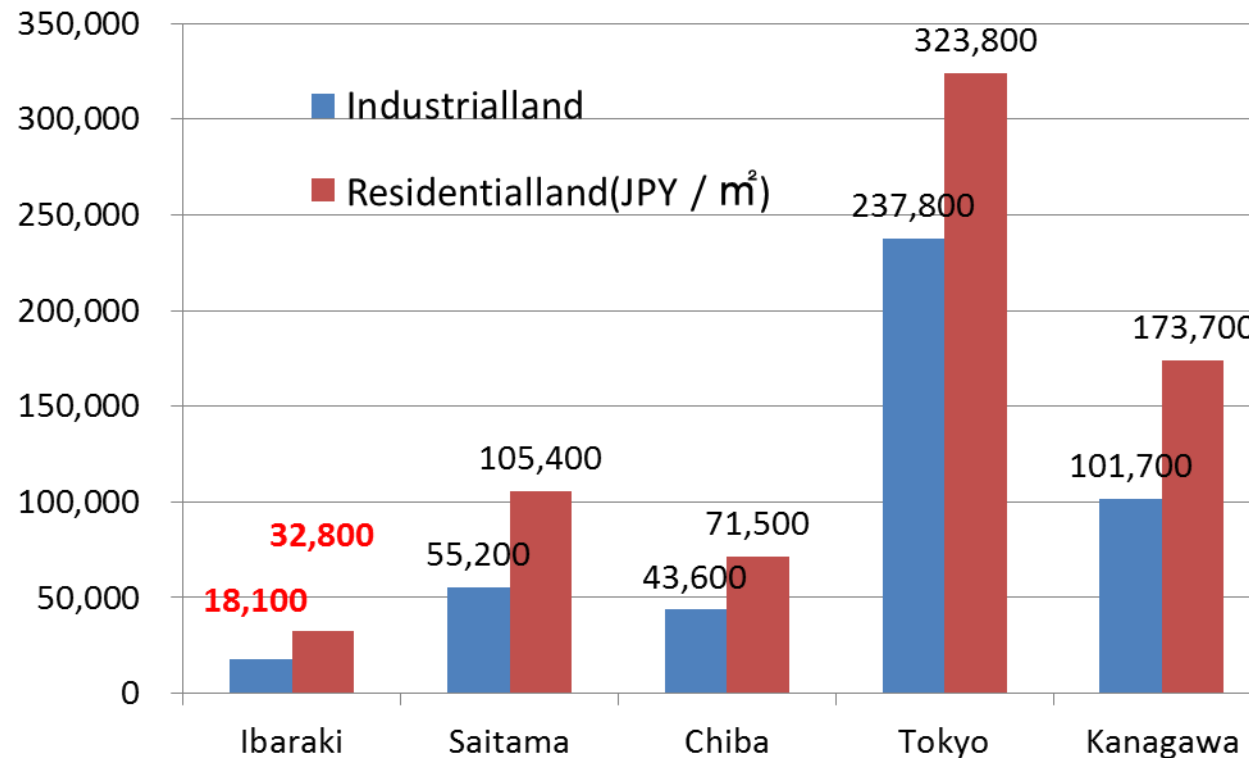
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(3)

Reasonable Initial/Running Costs

## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(3)

The average land price in Ibaraki is 1/6 of that in Kanagawa, and less than 1/3 of that in Saitama.



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(3)

### Low Rental Costs for Laboratories and Office space

Facilities		Monthly Cost (Tax excel.)
Tsukuba Center Inc.	(Tsukuba, Ibaraki)	¥3,200/m <sup>2</sup>
Hitachinaka Techno Center	(Hitachinaka, Ibaraki)	¥2,100/m <sup>2</sup>
(Non-Ibaraki) Kanagawa Science Park	(Kawasaki, Kanagawa)	¥5,200/m <sup>2</sup>



Tsukuba Center Inc.



Hitachinaka Techno Center



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture

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(4)  
Comfortable Living Environment

## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(4)

### Tsukuba, a Blend of Rural Landscapes and a Modern Cityscape

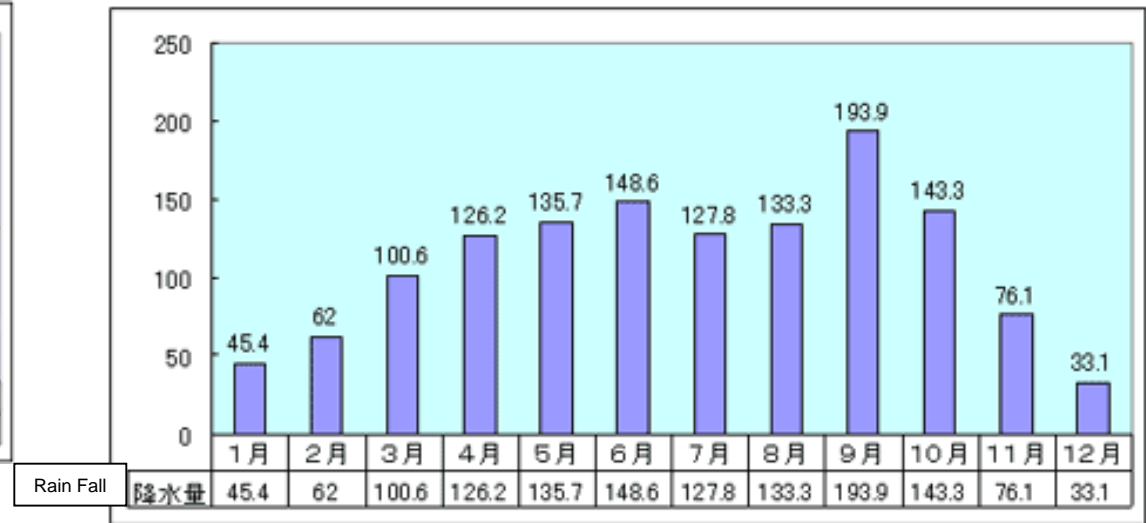
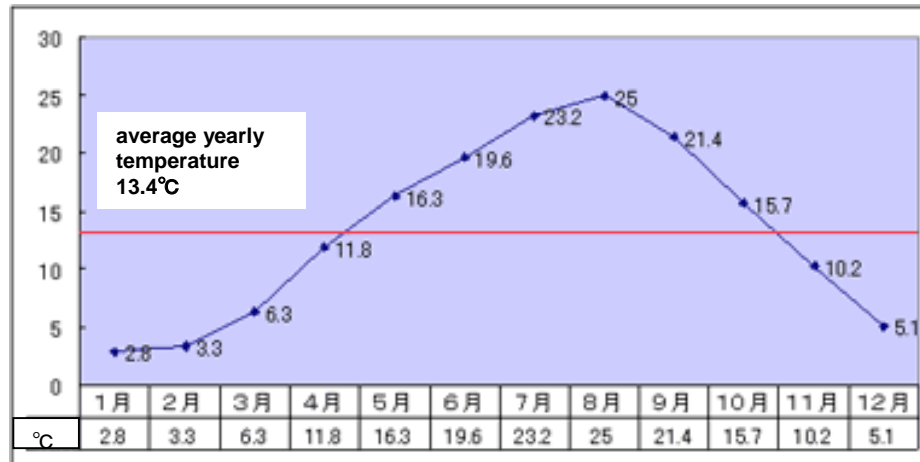


## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture -(4)

### Favorable Natural Environment

-Mountains and a coastline

-A mild climate with an average yearly temperature of 13.4°C, and annual rainfall of 1,439mm



Average monthly temperature (left), monthly rain fall (right) (annual average from 1971 to 2000) from the Mito Meteorological Observatory

## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(4)

Good education environment for children of foreign residents

Tsukuba International School (TIS)



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture -(4)

Medical institutions

University of Tsukuba Hospital



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture -(4)

### Shopping Facilities



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture -(4)

### Information Provision/Consultation

**The Ibaraki International Association Foreign Consultation Center provides advice on law, labor, marriage, education, and daily life in 9 languages (English, Chinese, Portuguese, Thai, Tagalog, Spanish, Korean, Indonesian, Vietnamese), and provides a variety of information on living, health care, disaster prevention, and more.**



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture

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(5)  
Support System and Incentives



## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(5)

### **Prefectural Tax Exemptions**

–Ibaraki Prefecture has implemented prefectural tax exemptions on corporate enterprise tax and real estate acquisition tax for companies relocating or constructing a new building before March 2018 to encourage companies to expand their factories there.

### **Industrial Water Rate Reduced by 50%**

–Ibaraki Prefecture is reducing the water supply fee for industrial water use by 50% for companies relocating their industrial park to designated areas in Ibaraki Prefecture.

In addition, various incentives such as a system to allow industrial parks to be leased at a low-cost are being arranged. Please contact us for more information.

## 2. Five Reasons to Establish an R&D Site in Ibaraki Prefecture –(5)

The Ibaraki Prefectural Government acts as a coordinator between a variety of institutions



# 5 Reasons to Establish an R&D Site in Ibaraki Prefecture

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- (1) Strategic Transport Network**
- (2) Optimum Environment for R&D**
- (3) Reasonable Initial/Running Costs**
- (4) Comfortable Living Environment**
- (5) Support System and Incentives**

Thank you for your attention.

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