



General Corporate Investment Guide

INVEST
IN **KOBE** 

Kobe saw a large influx of foreign residents with the opening of the Port of Kobe in 1868. Since then, the lifestyles and cultures of each country have blended into the city itself, creating an environment where people from around the world can live happily.

Kobe is a city blessed with both the ocean and mountains. It is a wonderful place to live, and also quite popular as a sightseeing destination. In addition, it also boasts a developed transportation network and booming markets that reach the entire Kansai region, making it an ideal location for business.



OUTLINE

Area

557.01 km²

(As of Jul. 1, 2019)

Population

1,522,944

(As of Oct. 1, 2019)

Foreign nationals

48,620

(As of Sep. 30, 2019)

Number of
households

722,189

(As of Oct. 1, 2019)

Gross city
product

6,459,500
million yen

(As of 2016)

Universities and
colleges in the city

24

(As of May. 1, 2019)

International schools
(K-12) in the city

8

(As of Dec. 1, 2019)

Sister/Friendship Cities of Kobe

Seattle, Marseille, Tianjin, Rio de Janeiro, Riga, Brisbane, Barcelona, Incheon Metropolitan City

Partnership City

Philadelphia, Daegu Metropolitan City

Sister/Friendship Ports

Seattle, Rotterdam, Tianjin

Natural environment



Kobe is blessed with abundant nature, with Mt. Rokko to the north and the Seto Inland Sea spread out before it to the south. Leisure activities such as mountain climbing, skiing, swimming in the ocean, etc. can be enjoyed in each season.

Living environment



Kobe is a popular residential area rich in urban amenities, yet real estate and rent are more affordable in comparison to the metropolitan area. Other advantages of living in Kobe include less traffic congestion, fewer crowded trains, and shorter commuting times.

History



The Port of Kobe has developed as an international port since its opening in 1868. Foreign cultures were quickly adopted thanks to a residential neighborhood for foreigners that was built near the port, which has contributed to the formation of Kobe's unique culture and scenery.

Port



Since the port's opening in 1868, it has supported lifestyle and production bases as one of Japan's pre-eminent international trading ports. Near the center of Japan, it is on main global sea transportation routes used by numerous regular international lines, connecting ports around the world.

Education



In addition to eight international schools with Canadian, Chinese, German and missionary origins, there are also, for example, other international schools that conduct education focused on English regardless of nationality.

Religious facilities



Kobe has numerous religious facilities, including Buddhist, Christian, Jewish, Islamic, and Jain facilities, providing places for visitors from all over the world to practice their religions in appropriate surroundings.

Industry



Kobe is home to a wide range of industries, including one of Japan's largest medical field clusters, world-class heavy industry and manufacturing, aviation and space, renewable energy, and IT industries.

Tourism



The city has numerous spots in each area where people can fully enjoy urban amenities and nature, including outstanding cuisine, historical hot spring spas, trekking, beach swimming, ocean cruising and other leisure activities, as well as shopping at stylish retailers.

Cuisine



Surrounded by nature, Kobe boasts an abundance of culinary delights that include not only Kobe beef, but also sweets and Japanese sake. Moreover, the city also has restaurants that serve halal food, for example, and multinational cuisine can be enjoyed as expected in an international city.

Kobe, which is located approximately at the center of Japan, has a history of functioning as a key transportation spot since ancient times because it was necessary to pass through Kobe when moving between eastern and western Japan.

Every kind of land, sea and air transportation mode is concentrated and linked here, including the Port of Kobe that connects ports around the world, the Kobe Airport that enables rapid access and a network of trains and expressways that extend in all directions.

With outstanding access to every part of the country, from this location it is possible to accommodate the extremely large markets of Kansai and western Japan in particular.



BUSINESS



Land routes



Sea routes



Air routes

Train and expressway routes

The railway network connects to destinations in every direction with trains that include JR, private lines and subways. Even Tokyo is a mere two hours and fifty minutes away by bullet train. Moreover, the expressways connect the entire country. In particular, access to Kansai, of course, and western Japan is excellent, providing coverage of a large market. Diverse logistics needs are also supported with convenient access to the Port of Kobe and Kobe Airport. The comprehensive land transportation infrastructure forms a wide-ranging network that extends in every direction.

Port of Kobe

The Port of Kobe, which is a good natural port with outstanding environmental conditions, has prospered as both a domestic and international trading center for centuries. Since the port's opening to foreign ships in 1868, it has supported a lifestyle and production base for the people of Japan as one of the world's pre-eminent international trading ports. This port is on main global sea transportation routes used by numerous regular international lines, including routes to North America, Europe, Oceania, Southeast Asia and China, connecting 500-some ports in more than 130 countries around the world.

Kobe Airport Kansai International Airport Osaka International Airport

The Kobe Airport has connections to ten cities, including Tokyo (Haneda), Sapporo (Shin-Chitose), Sendai, Ibaraki, Matsumoto, Izumo, Kochi, Nagasaki, Kagoshima and Okinawa (Naha). Moreover, the Port Liner, which can be boarded directly from the passenger terminal, provides access to the center of Kobe in as little as 18 minutes, contributing to accelerating business.

Furthermore, the Kansai International Airport, which operates 24 hours a day and has direct flights to destinations worldwide, can be accessed in about 30 minutes from the Kobe Airport by high-speed ferry.

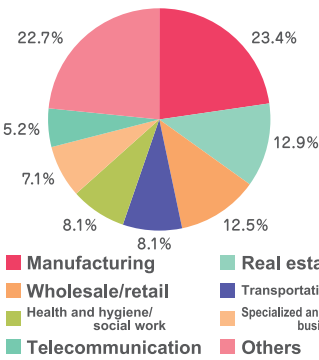


KOBE

Kobe has a history of developing for centuries as a port town with a rich international flavor and utilizing its characteristic and appealing "enterprising spirit." While incorporating diverse cultures and new customs, it has fostered people and a city with great individuality and developed a unique culture. In this city, the interaction and integration of various people, free of barriers such as nationally, age and gender, have enabled technical innovation and new industry creation to occur. This city where society and economy advance sustainably and globally is Kobe.

Moreover, Sannomiya, which is at the heart of Kobe, is now progressing toward envisioning a new form for the future in order to advance the city as one that contributes not only to Japan but also to the world.

Kobe municipal sales by industry (2016)



Kobe's sales by industry are led by manufacturing, slightly surpassing the national average. Kobe also boasts a higher share in transportation and postal services than the rest of Japan.

(Kobe municipal statistical report No.1 for fiscal 2019)

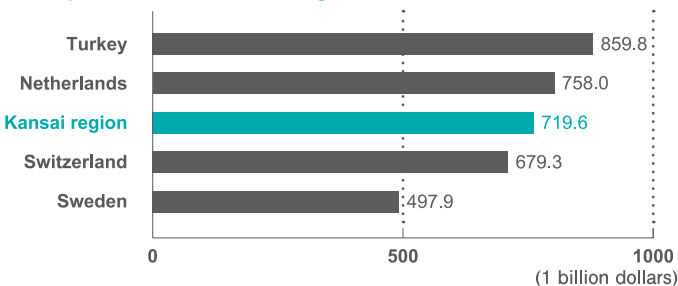
Kansai Region

After the Tokyo metropolitan region, Kansai is the next key liaison between Japan and the world.

Along with Kobe, it includes Kyoto, Osaka and other cities, making the Kansai region alone an extremely large market. Moreover, its central location gives it excellent access to other regions in Japan. In addition, due to its concentration of outstanding universities and research institutions, cooperation between industry and academia is flourishing in this region, enabling it to produce many Nobel Prize laureates. With numerous international conference centers, Kansai is one of the leading regions in Asia to host international conferences.

Equivalent to the 18th in the world

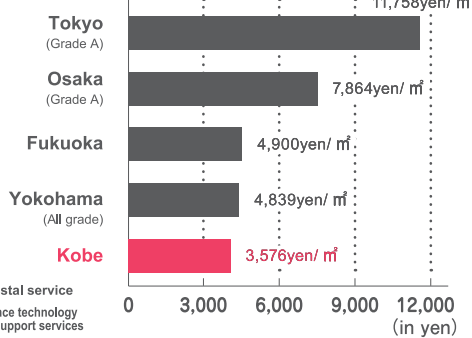
Comparison of GDP of Kansai region and other countries



The Kansai region is located in the center of Japan, and it has an extremely large market with a GRP of around 719.6 billion dollars and a population of 21.57 million people. On the economic scale, it is comparable on an economic scale to Netherlands (which ranks in 18th place across the world).

(INVEST JAPAN, INVEST KANSAI, 2019, Kansai Bureau of Economy, Trade and Industry)

Comparison of office rental rates by city (m² per month)

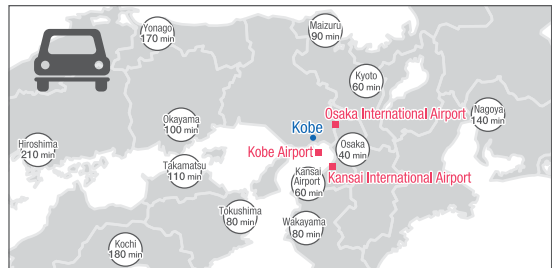


Compared to Tokyo, office rental rates are relatively low in the Kansai region, and the cost performance in Kobe is particularly good.

(CBRE : MARKET VIEW Japan Office, Q4 2019)

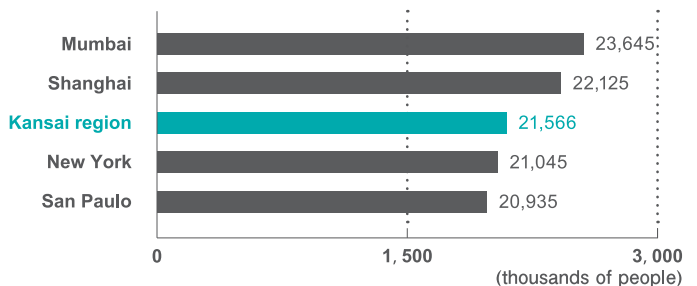


Times required from Kobe to other cities by car (estimates in minutes)



With various expressways running through the Kansai region, speedy access to the entire country is possible. In addition, the Port of Kobe and Kobe Airport are nearby, supporting diverse logistics needs.

8th highest population worldwide

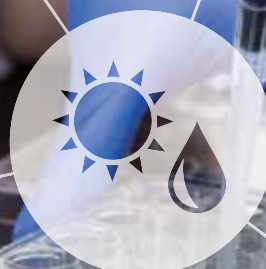


	Kansai	Domestic share
Area (2018)	31,542 km ²	8.3 %
Population (2018)	21,566,000	16.9 %
GRP, GDP (2015)	719.6 billion	15.8 %

With its comprehensive land, sea and air transportation networks, Kobe is a business center that draws many people not only from within Japan, but also from overseas. With a concentration of medical-related industries and academic research institutions, a wide range of research and development projects are conducted here, and the city has everything necessary to open new roads into the future.



INDUSTRY





Medical industry

The City of Kobe is promoting the Kobe Biomedical Innovation Cluster, which seeks to concentrate various medical-related industries in one place. Currently, about 370 businesses and organizations have established new facilities in the cluster, engaging in numerous pioneering efforts. These include joint research and development among universities, research organizations, hospitals, and businesses; business matching events; commercialization support; and networking gatherings. Moreover, the cluster boasts a cutting-edge research environment that has led to many accomplishments, such as the first surgeries in the world using iPS cells, and in-silico drug discovery efforts using the supercomputer.



Manufacturing industry

Heavy industries such as shipbuilding and steel manufacturing have driven Kobe's economy since the prewar period and thus, machinery and other supporting industries have also seen impressive development. In addition, the proximity of the port also contributed to the growth of food, rubber, and other manufacturing industries. Furthermore, because the Port of Kobe is a key domestic port with excellent access to the entire country, including the major shipbuilding region around the Seto Inland Sea, it has grown to become a crucial port industry hub with numerous shipping-related companies.



IT industry

Kobe City is engaged in various cutting-edge initiatives that transcend the boundaries of local government to become an innovative city by attracting startups with such projects as programs to foster entrepreneurs held in Japan and overseas as well as collaboration between the governmental sector and startups to resolve challenges. In addition, the establishment of the Global Innovation Center by UNOPS aimed at problem solving for SDGs will be a gateway to the United Nations Procurement.



New energy industry

Hydrogen is expected to become an important energy source in the future, and therefore the Japanese government has designated the establishment of hydrogen society as one of its goals in the field of renewable energy. In cooperation with a number of major companies working in the energy field, the City of Kobe is promoting a technological verification project that aims to establish a hydrogen supply chain and construct a testing facility on Kobe Airport Island, thus receiving a lot of attention from everyone working in the hydrogen industry.



Aerospace industry

Thanks to the various world-renowned aircraft-related companies located within the city, Kobe is one of the leading aerospace industry hubs in Japan. Kobe Airport and the neighboring industrial parks boast great infrastructure, making the area very appealing both to major enterprises and numerous companies that possess the cutting-edge technology required to manufacture aircraft parts.



Fashion industry

In Kobe, the lifestyle and culture industries that deal with clothing, food, housing and entertainment are collectively referred to as the fashion industry. These industries took root as Kobe was developing into an international trade port and became widely recognized as the Kobe brand, playing a major role in the development of our city.

Kobe has established a one-stop service for businesses that are considering expanding their operations to our city. Our professional staff will be available for consultations from the planning stages to entry, to the start of business activities. In cooperation with Hyogo Prefecture and the Japan External Trade Organization, we can also bring in various experts and provide guidance in a wide range of fields. Finally, the service also fills the role of investment coordinator.



SUPPORT



Business

One-stop service

Registration and residence qualification procedures, office and land information, personnel, labor, employment and related consulting, business matching, facility provision, etc.



Kobe City

JETRO

**Japan
External Trade
Organization**

**Other related
organizations**



**Hyogo
Prefecture**

Support System

A variety of support is provided to foreign and foreign-affiliated firms that expand their operation to Kobe.

Basic requirements of foreign and foreign affiliated companies

- ① Companies founded under foreign laws
 - ② Companies founded under the Japanese law with 1/3 or more of the capital investments of foreign corporations
- Each support system has eligibility requirements imposed by Hyogo Prefectural Government, Kobe City Government and the JETRO.

Office Rent Subsidy System

[Kobe City]

- Area : All areas of Kobe City
- Subsidy amount : Up to 25 % of rent (utilities and taxes excl.)
- Maximum amount : JPY ¥1,500/m² per month; JPY ¥10,000,000 per year
- Maximum subsidy period : 3 years (5 years when a space of 1,500m² and more is rented)

[Hyogo Prefecture]

- Area : Kobe International Economic Zone
- Subsidy amount : Up to 25 % of rent (utilities and taxes excl.)
- Maximum amount : JPY ¥750/m² per month; JPY ¥1,000,000 per year (JPY ¥1,500/m² per month; JPY ¥10,000,000 per year if 11 or more new full-time employees are hired)
- Maximum subsidy period : 3 years

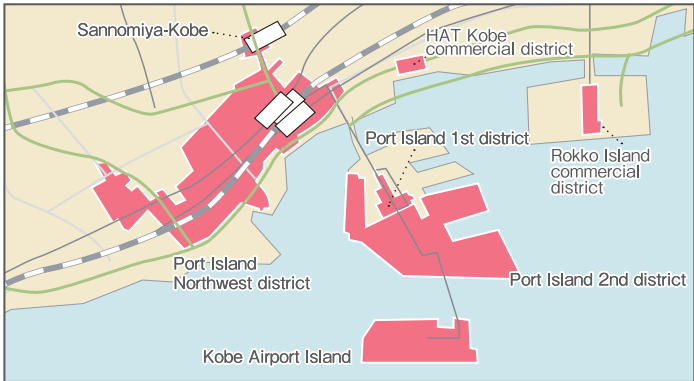
Additional Subsidy for Employment [Kobe City]

- Requirement: Five or more permanent employees (Kobe citizens)
- Maximum amount: JPY ¥100 million.

Outside of Kobe ↓ Kobe City	Requirement: Newly moving into Kobe City *1 <ul style="list-style-type: none">• Indefinite-term full time employee : JPY ¥1,200,000/ person• Other : JPY ¥200,000/ person
Site for accumulating business functions *2	Requirement: Newly employed Kobe citizens *1 <ul style="list-style-type: none">• Indefinite-term full time employee : JPY ¥1,000,000/ person• Other : JPY ¥150,000/ person

*1 Unemployment insurance and other requirements apply.
*2 City area around Sannomiya station, Shin-Kobe, Motomachi. Kobe, Port Island, etc.

Kobe International Economic Zones



Employment Subsidy [Hyogo Prefecture]

- Requirement : 11 or more new permanent employees (Hyogo citizens)
- Maximum subsidy : JPY ¥300,000 per person
- Maximum amount : JPY ¥300 million

Prefectural Corporate Enterprise Tax Reduction [Hyogo Prefecture]

- Area : All areas of Kobe City
- Reduction rates *1 : A 1/4 of prefectural corporate enterprise tax
- Period : 5 years
- Requirements *2 : 11 or more new permanent employees

*1, 2 : A 1/3 of prefectural corporate enterprise tax reduction is applicable if a space of 1,000m² or more is utilized in Kobe International Economic Zones (employment requirement is not applicable).

Company Start-up Support [Hyogo Prefecture]

Subsidy for Corporation Registration Fee

- Area : Kobe International Economic Zone
- Maximum subsidy : 50% of qualifying expenses
- Maximum amount : JPY ¥200,000

Subsidy for Market Research Fee

- Area : Kobe International Economic Zone
- Maximum subsidy : 50% of qualifying expenses
- Maximum amount : JPY ¥1,000,000

Navigator System [Kobe City and JETRO Kobe]

At no charge, we can provide initial professional consultations regarding Japanese corporation and branch registration procedures, residence qualifications, social insurance, accounting, tax payment and other topics. We can also provide free translation and interpretation services in relation to the above.

Free Temporary Offices [JETRO Kobe]

- Companies moving to the City of Kobe or Hyogo Prefecture may be provided with a temporary office space free of charge.
- Maximum use period : approx. 3 months
- Note 1 : You may be required to provide a security deposit before moving in. This deposit will be refunded to you at the end of the contract period.
- Note 2 : The above subsidy programs have additional eligibility requirements. Please inquire for details.

In 2017, our city celebrated the 150th anniversary since the opening of the Port of Kobe and over the years, we have interacted with various countries around the world. Now, in addition to the splendor of its ocean and mountains, the city offers a wide variety of industries, abundant tourism opportunities, and a vibrant and unique culture.



9



Greetings from the Mayor

After the Port of Kobe opened to the world in 1868, our city has welcomed and embraced a great variety of cultures and customs, which shaped its unique character. We have built a sound business infrastructure and the city is now home to many national projects, including a world-class supercomputer and Kobe Biomedical Innovation Cluster, which promotes cutting-edge research in various fields, such as the use of iPS cells in regenerative medicine. In addition to our numerous business incentives and support programs, Kobe prides itself as an international city and offers a splendid living environment to world-class specialists. Therefore, if you are thinking about expanding your business to Japan or Asia, please consider coming to Kobe! We would be delighted to welcome and support you in our city.

Mayor of Kobe 久元 喜造
Hisamoto Kizo

"Kobe is superior in its living climate for employees, its convenient access, and its image as an international city. It is abundant with nature, being close to the sea and mountains, and also boasts a rich urban environment with a convenient transportation system, all of which provide an ideal working environment for our employees. Further, an international airport and bullet train station are easily accessible, so Kobe is convenient for both business and private life. These attractions of Kobe are useful for recruiting capable human resources."



Stanislav Vecera
President and
Representative Director

The Procter & Gamble Company of Japan Limited

The Japanese arm of the global manufacturer of daily necessities headquartered in the United States, this company first started its Japanese business in Osaka in 1973. After moving to Kobe Rokko Island in 1993, the company relocated its Japanese headquarters to the Sannomiya area in downtown Kobe in 2016.

"Kobe has an environment that is easy for our employees to live and work in. Kobe's concept as a medical industry city is advanced, which for a pharmaceutical company like us makes it a very ideal location from many perspectives. I am sure that the international setting in Kobe contributes to produce our talented people throughout the world. We would unite caring with discovery to make life better from this city, Kobe."



Simone Thomsen
President and
General Manager

Eli Lilly Japan K.K.

Eli Lilly Japan is the second largest corporate affiliate of Eli Lilly outside of the United States. The company first opened an office in Kobe in 1965 and was incorporated in 1975. Today, Eli Lilly develops pharmaceutical products that make life better for people all over the world.

"Kobe is the land of partnership opportunities. Bayer Yakuhin has operated out of Japan including Kobe for more than 100 years. In 2018, we opened our incubation laboratory "CoLaborator Kobe" for start-ups and venture companies in Kobe Biomedical Innovation Cluster (KBIC). In the following year, we entered into a collaboration agreement with Kobe City and Foundation for Biomedical Research and Innovation at Kobe (FBRI) on fostering and supporting venture companies. Through these collaborations, we will continue our effort to drive innovation from Kobe with the ultimate goal of improving the lives of people in Japan."



Heike Prinz
President and
Representative Director

Bayer Yakuhin, Ltd.

The Japanese corporation of a global enterprise headquartered in Germany with core competencies in the life science fields. Headquartered in Osaka, the company aims to be one of leading pharmaceutical companies, which responds to Japanese patients' unmet medical needs through technological innovation and innovative products.

"Boehringer Ingelheim is a research-driven pharmaceutical company based in Ingelheim, Germany. Kobe, with its concentration of healthcare-related facilities and state-of-the-art research institutions, is an ideal environment for our company's research laboratory located on Port Island to be in contact with advanced medical technology and associated research activities. It also provides a good opportunity for interactions between researchers and for acquiring talented personnel. Kobe plays a role in our research and development organization which is expanding on a worldwide scale, and we will continue to contribute to the creation of innovative pharmaceutical products."



Thorsten Poehl
Representative Director, President
and Head of Human Resources

Nippon Boehringer Ingelheim Co., Ltd.

Boehringer Ingelheim is a German company that established a pharmaceuticals research institute in Kobe in 2008. Among other activities, the company is involved in research, development and sales of prescription drugs.

"Nestlé has been headquartered in the same small Swiss town of Vevey since its founding. When we came to Japan, we used that experience to find a place which was not only easy to work in, but would also be easy for our employees to live in. This is why we established our headquarters in Kobe. Kobe has an international atmosphere, and is a fashionable city with many talented people. It is very comfortable for foreigners to live here. Kobe also has a character which actively adopts new things, and with a rich living environment, it is an ideal location for foreign corporations to establish themselves."



Tatsuhiko Fukatani
President and CEO

Nestlé Japan Ltd.

The Japanese arm of the Nestlé Group, the world's largest food manufacturer. Established in Yokohama in 1913, its base was moved to Kobe in 1922.

"We have operated out of Japan, including Kobe, for over 100 years, and in 1999 we moved our head office here from Tokyo. Kobe is a great location for doing business thanks for its excellent transit options. Furthermore, it is a city that is easy to work and live in, making it appealing for employees as well. Kobe developed as an international city, which is a big plus in terms of both business and lifestyle."



Eriko Asai
GE Japan – President and CEO
GE Power Japan – Country Executive

GE Power Solutions Japan K.K.

GE Power Solutions Japan is a member of the General Electric group that has 300,000 employees in 170 countries around the world, and seeks to become a global digital industry company in a wide range of fields, including manufacturing of power generation and transmission facilities, aircraft engines and medical devices. A true pioneer among foreign companies in Japan, it celebrated its 110th anniversary in 2017.

"Kobe city offers great talent and high-tech expertise in international environment. Kobe also has the excellent infrastructure and support system for new businesses and networking opportunities. Together with Kobe city, we continue to contribute to the sustainable growth of the Japanese aeronautic industry. Airbus Helicopters Japan is committed to ensuring Japan's sky safer, more reliable and cost-efficient from Kobe airport."



Guillaume Leprince
Managing Director

Airbus Helicopters Japan Co., Ltd.

Airbus Helicopters Japan is a subsidiary of Airbus Helicopters, the world's leading helicopter manufacturer, with over 60 years of experience and the market share above 50% in the Japanese civil and parapublic market. We are the first and only foreign affiliated aviation company to provide total support, from aircraft sales to after sales support as well as training.

"Geislinger is a company headquartered in Salzburg, Austria. We first set up in Japan in 2002, but by then the business had already been developing for 50 years. Foreign companies have been setting up their headquarters in Kobe for over 100 years because it is such a great business environment, and I believe it to be the best place to do business. We moved our head office to Kobe in 2007, and we look forward to continuing to contribute to the development of Kobe in the future."



Yasushi Fukagai
President and CEO

Geislinger K.K.

Geislinger is the Japanese subsidiary of an Austrian company headquartered in Salzburg that manufactures couplings and dampers for marine engines. After first establishing an office in Tokyo in 2002, it moved its headquarters to Kobe in 2007.



Kobe Enterprise Promotion Bureau

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