

# Corporate tax reduction for Startups for up to 5 years!

Fukuoka City has implemented a Corporate Tax Reduction for Startups system, exempting companies pursuing innovative businesses that bring new values as well as economic and social changes from corporate tax (national tax) and corporate municipal tax (city tax). The exemption lasts for up to five years. In order to take advantage of the system, a startup must first be certified as a company and then apply for the tax reduction measures. For more information, please contact the National Strategic Special Zone Section.

### Eligible company

**If any of the following applies to your company, please see the back!**

- Your company has been established for less than five years.
- It is engaged in innovative businesses in the fields of medicine, IoT, and IT.
- The head office or branches are located in Fukuoka City.

**Additional detailed requirements apply.**

### Reduction details

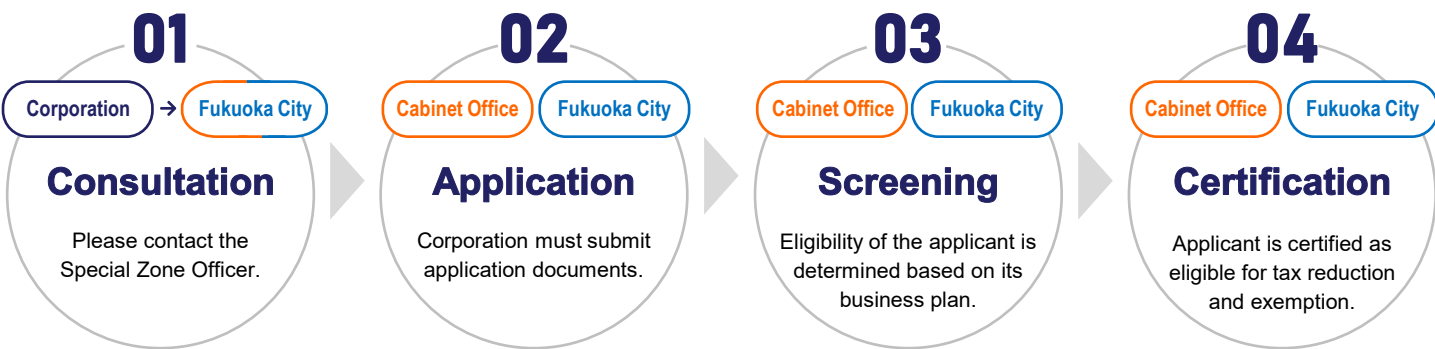
**National Tax** 18% of taxable income for corporate tax purposes.

Applied to corporations designated by the Minister of State for National Strategic Special Zones by March 31, 2026, and established within the last five years.

**City Tax** Exemption from corporate municipal tax on income derived from eligible businesses (full amount).

Applied to corporations designated by the Mayor of Fukuoka City by March 31, 2026, and established within the last five years.

## Process flow When applying for certification for a reduction in **National Tax** and exemption from **City Tax**







Once certified as a corporation, it must apply for tax reduction measures. Applications must be made each fiscal year.

# Corporate tax reduction for Startups

Startup Package

Eligible for this system are companies engaged in innovative businesses that meet the following requirements:

	National tax reduction measures	City tax reduction measures
<b>Establishment date</b>	The date of its establishment is less than 5 years ago.	The date of its establishment is less than 5 years ago.
<b>Location</b>	The head office or main office is located within a National Strategic Special Zone.  CO Website	The head office or main office is located in Fukuoka City.
<b>Business</b>		
<b>Target areas</b>	<div style="display: flex; gap: 10px;"> <div style="background-color: #00AEEF; color: white; border-radius: 15px; padding: 5px 10px;">Medical</div> <div style="background-color: #008000; color: white; border-radius: 15px; padding: 5px 10px;">Specific IoT</div> </div>	<div style="display: flex; gap: 10px;"> <div style="background-color: #00AEEF; color: white; border-radius: 15px; padding: 5px 10px;">Medical</div> <div style="background-color: #008000; color: white; border-radius: 15px; padding: 5px 10px;">Specific IoT</div> <div style="background-color: #FF8C00; color: white; border-radius: 15px; padding: 5px 10px;">Advanced IT</div> </div>
<p><b>What are the target business areas?</b></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <div style="background-color: #00AEEF; color: white; border-radius: 15px; padding: 5px 10px; text-align: center;">Medical</div>  <p>Businesses that develop and provide products and services related to medical technologies, equipment, and pharmaceuticals, contributing to the provision of advanced medical care.</p> </div> <div style="width: 30%;"> <div style="background-color: #008000; color: white; border-radius: 15px; padding: 5px 10px; text-align: center;">Specific IoT</div>  <p>Businesses that utilize technologies to connect various devices to the internet, collect and analyze data, and enable them to operate autonomously.</p> </div> <div style="width: 30%;"> <div style="background-color: #FF8C00; color: white; border-radius: 15px; padding: 5px 10px; text-align: center;">Advanced IT</div>  <p>Businesses involved in software development, semiconductor product design, and development using computer-based information processing.</p> </div> </div>		
<b>Requirements</b>	The regulatory exceptions for the National Strategic Special Zone must be essential for the applicant.	The regulatory exceptions for the National Strategic Special Zone must be essential for the applicant.
<p><b>What are regulatory exceptions?</b></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p><b>Startup Visa</b></p> <p>This system relaxes the requirements for obtaining the status of residence for "Business/Management", required for foreigners wishing to start a business in Japan, provided that the business activities are carried out in Fukuoka City, designated as a National Strategic Special Zone."</p> </div> <div style="width: 30%;"> <p><b>Engineer Visa</b></p> <p>This system allows foreign engineers to obtain their "Engineer/Specialist in Humanities/International Services" visas in a shorter review period, approximately one month, if they are employed by companies with offices in Fukuoka City that meet certain requirements. It also provides a clear timeline for when the visa will be issued.</p> </div> <div style="width: 30%;"> <p><b>Support to secure talent for startups</b></p> <p>This system supports startups that have been in business for less than five years and are in need of securing employees, by allowing national civil servants to be employed by these companies. If a national civil servant is hired by such a company and then rehired as a national civil servant within three years, their years of service prior to the transfer will be included when calculating retirement benefits.</p> </div> </div>		
<b>Business ratio</b>	The company must only engage in business that is subject to tax reduction measures.	The proportion of the company's businesses eligible for tax reduction measures must be approximately 50% or more of all its businesses.
<b>Employment Requirements</b>	None	The company must hire permanent employees, including at least one Fukuoka City resident.