

II—G Relevant Information on Expanding to Chiba (i) Taxation

There are three classes of tax under the Japanese taxation system. National taxes are collected by the country, prefectural taxes are collected by the prefecture, and municipal taxes collected by municipalities. Of these, the taxes that apply to corporations are as follows.

(National taxes)

A corporate tax of 30% (for regular corporations with paid-in-capital of ¥100 million or more)
or 22% tax (for small and mediums sized enterprises with paid-in-capital less than ¥100 million)

(Regional taxes)

Corporations that have a permanent establishment within a region will be required to pay a prefectural corporation tax, enterprise tax, municipal tax, and business establishment tax. Of these, the prefectural corporation tax is meant to pass on the expenses involved in the provision of administrative services to those companies who have a permanent business establishment within the prefecture, and is composed of a per capita portion based on the amount of paid-in-capital, as well as a portion levied according to the corporation tax amount. The tax amount for the portion relating to paid-in-capital ranges from ¥20,000 to ¥800,000, and the amount determined is based on corporation tax ranges from 5-5.8%. The corporate enterprise tax is borne by judicial persons who conduct business using public facilities, and receive benefits of administrative services, and is levied based on income. For regular corporations, the tax rate ranges from 5-9.6%.

II—G Relevant Information on Expanding to Chiba (ii) Office Rents and Land Prices

Comparative Office Rents

(as of December 2006, see CB Richard Ellis "Office Market Report 2007 Winter Vol.40)

		Average Deposits (¥/tsubo)	Average Rent (¥/tsubo)	Vacancy Rate (%)
Chiba	Chiba	80,400	8,670	17.5
	Funabashi	105,300	10,030	9.0
	Kashiwa	138,600	11,490	3.5
Tokyo	Chiyoda-Ku(Marunouchi)	330,700	28,850	0.2
	Minato-Ku(Aoyama)	201,900	20,720	0.7
Kanagawa	Yokohama(EastExit)	146,400	13,080	5.0
	Minatomirai	180,000	15,000	1.2
Saitama	Omiya	119,800	11,940	5.7

(Note) tsubo = 3.3m²

Comparative average land prices of commercial zone (2006)

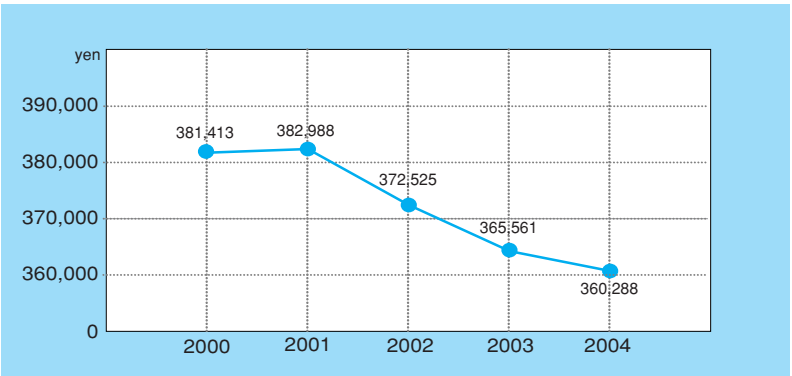
	Average price (yen/m ²)	% change
Tokyo Area	1,311,400	12.6
Osaka Area	436,600	11.9
Chiba Prefecture	206,800	7.8

source : Ministry of Land, Infrastructure and Transport; Table for Application of Average Price for Each prefecture

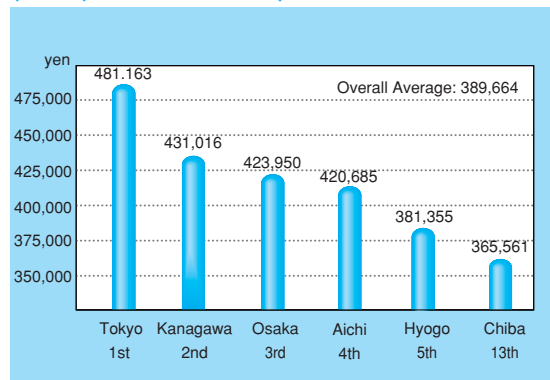
II-G Relevant Information on Expanding to Chiba (iii) Wage Levels, Comparisons with Major Prefectures

Average wages in the prefecture rose to ¥392,701 in 1992, but with the bursting of the Japanese economic bubble, wages declined to ¥357,969 by 1995. Since then, it has risen slightly to ¥360,288 in 2004, and ranks thirteenth among all prefectures in Japan. In terms of industry, wage levels in electricity, gas, heating and water industries are high for both men and women, followed by real estate, transportation, communication, and construction.

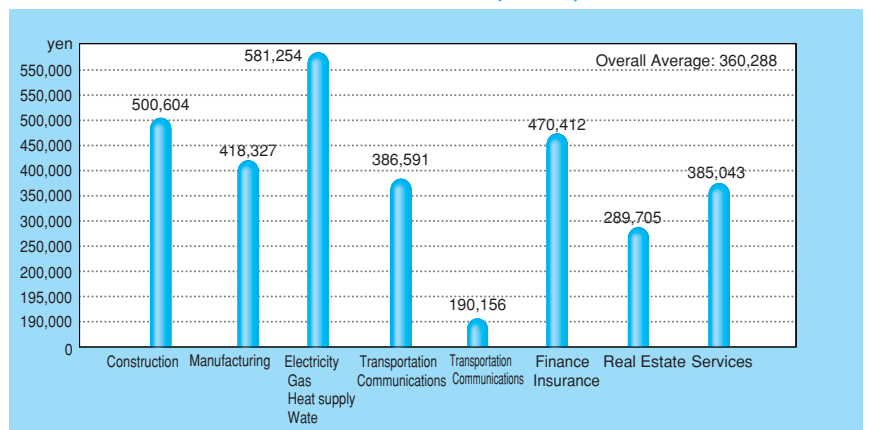
Changes in Average Wages in All Industries in the Prefecture (5 years between 2000 - 2004)



Average Total Cash Wages for Full-time Workers (2003) Prefectural Comparison



Comparison Across Industries of Average Monthly Cash Wages for Full-time Workers in the Prefecture (2004)



II-G Relevant Information on Expanding to Chiba (iv) Industrial Sites and Industrial Water Supply

Industrial Park: There are several industrial parks which have been developed by public entities and private developers. Please refer to "List of industrial parks III-C"

Industrial Park Sellers

- Investment Promotion Div., Commerce, Industry and Labor Dept., Chiba Prefectural Government (Kazusa Akademia Park)
1-1 Ichibacho, Chuo-ku, Chiba-shi 260-8667
TEL 043-223-2443 FAX 043-222-4092 <http://www.pref.chiba.jp/business/kazusa/index-e.html>
- Chiba Prefecture Public Enterprises Agency (Hikari Industrial Park, Matsuzaki Industrial Park, Futtsu District Industrial Land, etc.)
D-4 Makuhari Techno Garden, 1-3 Nakase, Mihama-ku, Chiba-shi 261-8552
TEL 043-296-8174 FAX 043-296-6459 http://www.pref.chiba.jp/business/danchi/index_e.html
- Land Development Public Corporation of Chiba Prefecture (Chiba Toke Greentech Chiba Industrial Park, Asahi New Industrial Park)
7-9 Ichibacho, Chuo-ku, Chiba-shi 260-0855 TEL 043-222-9107 FAX 043-222-9784
- Corporation for Urban Enhancement of Chiba Prefecture (Narita New Industrial Park)
Shintosh Bldg., 4-13-28 Chuo, Chuo-ku, Chiba-shi 260-0013 TEL 043-225-0081 FAX 043-222-9188
- Commerce, Industry and Tourism Div., the Department of Economy and Environment, Togane-shi (Chiba East Techno Green Park)
1-1 Higashi-iwasaki, Togane-shi 283-8511 TEL 0475-50-1197 FAX 0475-50-1293 <http://www.city.togane.chiba.jp/cetec/etec.html>
- GC Real Estate (Tomisato Industrial Park)
5-8-10 Sendagaya, Shibuya-ku, Tokyo 151-0053 TEL 03-3356-8764
- Mitsubishi Estate, Co., Ltd. (Chiba Research Park)
2-7-3 Marunouchi, Chiyoda-ku, Tokyo 100-8330 TEL 03-3287-5456
- Kashiwa City's Association for Land Readjustment of Kashiwa Interchange
323-1 Nakatoyofuta, Kashiwa-shi 277-0873 Tel: 04-7140-8788 Fax: 04-7140-8789 <http://www.kashiaspp.com>

Industrial water: The Enterprise Agency of Chiba Prefecture provides industrial water to various areas in the prefecture.

Water supplied area	Water supply capacity (m ³ /day)	Water sale capacity (m ³ /day)	Number of contracted companies (number of companies)	Water rate (yen/m ³)	Remarks
Part of each of Ichikawa-shi, Funabashi-shi, Matsudo-shi, Narashino-shi and Chiba-shi	127,200	13,200	113	82.0	including contribution (41.0yen/m ³)
Part of each of Chiba-shi, Ichihara-shi, and Sodegaura-shi	121,200		24	23.0	
Part of Ichihara-shi	120,000		18	19.5	
Part of each of Ichihara-shi, Sodegaura-shi and Sakura-shi	401,760		31	17.5	
Part of each of Mobara-shi, Chiba-shi, Ichihara-shi, Sodegaura-shi, Kisarazu-shi and Sakura-shi	172,800	31,993	70	88.0	including contribution (35.0yen/m ³)
Part of each of Kisarazu-shi, Kimitsu-shi and Futtsu-shi	206,000	12,663	15	24.0	
Part of each of Narita-shi, Yokoshibahikari-machi and Shibayama-machi	1,600	1,065	6	45.0	
Total	1,150,560		277		

source : Chiba Prefectural Public Enterprises Agency 'List of Chiba Prefectural water Industries'

II-G Relevant Information on Expanding to Chiba (v) Investment Promotion

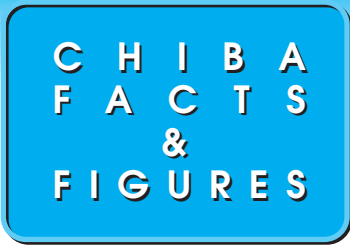
Preferential Measures Offered by the Prefecture

Subsidies for companies

Type of facility	Conditions (Please contact us for details)	Amount of subsidy	Limit of subsidy
Large scale investment	<ul style="list-style-type: none"> Factories related to biotechnology, IT, information appliances, robots, fuel cell production or tourist-related facilities Fixed property investment: minimum 50 billion yen Number of employees: minimum 500 	5% of fixed property investment	5 billion yen
Company headquarters	<ul style="list-style-type: none"> Headquarters of a firm Fixed property investment: minimum 3 billion yen Number of employees: minimum 200 	2% of fixed property investment	1 billion yen
R&D facility	<ul style="list-style-type: none"> Research laboratories or factories (must include a Research & Development department) located in Kazusa Academia Park Fixed property investment: minimum 300 million yen Number of employees: minimum 10 	2% of fixed property investment	200 million yen
Foreign-affiliated company	<ul style="list-style-type: none"> Headquarters of a foreign-affiliated company or factory/distribution center with the functions of headquarters Fixed property investment: minimum 1 billion yen Number of employees: minimum 100 	2% of fixed property investment	200 million yen
Industrial park, depopulating area, or peninsular development area	<ul style="list-style-type: none"> Factories or distribution centers located in specific industrial parks, depopulating areas or peninsular development areas Fixed property investment: minimum 300 million (Restricted to processing facilities for distribution centers) Number of employees: minimum 30 	2% of fixed property investment	200 million yen
Local government tie-up scheme	<ul style="list-style-type: none"> Companies that receive a subsidy from municipalities and are also authorized by the governor Fixed property investment: minimum 300 million yen Number of employees: minimum 30 	2% of fixed property investment	Amount of city, town or village subsidy. Maximum amount is 100 million yen
Contact	Investment Promotion Division Commerce, Industry and Labor Department Chiba Prefectural Government TEL +81-43-223-2421 (043-223-2421 in Japan) FAX +81-43-222-4092 (043-222-4092 in Japan) e-mail : rich2@mz.pref.chiba.lg.jp		

Specific Industrial Parks (Produced by Chiba Prefecture Public Enterprises Agency)

Airport South Industrial Park
 Yokoshiba Industrial Park
 Hikari Industrial Park
 Sekiyado-Hayama Industrial Park
 Isumi Industrial Park
 Tateyama Industrial Park
 Keiyo Port District Industrial Land
 Narawa District Industrial Land
 Futtsu District Industrial Land
 Matsuzaki Industrial Park
 Sodegaura Shii-no-mori Industrial Park
 (Produced by Land Development Public Corporation of Chiba Prefecture)
 Chiba Toke Midori-No-Mori Industrial Park 'Greentech Chiba'
 Asahi New Industrial Park 'Trytech Asahi'
 (Produced by Corporation for Urban Enhancement of Chiba Prefecture)
 Taiei Distribution Park
 (other Industrial Areas)
 Kazusa Academia Park
 Chiba Higashi Techno Green Park
 Funabashi High Tech Park
 Tomisato Industrial Park
 Chiba Research Park
 Kashiwa Science Park
 Chiba New Town Project Area



Financial Incentives for companies

Summary	Companies intending to locate in industrial parks, etc. will receive loans toward the cost of acquiring the plot, the construction of production facilities and other necessary expenditures related to the move.
Conditions	<p>Factory & distribution center *Industrial Parks, Designated Factory Land, Chiba New Town Project Area *min. 10 employees</p> <p>Research laboratory *Anywhere within prefecture *min. 5 researchers</p>
Eligible Expenditures	<p>Facility & Equipment Costs *Land acquisition costs for factories/research laboratories *Construction costs for factories, warehouses, laboratories, etc. *Machinery & equipment costs *Moving costs Operating costs *Expenditures such as personnel expenses, raw material costs, etc., or R&D costs (only to the extent necessary at the time of the move).</p>
Amount of Loan	<p>Facility & Equipment costs *90% of expenditures eligible for financing per factory. (Max: 1 billion yen) Operating costs *max. 30 million yen per company</p>
Contact	<p>Business Support Division Commerce, Industry and Labor Department Chiba Prefectural Government TEL +81-43-223-2707 (043-223-2707 in Japan) FAX +81-43-227-4757 (043-227-4757 in Japan) URL http://www.pref.chiba.jp/syozoku/f_keishi/index e-mail : keiei1@mz.pref.chiba.jp</p>

Tax Privileges

National Taxes	<p>Tax exemption on estates exchange for designated businesses Special Taxation Measures Laws 65 (7): Rural Areas Earmarked for Industrial Sites, Designated Factory Land, etc.</p> <p>Specially recognized depreciation on industrial equipment in designated areas Special Taxation Measures Laws 45: Rural Areas Earmarked for Industrial Sites, Peninsular Development Areas, etc.</p>
Prefectural Taxes	<p>Ordinance on Prefectural Tax Exemptions in Rural Areas Earmarked for Industrial Sites, etc. *Three-year exemption from business tax, real property acquisition tax, fixed assets tax (large depreciable assets) *Conditions: Acquisition cost of production facilities and equipment exceeding 27 million (or 30 million) yen *Eligible areas: Rural Areas Earmarked for Industrial Sites, Underpopulated Areas</p> <p>Ordinance on Prefectural Taxation on a Differential Basis in Peninsular Development Implementation Areas *Three-year exemption from business tax, real property acquisition tax, fixed assets tax (large depreciable assets) *Conditions: Acquisition cost of production facilities and equipment exceeding 27 million yen *Eligible areas: Peninsular Development Implementation Areas</p>
Municipal Taxes	<p>Municipal ordinances</p> <p>Three-year exemption from fixed assets tax Rural Areas Earmarked for Industrial Sites, etc. Three-year fixed assets taxation on a differential basis Peninsular Development Implementation Areas Incentives</p> <p>* Note: May not apply fully to all types of business, etc.</p>