

2025 Survey on Business Operations of Foreign-affiliated Companies in Japan

Japan's Stability Gaining Importance Amid Global Volatility

Innovation Department

Japan External Trade Organization (JETRO)

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Survey Overview

1. Background and purpose of the survey

Foreign direct investment (FDI) in Japan drives innovation through the fusion of domestic and foreign resources as well as promotes investment expansion and job creation in Japan's regions. Such investment helps to strengthen the Japanese economy's growth potential and revitalize the regions. The balance of direct investment in Japan surpassed the 50-trillion-yen mark for the first time at the end of 2023 and has continued to grow steadily. The Japanese government is working across ministries and agencies to promote FDI in the country with a target balance of 120 trillion yen in 2030.

This survey is conducted to understand the trends and perceptions of foreign-affiliated companies based in Japan*, the attractions and challenges of the Japanese business environment, and what kind of support is necessary. The goal is to prepare foundational data that will drive investment in the country and promote improvement of the business environment as well as facilitate implementation of related policies.

2. Survey targets

7,698 foreign-affiliated companies in Japan

Valid responses: 1,520 companies (valid response rate: 19.7%)

* In this survey, "foreign-affiliated companies" refers to companies with a foreign ownership ratio of 25% or more and companies identified as Japanese subsidiaries of foreign companies.

3. Survey period

September 25, 2025 — October 31, 2025

4. Survey items (A list of survey items is provided on the final slide.)

- I. Outline and activities of your company
- II. Japan's strengths and challenges
- III. Human resources
- IV. Collaboration and cooperation in Japan
- V. Others

Overview of the Respondent Companies (1): Industry

Industry, product lines, and services of the respondent companies

Total / Industry / Scale	Number of companies	Distribution ratio (%)
Total	1,520	100.0
Manufacturing	229	15.1
Wholesale trade/General trade	639	42.0
Retail trade	90	5.9
Services	532	35.0
Large enterprises	56	3.7
Small- and medium-sized enterprises	1,425	93.8

Note: For aggregation in this survey, products lines and services are grouped as follows.

Manufacturing, Wholesale Trade/General Trade, Retail Trade	Answer Options
Food & beverage	Food & beverage
Textile products & apparel	Textile products & apparel
Chemicals	Chemicals
Pharmaceuticals & cosmetics	Pharmaceuticals & cosmetics
Plastic & rubber products	Plastic products, Rubber products
Metal products	Metal products
Machinery & equipment	General-purpose machinery & equipment, Production machinery & equipment, Business-oriented machinery & equipment, Electrical machinery & equipment, Information & communication equipment, Transportation machinery & equipment
Electronic components	Electronic components & devices
Household goods, etc.	Stationery, toys & sporting goods, Household & living goods
Others	Others

Services	Answer Options
Transportation & postal services	Transportation & postal services
Information & communications	Information & communications
Finance & insurance	Finance & insurance
Academic research, professional & technical services	Academic research, professional & technical services
Others	Construction, Real estate, goods retail & leasing, Accommodations, Restaurant businesses, Education & learning support, Medical care & welfare, Lifestyle-related services, Entertainment & recreation services, Others

Product line	Manufacturing	Wholesale trade/General trade	Retail trade	Service industry details	Services
	Number of companies	Number of companies	Number of companies		Number of companies
Electronic components & devices	35	65	6	Information & communications	182
Production machinery & equipment	23	53	1	Finance & insurance	70
Chemicals	21	53	0	Academic research, professional & technical services	66
Metal products	19	38	6	Transportation & postal services	43
Electrical machinery & equipment	17	63	8	Construction	13
Pharmaceuticals & cosmetics	14	17	8	Real estate, goods rental & leasing	9
Transportation machinery & equipment	13	22	2	Lifestyle-related services, entertainment & recreation services	9
Business-oriented machinery & equipment	8	46	6	Accommodations	7
Food & beverage	7	51	2	Education & learning support	5
Textile products & apparel	7	13	13	Medical care & welfare	4
Information & communication equipment	6	25	5	Restaurant businesses	3
Plastic products	3	18	2	Others	119
General-purpose machinery & equipment	3	9	0		
Stationery, toys & sporting goods	3	16	2		
Rubber products	2	3	0		
Household & living goods	1	10	5		
Others	45	130	24		

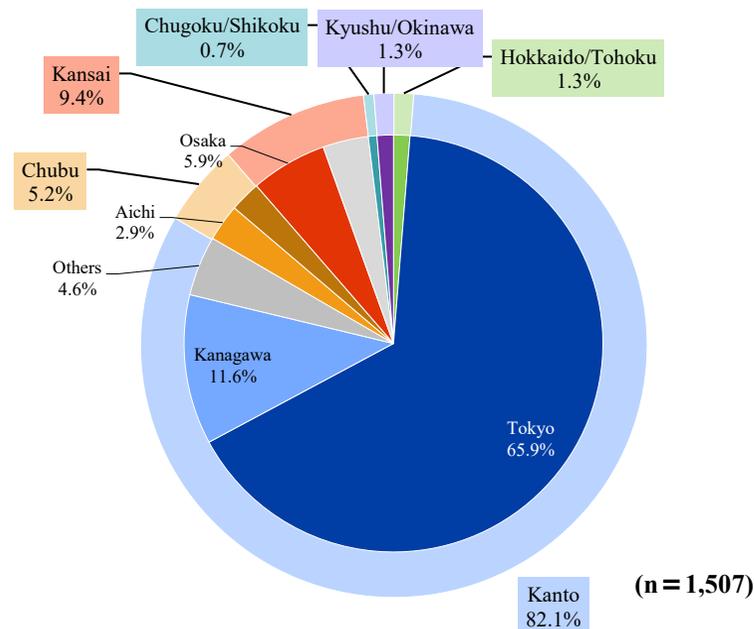
Note: Since the table includes some unclassifiable companies, the total number may not match.

Overview of the Respondent Companies (2): Head Office Locations

Head office locations of respondent companies in Japan

Hokkaido/Tohoku	19	Kansai	142
Hokkaido	8	Osaka	89
Yamagata	3	Hyogo	31
Fukushima	3	Kyoto	18
		Shiga	4
Kanto	1238	Chugoku/Shikoku	10
Tokyo	993	Hiroshima	4
Kanagawa	175		
Chiba	30	Kyushu/Okinawa	19
Saitama	28	Fukuoka	11
Ibaraki	6	Kumamoto	5
Gunma	4		
Chubu	79		
Aichi	43		
Shizuoka	9		
Mie	7		
Nagano	6		
Niigata	5		
Toyama	3		
Yamanashi	3		

	Number of companies	Ratio
Metropolitan areas	1300	86%
Medium-sized urban areas	152	10%
Other areas	55	4%



Note: Since the table includes some unclassifiable companies, the total number may not match. (The same applies hereinafter.)

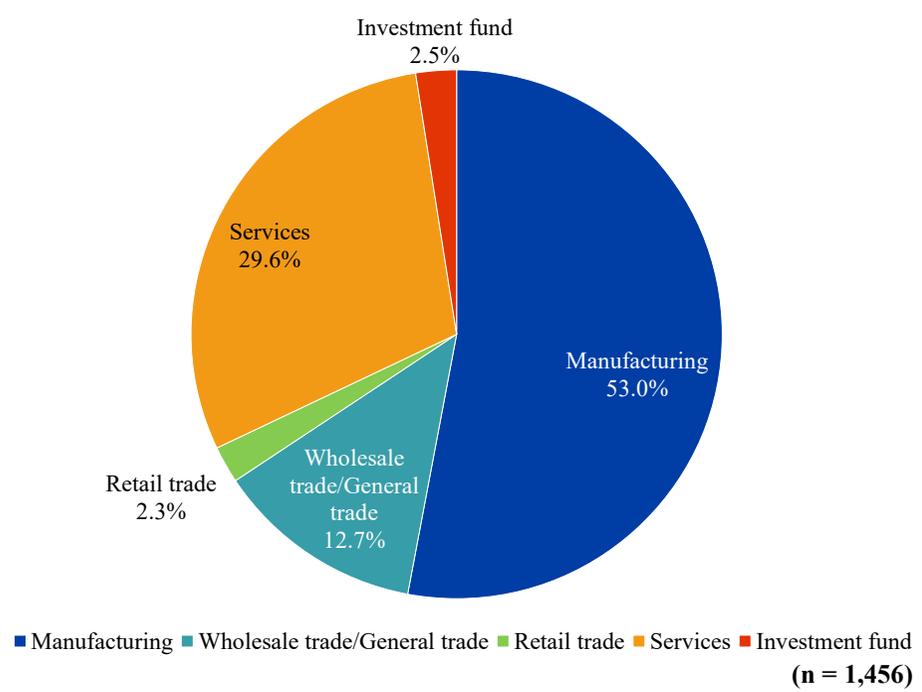
[Reference] Definition of “city size” used for analyses in this report

Classification	Definition
Metropolitan areas	Prefectures with a particularly high concentration of foreign-affiliated companies (Tokyo, Kanagawa, Aichi, Osaka)
Medium-sized urban areas	Prefectures with ordinance-designated cities other than metropolitan areas (Hokkaido, Miyagi, Saitama, Chiba, Niigata, Shizuoka, Kyoto, Hyogo, Okayama, Hiroshima, Fukuoka and Kumamoto prefectures)
Other areas	Prefectures that do not fall under metropolitan areas or medium-sized urban areas

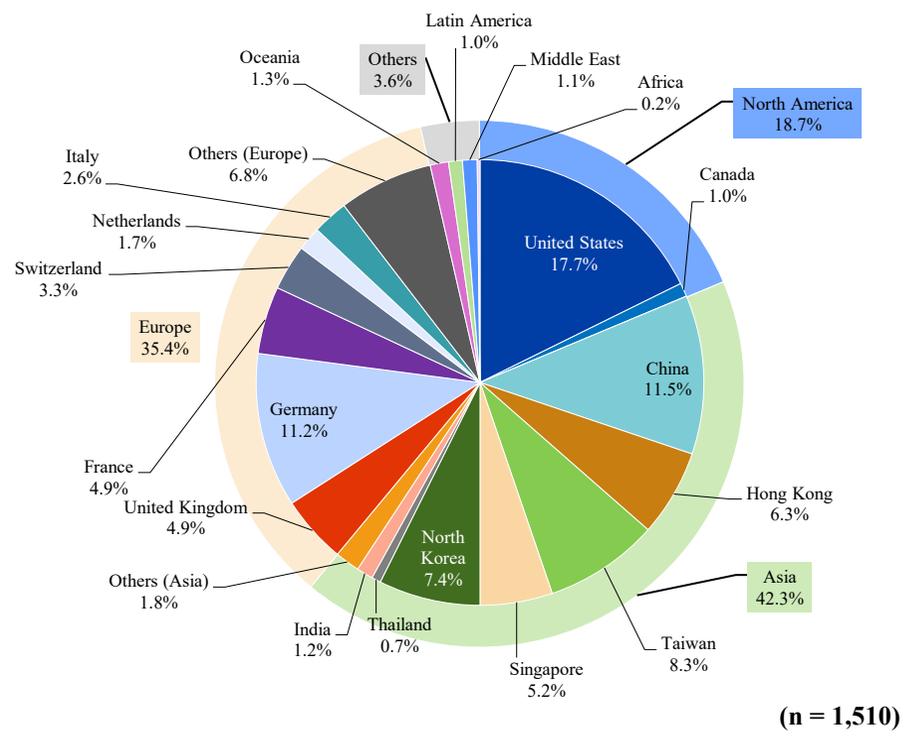
Note: Prefectures with two or less respondents are not listed

Overview of the Respondent Companies (3): Industry and Country/ Region of Respondents' Parent Companies (Overseas)

Industry of respondents' foreign parent companies

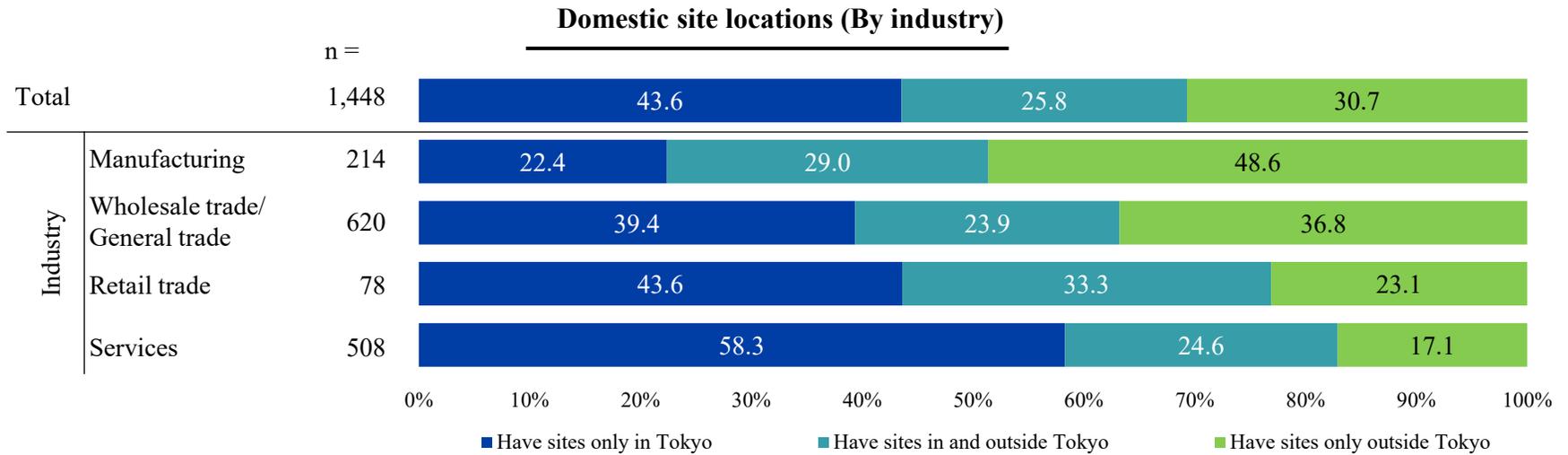


Country and region of respondents' foreign parent companies

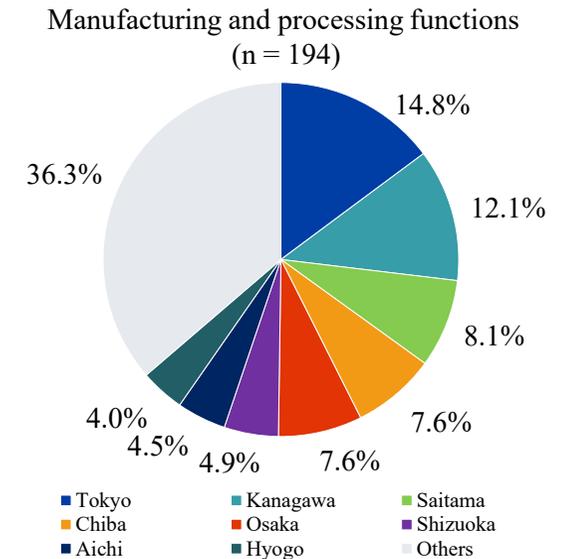
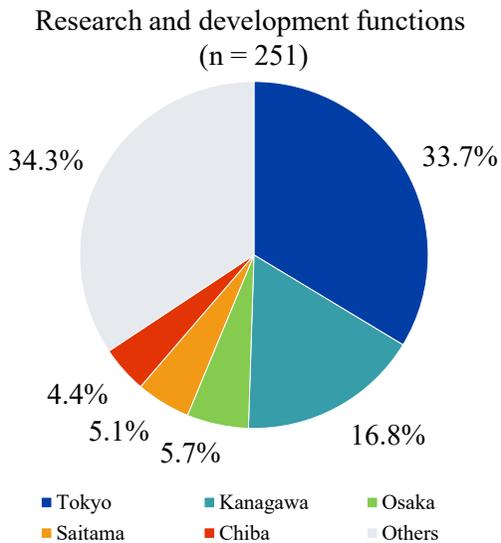
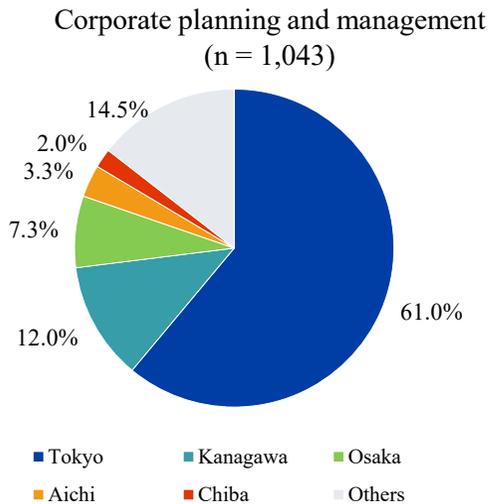


Note: Some companies did not respond. (The same applies hereinafter.)

Overview of the Respondent Companies (4): Domestic Site Locations and Functions



Distribution of locations by function of foreign-affiliated companies in Japan (Top prefectures, multiple responses allowed)



Note: Since the table includes some unclassifiable companies, the total number may not match.

Overview of the Respondent Companies (5): Number of Regular Employees

Number of regular employees (Top 10 by region)

Rank	Region	Number of regular employees	Composition ratio (%)
1	Tokyo	21,464	49.3
2	Kanagawa	3,629	8.3
3	Osaka	3,089	7.1
4	Ibaraki	1,510	3.5
5	Aichi	1,488	3.4
5	Mie	1,488	3.4
7	Fukuoka	1,156	2.7
8	Saitama	1,076	2.5
9	Chiba	993	2.3
10	Hyogo	878	2.0
Total		43,509	100.0

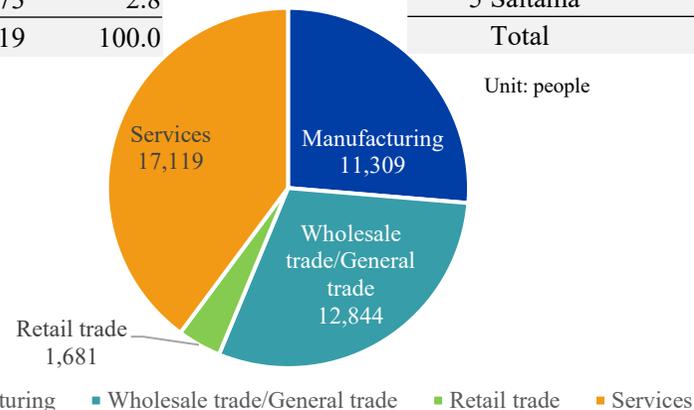
Number of regular employees (Top 5 by industry/region)

Services

Rank	Region	Number of regular employees	Composition ratio (%)
1	Tokyo	10,783	63.0
2	Osaka	1,317	7.7
3	Kanagawa	841	4.9
4	Aichi	534	3.1
5	Ibaraki	473	2.8
Total		17,119	100.0

Manufacturing

Rank	Region	Number of regular employees	Composition ratio (%)
1	Tokyo	1,828	16.2
2	Kanagawa	1,285	11.4
3	Mie	1,145	10.1
4	Ibaraki	789	7.0
5	Saitama	675	6.0
Total		11,309	100.0



Retail trade

Rank	Region	Number of regular employees	Composition ratio (%)
1	Tokyo	1,185	70.5
2	Osaka	148	8.8
3	Kanagawa	85	5.1
4	Aichi	52	3.1
5	Saitama	42	2.5
Total		1,681	100.0

Wholesale trade/General trade

Rank	Region	Number of regular employees	Composition ratio (%)
1	Tokyo	7,338	57.1
2	Kanagawa	1,395	10.9
3	Osaka	1,003	7.8
4	Aichi	575	4.5
5	Hyogo	553	4.3
Total		12,844	100.0

Survey Results Highlights

1. Approximately 50% of foreign-affiliated companies expect revenue growth, and more than 60% expect to be profitable, far exceeding the number expecting a loss

- For the current fiscal year, 45.9% of companies expect higher revenue, more than twice the percentage of companies expecting a decline. For the next fiscal year, more than half of companies expect revenue growth, while the number expecting a decline is projected to be cut in half YoY.
- 61.6% of companies expect a profit for the current fiscal year, 3.6 times as many as those expecting a loss. Companies expecting operating profit improvement from the previous year are about twice as many as those anticipating profit deterioration.
- Regarding future business plans, approximately 60% of companies intend to strengthen or expand their operations in Japan. Among industries, retail, which was the only industry below 50% in the previous survey, now has the highest proportion.

2. Japan's business environment is highly rated for social, economic, and geopolitical stability, while exchange rate volatility and securing talent remain challenges

- Regarding the attraction of Japan's business environment, the rating for "Social and economic stability/geopolitical stability" increased by 24.3 points from the previous survey, making it the most highly rated item since the survey began. The next-highest item, "Clustering/presence of customer and related industries," also increased by 13.2 points.
- Regarding changes in the business environment, responses indicating that the situations in securing personnel and office/business sites are worsening stood out.

3. Japan's importance has increased for European and North American companies, but decreased for Chinese companies

- Regarding Japan's importance in the context of geopolitical risks, the majority of companies reported "No change," but the proportion of companies responding "Increased" grew notably among European and North American companies. In contrast, among Chinese companies, the proportion reporting an increase declined, while the proportion responding "Decreased" rose sharply.
- Nearly 40% of companies expect negative impacts from U.S. tariff policy both short term and long term. Respondents expressed concerns about rising import costs and declining customer performance.

4. Over 40% of companies struggled to secure human resources, particularly for sales-related positions

- More than half of companies are conducting recruitment activities, and among them, approximately 80% responded that securing the necessary human resources is difficult or is expected to be difficult. Overall, 44.5% of companies are facing difficulties securing human resources.
- By job category, sales-related positions were the most difficult to fill, accounting for over 60%, far exceeding the percentages for other occupations. Meanwhile, outside major metropolitan areas, non-IT technical personnel were the most severely lacking.

5. Companies engaged in collaboration are concentrated in the pharmaceuticals/cosmetics and information/communications industries, and those implementing or considering collaboration tend to report revenue growth

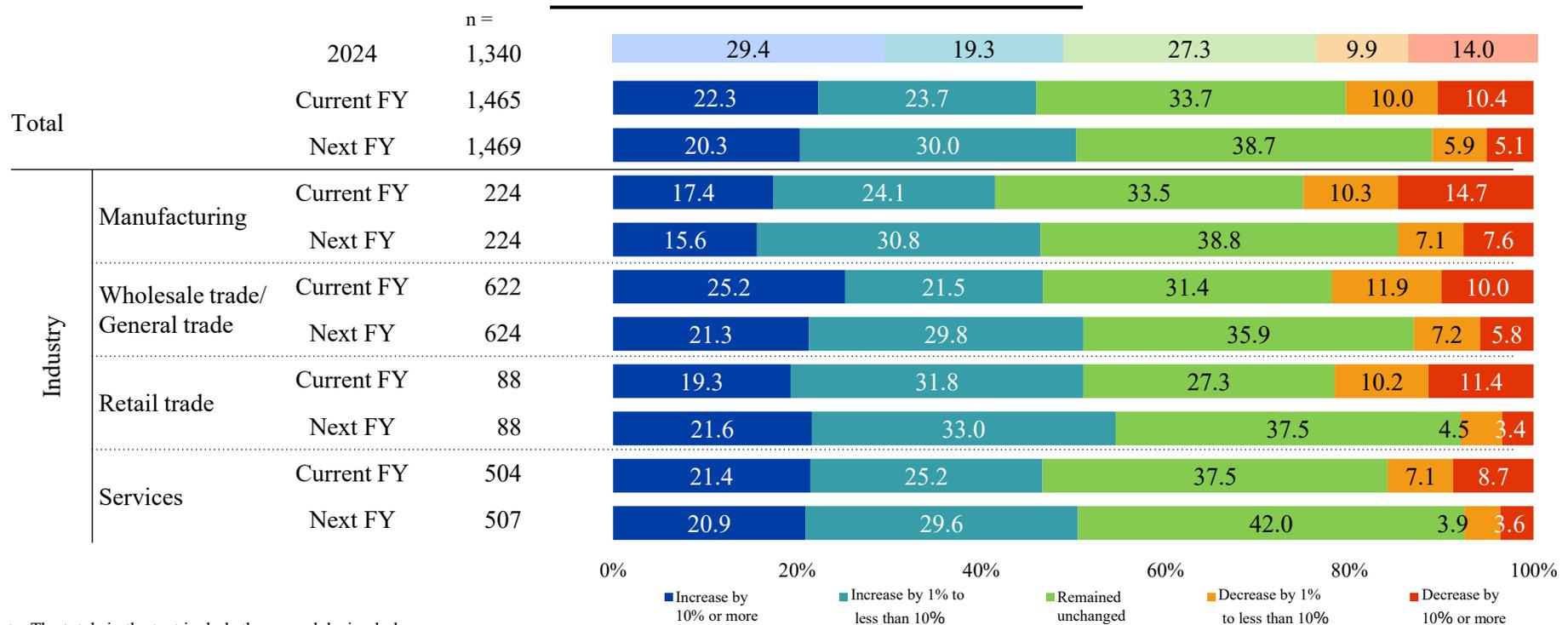
- Nearly 30% of companies are implementing or considering collaboration with domestic companies, universities, and/or research institutions. This figure exceeds 40% in the pharmaceutical/cosmetics and information/communications industries.
- Companies engaged in or considering collaboration have a higher proportion expecting revenue growth and a lower proportion expecting revenue declines compared to those that are not. As in the previous survey, these results suggest that the effective utilization of domestic resources in Japan contributes to increased revenues.

I. Trends and Perceptions of Foreign-affiliated Companies

1 About 50% of Companies Expect Revenue Growth in the Current Fiscal Year, Rising to Over 50% for the Next Fiscal Year, Indicating a Continuing Trend of Revenue Growth

- Regarding forecast year-on-year changes in sales for the current fiscal period, 45.9% of companies expect an increase of 1% or more, more than double the proportion of companies expecting a decrease of 1% or more (20.4%).
- Looking at forecast year-on-year changes in sales for the next fiscal year, 50.3% of companies expect an increase of 1% or more, approximately 4.5 times the share of companies expecting a decrease of 1% or more (11.0%). Overall, a greater proportion of companies expect sales to exceed the current fiscal year’s level.
- By industry, retail was the only industry in which a majority of companies reported an increase of 1% or more for both the current and next fiscal years.

YoY change in sales (By industry)



Note: The totals in the text include the second decimal place.

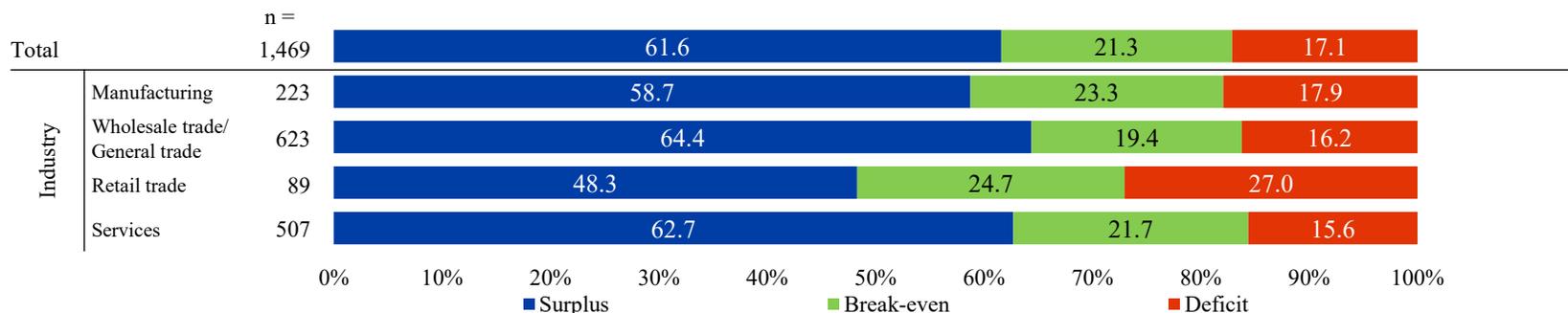
The graph omits the second decimal place, thus the total in the text may not match the simple addition of the numbers in the graph. (The same applies hereinafter.)

In the FY2024 survey, respondents were asked to report revenue for the fiscal year ending between September 2023 and August 2024.

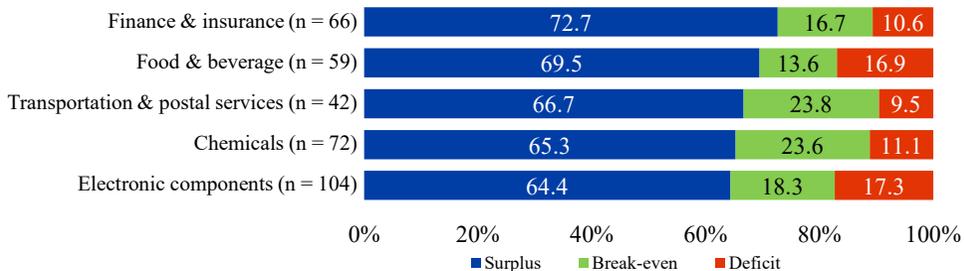
2 | The Proportion of Companies Projecting a Surplus for the Current Fiscal Year Is Over Three Times That of Companies Expecting a Deficit

- The percentage of companies whose forecast for the operating profit for the current fiscal year is “Surplus” was 61.6%, more than three times the 17.1% of companies whose forecast is “Deficit.” By industry, the percentage of companies forecasting “Surplus” was the highest in wholesale and general trade at 64.4%, while in retail trade, it fell below 50%.
- By product line/service, the percentage of companies forecasting “Surplus” was the highest in the finance/insurance industry at 72.7%, followed by the food/beverage industry at 69.5% and transportation/postal services at 66.7%. The industries with the highest percentages of companies forecasting “Deficit” were pharmaceuticals/cosmetics at 36.1%, exceeding one-third, followed by household/living goods at 27.0% and textile products/apparel at 25.0%.

Operating profit forecast for the current fiscal year (By industry)



Top 5 industries with the highest proportion of companies expecting a profit (By product line/service)



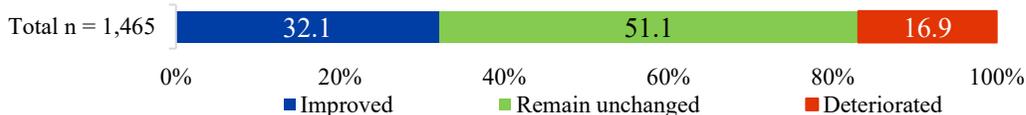
Top 5 industries with the highest proportion of companies expecting a deficit (By product line/service)



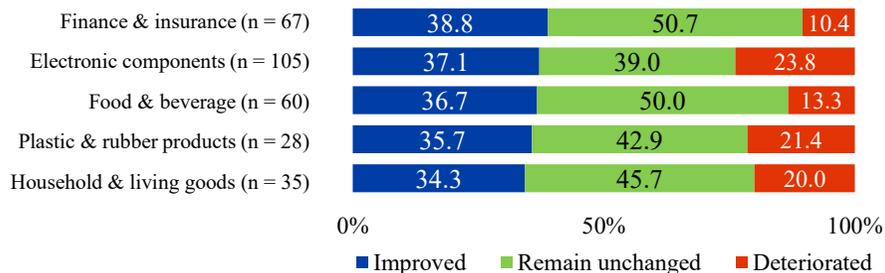
3 Over 30% of Companies Expect Profit Improvement for the Current Fiscal Year, with Some Products Showing a Polarized Trend

- More than half of companies expect operating profit for the current fiscal year to “Remain unchanged” compared to the previous fiscal year. Meanwhile, 32.1% of companies expect it to be “Improved,” roughly twice the proportion of companies (16.9%) that expect it to be “Deteriorated.”
- Looking at the details by product line/service, the top five categories with the highest proportion of “Improved” responses all exceed one-third. However, electronic components and plastic/rubber products also appear among the top five categories with the highest proportion of “Deteriorated” responses, showing a polarized trend among companies.
- The main reason cited for improvement was “Increasing sales in the Japanese market” (73.1%), which overwhelmingly surpassed other reasons. For deterioration, the most cited reason was “Decreasing sales in the Japanese market” (58.9%), followed by “Exchange rate fluctuations” (32.5%) and “Rising raw material and procurement costs” (30.9%), each accounting for over 30%.

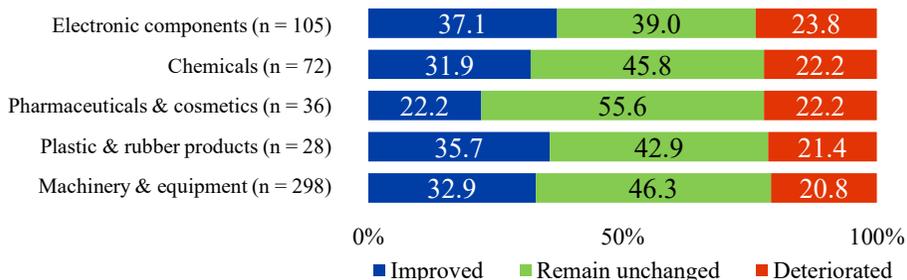
Operating profit forecast for the current fiscal year (Improved/Deteriorated)



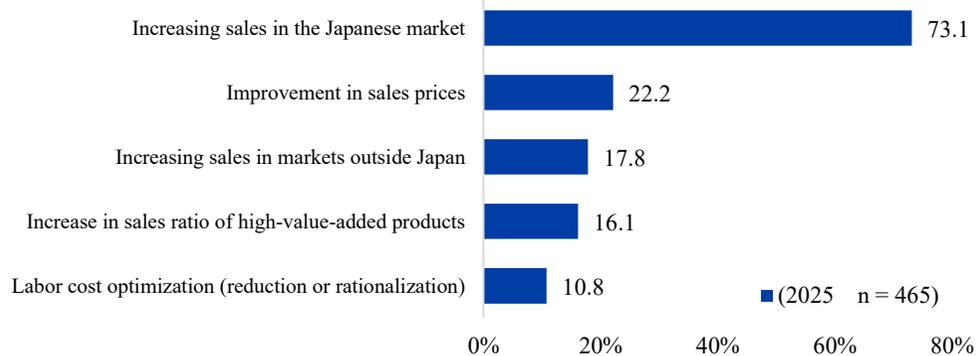
Top 5 product line/service with the highest proportion of “Improved” responses (By product line/service)



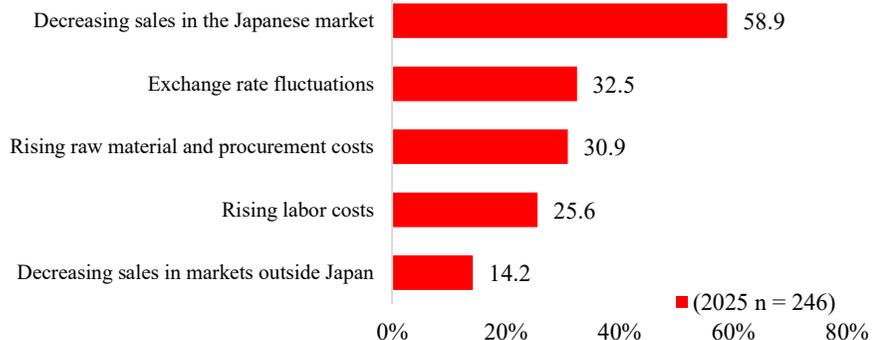
Top 5 product line/service with the highest proportion of “Deteriorated” responses (By product line/service)



Reasons for improvement in operating profit forecast for the current fiscal year (Top 5, multiple responses allowed)



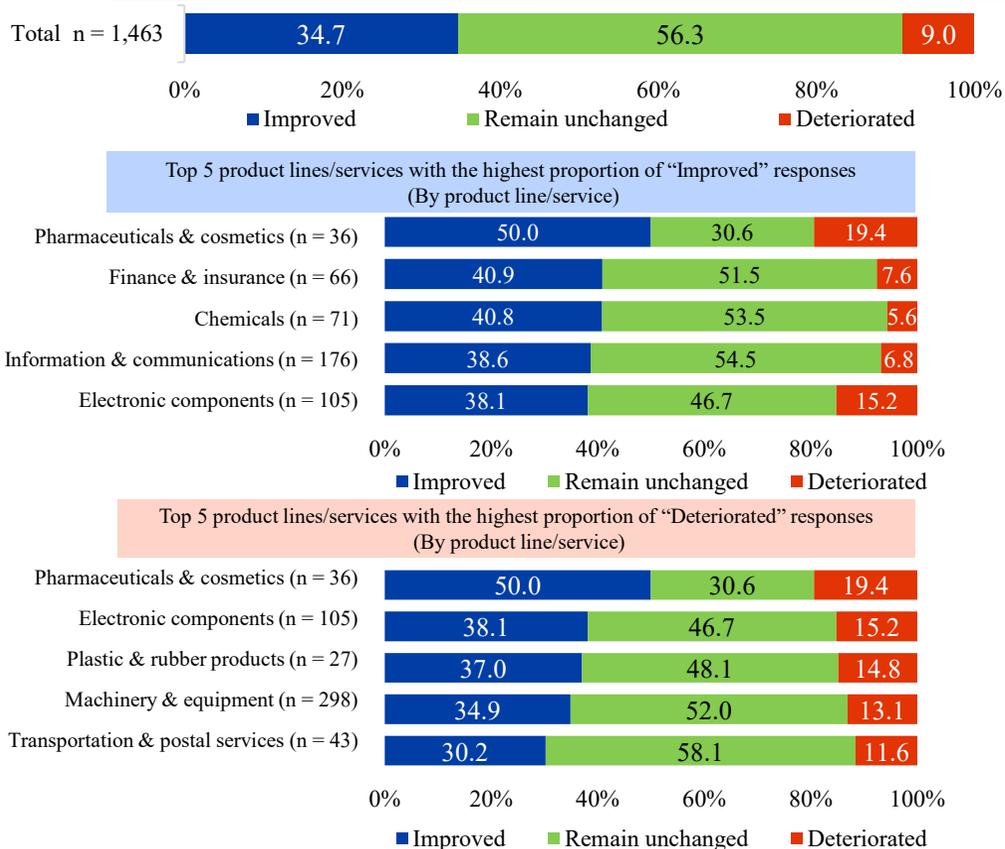
Reasons for deterioration in operating profit forecast for the current fiscal year (Top 5, multiple responses allowed)



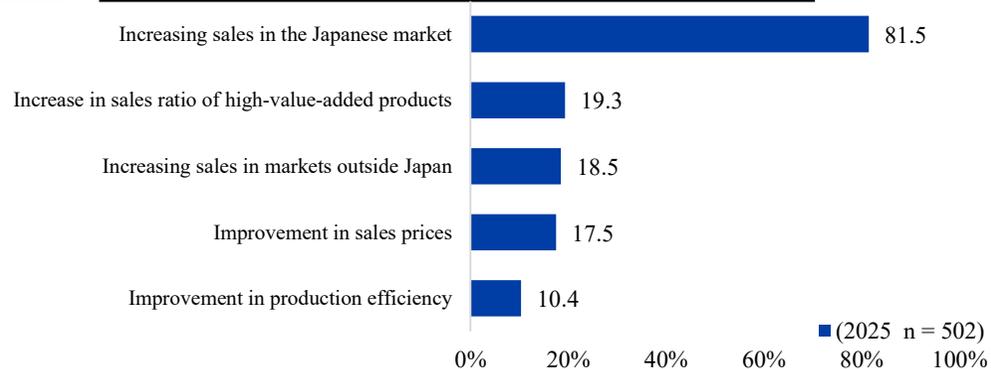
4 | More Companies Expect Improvement in Profits for the Next Fiscal Year, But the Polarized Trend Is Expected to Continue in Some Product Categories

- As with the current fiscal year, the majority of companies expect operating profit for the next fiscal year to “Remain unchanged.” However, the percentage of companies expecting “Improved” is 34.7%, roughly four times that of “Deteriorated” (9.0%).
- Looking at the details by product line/service, among the top five categories with the highest proportion of “Improved” responses, pharmaceuticals/cosmetics ranked first at 50%, but also had the highest proportion of “Deteriorated” responses (19.4%). Electronic components also appeared in the top five for both Improved and Deteriorated, showing that polarization will continue in certain areas.
- Regarding the reasons for improvement and deterioration, the most common reasons were the same as for the current fiscal year: “Increasing/decreasing sales in the Japanese market.” The next most frequent reasons were “Increase in sales ratio of high-value-added products” for improvement, and “Rising raw material and procurement costs” for deterioration.

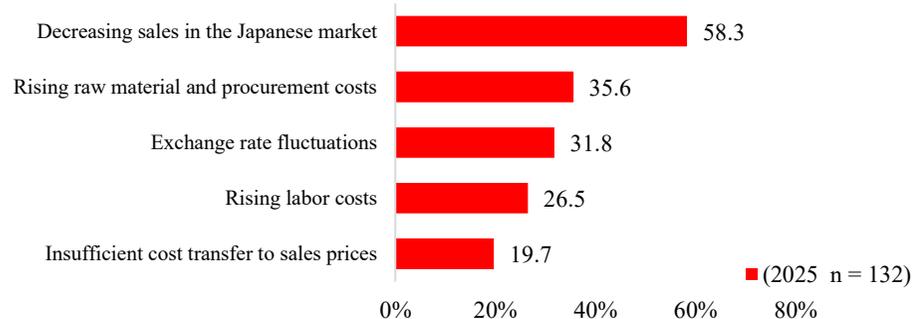
Operating profit forecast for the next fiscal year (Improved/Deteriorated)



Reasons for improvement in operating profit forecast for the next fiscal year (Top 5, multiple responses allowed)



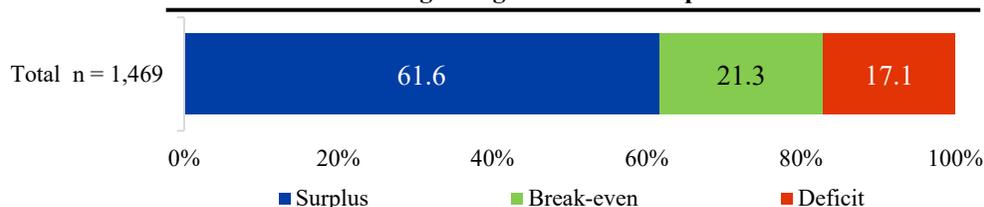
Reasons for expected deterioration in operating profit for the next fiscal year (Top 5, multiple responses allowed)



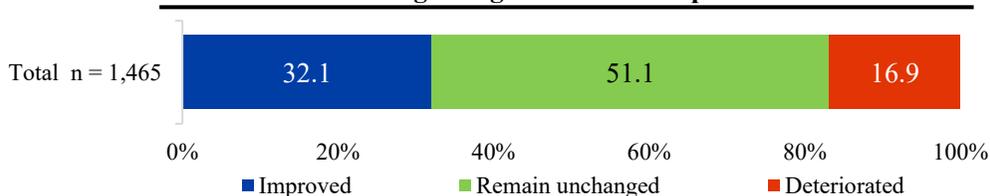
5 Both Foreign-affiliated Companies in Japan and Japanese-affiliated Companies Overseas Expect Improvement in Profits in the Next Fiscal Year

- Regarding operating profit expectations, a comparison with the FY2025 JETRO Survey on Business Conditions of Japanese-affiliated Companies Overseas (Global Edition) shows similar results for foreign-affiliated companies in Japan and Japanese-affiliated companies overseas: over 60% reported “Surplus,” around 20% reported “Break-even,” and about 20% reported “Deficit.”
- Comparing changes in profit expectations for the current fiscal year, the percentage of companies expecting profits to “Remain unchanged” exceeded 50% among foreign-affiliated companies, compared to around 40% among Japanese-affiliated companies, indicating a clear difference. However, for the next fiscal year, the percentage of companies expecting “Improved” operating profit increased for both groups compared to the current fiscal year, while the percentage expecting “Deteriorated” profit declined sharply. Overall, the outlook is positive.

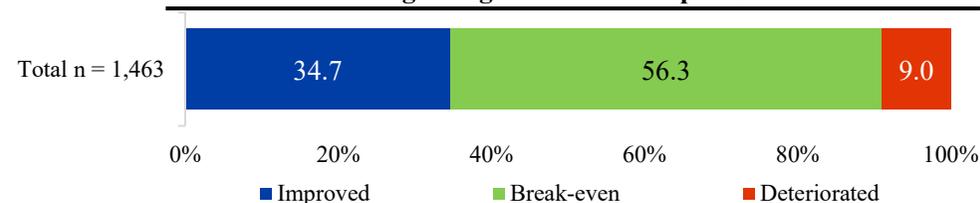
Operating profit forecast for the current fiscal year
among foreign-affiliated companies



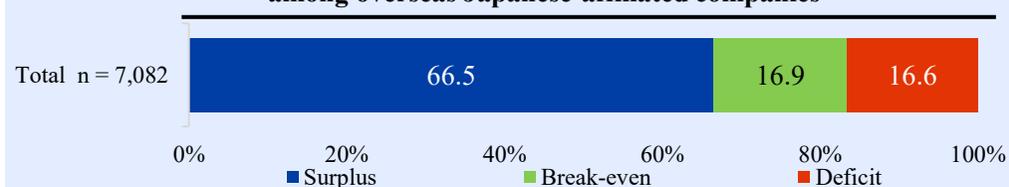
Change in operating profit forecast for the current fiscal year
among foreign-affiliated companies



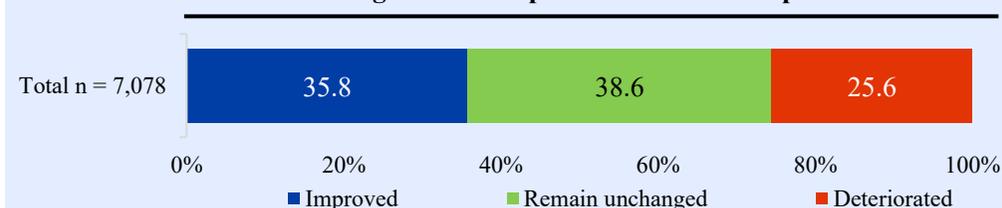
Change in operating profit forecast for the next fiscal year
among foreign-affiliated companies



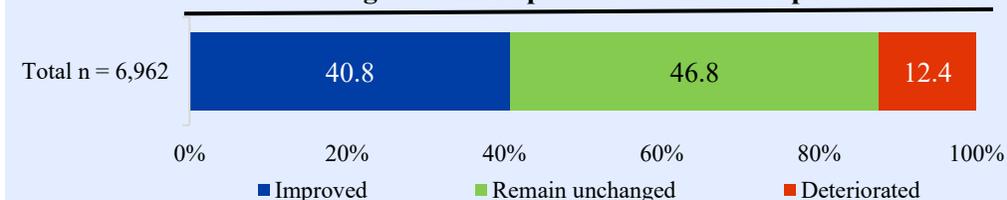
Operating profit forecast for 2025
among overseas Japanese-affiliated companies



Change in operating profit forecast for 2025
among overseas Japanese-affiliated companies



Change in operating profit forecast for 2026
among overseas Japanese-affiliated companies

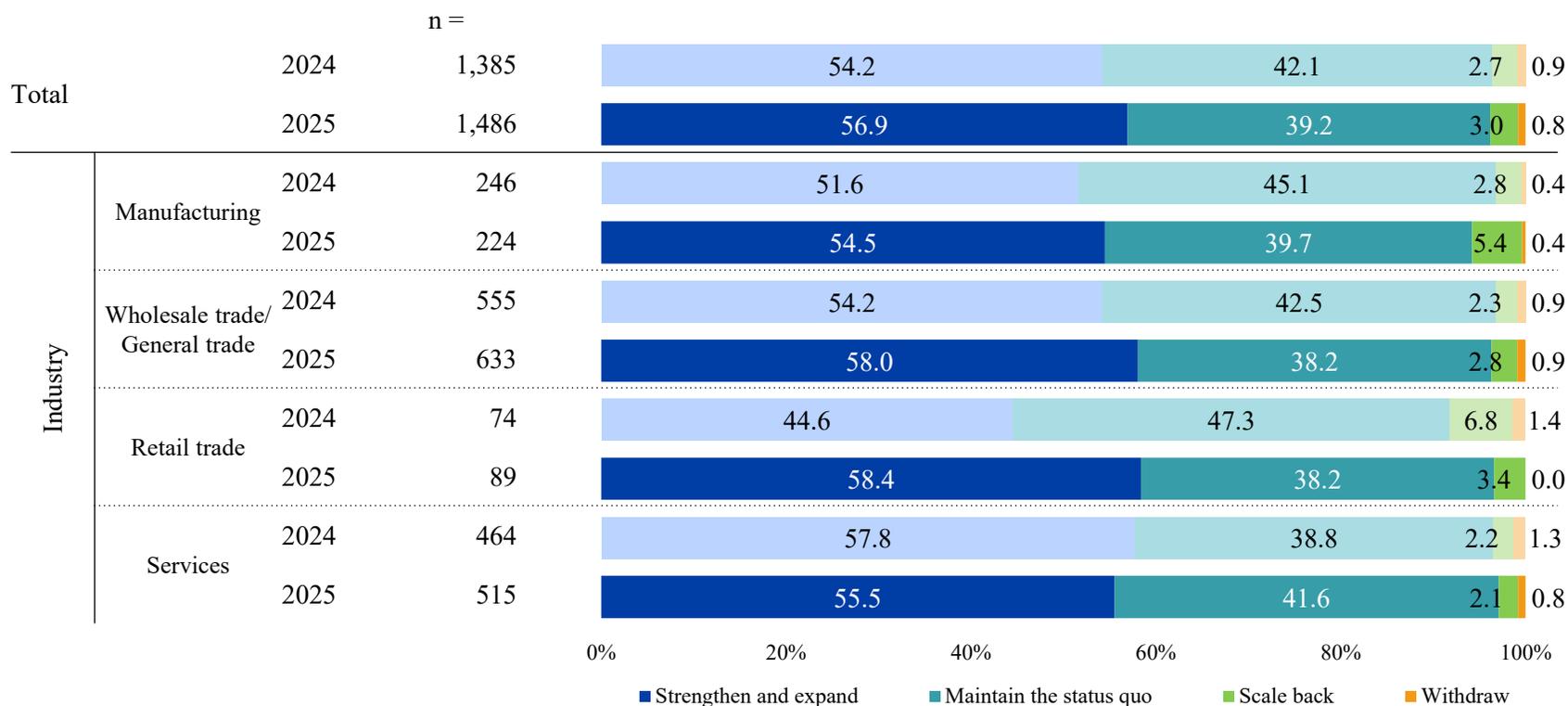


(Source) FY2025 JETRO Survey on Business Conditions of Japanese-affiliated Companies Overseas (Global Edition)
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6 | The proportion of Companies Intending to Expand Domestic Business Increased Compared to the Previous Year, Rising Remarkably in the Retail Industry

- Regarding future business plans for operations in Japan, 56.9% of companies responded that they plan to “Strengthen and Expand,” up 2.7 points from 54.2% in the previous year.
- By industry, the proportion of companies intending to strengthen and expand showed an increasing trend in all industries except for the service industry. In particular, the proportion was the highest in the retail industry, rising sharply to 58.4%, up 13.8 points from the previous year. In the service industry, the percentage planning to strengthen and expand (55.5%) was down 2.3 points from the previous year, while the percentage aiming to maintain the status quo (41.6%) increased by 2.8 points, and the percentage planning to scale back or withdraw remained almost unchanged.

Future business plan for operations in Japan (By industry)



7 Demand for Public Support Services the Highest for Subsidies, Particularly in the Manufacturing Industry

- For the question asking about the types of public support services that companies have used or would like to use to expand their business in Japan, after excluding “None in particular,” the most frequently selected response was “Subsidies and incentives” (32.8%).
- By industry, the proportion was particularly high in the manufacturing industry (43.1%). By region, “Subsidies and incentives” ranked first in all regions, exceeding 50% in Kyushu/Okinawa (64.7%) and Hokkaido/Tohoku (58.8%).

**Types of public support services that companies have used or would like to use to expand their business in Japan
(By industry/headquarters location, multiple responses allowed)**

Unit: responses, %

		n =	Subsidies and incentives	Provision of information on domestic markets, regulations, systems, etc.	Assistance in searching for business partners	Arrangement for recruiting human resources, such as introducing potential employees	Consultation on labor and tax	Arrangement of meetings with national and local governments and related organizations	Consultation on immigration control and visas	Referral to service providers	Rental of temporary offices	Others	None in particular
Total		1,471	32.8	27.3	19.4	19.2	10.5	6.1	5.2	5.2	3.2	0.9	36.8
Industry	Manufacturing	225	43.1	22.7	20.4	20.9	12.9	3.6	5.3	4.4	1.8	0.9	31.1
	Wholesale trade/ General trade	621	32.4	30.6	17.6	16.3	9.0	5.3	2.6	5.3	2.9	0.8	37.7
	Retail trade	88	28.4	20.5	18.2	22.7	9.1	4.5	2.3	3.4	1.1	1.1	44.3
	Services	511	29.5	26.8	20.5	21.1	11.0	8.6	8.6	5.7	4.5	1.0	38.2
Region	Hokkaido/Tohoku	17	58.8	17.6	11.8	17.6	0.0	5.9	17.6	5.9	11.8	5.9	17.6
	Kanto	1,196	30.9	27.5	19.5	19.0	10.3	6.3	5.4	4.9	3.1	0.8	37.9
	Chubu	78	44.9	28.2	14.1	19.2	10.3	3.8	2.6	6.4	3.8	2.6	28.2
	Kansai	140	36.4	25.7	24.3	20.7	11.4	5.0	2.9	4.3	2.9	0.0	35.0
	Chugoku/Shikoku	10	30.0	20.0	10.0	30.0	20.0	10.0	0.0	0.0	0.0	0.0	40.0
	Kyushu/Okinawa	17	64.7	29.4	17.6	17.6	11.8	11.8	5.9	23.5	5.9	0.0	35.3

Note: The notable figures in each category are colored in . Excludes “None in particular.”

8 Domestic Location Decisions in Major Metropolitan Areas Are Made by Focusing Primarily on New Customer Acquisition Potential and Infrastructure

- In companies located in major metropolitan areas, domestic location decisions are made primarily based on the “potential to acquire new customers” (45.8%), followed by “well-developed infrastructure” (41.0%) and the “prospect of securing excellent human resources in the region” (33.4%).
- By site function, infrastructure has the greatest influence on location decisions for data centers (57.4%) and procurement functions (53.0%), indicating a polarized trend depending on site function. At R&D sites, the top factor was a tie between the prospect of securing excellent human resources and infrastructure.

**Priority factors for location decisions in major metropolitan areas
(By industry/site function, multiple responses allowed)**

		Unit: responses, %													
		n =	Potential to acquire new customers	Well-developed infrastructure	Prospect of securing excellent human resources in the region	Existence of related industrial clusters	Proximity/access to the head office	Low business costs	Decentralization of bases in consideration of BCP	Prospect of joint R&D with companies and universities in the region	Attractive incentives provided by local municipalities	Short period required for approvals and licenses, etc.	Educational environment	Others	Unknown
Total		1,355	45.8	41.0	33.4	16.5	14.2	9.7	3.4	3.3	2.9	1.2	0.9	6.6	9.7
Industry	Manufacturing	188	30.9	36.7	29.3	15.4	17.0	11.2	4.8	2.1	3.2	0.0	0.5	8.5	10.1
	Wholesale trade/General trade	571	43.3	44.3	30.3	17.7	14.9	12.3	1.9	3.3	2.5	1.1	1.6	6.1	8.9
	Retail trade	82	52.4	42.7	34.1	11.0	9.8	9.8	2.4	1.2	2.4	0.0	1.2	2.4	13.4
	Services	487	54.2	38.2	39.2	16.8	12.9	6.4	4.7	4.3	3.5	2.1	0.2	6.8	9.7
Site function	Corporate planning & management functions	956	48.0	45.1	34.5	17.5	15.4	9.7	3.9	3.1	2.6	1.4	0.9	6.6	7.6
	Sales & marketing functions	965	48.8	45.3	35.3	16.5	14.3	9.8	3.4	2.9	2.7	1.1	1.0	6.3	7.6
	Procurement functions	379	44.3	53.0	34.8	18.7	13.2	15.0	3.4	2.6	3.4	0.5	0.8	7.9	6.9
	R&D functions	225	40.9	44.0	44.0	16.4	15.6	11.1	5.3	9.3	4.9	0.4	0.9	6.7	7.6
	Manufacturing & processing functions	161	44.1	47.2	32.9	17.4	16.8	14.9	6.8	1.2	6.2	0.6	0.6	6.2	8.7
	Logistics functions	308	43.5	50.6	32.1	16.9	13.0	17.9	4.5	1.3	2.9	1.0	1.3	6.8	8.8
	Sales & service providing functions	536	49.1	48.1	35.1	15.9	12.3	11.0	2.6	3.0	2.4	0.7	0.9	7.1	7.5
	Customer service functions	654	47.6	50.0	37.5	17.4	14.1	11.6	3.8	2.4	2.9	1.7	0.9	7.2	7.8
	Data centers	122	51.6	57.4	39.3	20.5	9.8	12.3	6.6	3.3	0.8	0.0	0.0	7.4	4.1
	Others	60	41.7	33.3	35.0	21.7	20.0	15.0	6.7	1.7	6.7	5.0	0.0	8.3	10.0

Note: The notable figures in each category are colored in .

9 | Outside Major Metropolitan Areas, Business Costs Are Also a Key Factor in Location Decisions

- When selecting domestic business locations in regions other than major metropolitan areas, the top three factors were the same as those for locations in major metropolitan areas. However, the fourth-ranked factor was “Low business costs” (19.9%), and by industry, this factor was most prominent in the manufacturing industry (34.7%).
- By site function, the “Potential to acquire new customers” was the most frequently cited factor for most functions. However, “Low business costs” ranked first for manufacturing/processing functions (37.7%), R&D functions (29.4%), and logistics functions (29.3%).

**Priority factors for location decisions outside major metropolitan areas
(By industry/site function, multiple responses allowed)**

		Unit: responses, %													
n =		Potential to acquire new customers	Well-developed infrastructure	Prospect of securing excellent human resources in the region	Low business costs	Existence of related industrial clusters	Proximity/access to the head office	Attractive incentives provided by local municipalities	Prospect of joint R&D with companies and universities in	Decentralization of bases in consideration of BCP	Short period required for approvals and licenses, etc.	Educational environment	Others	Unknown	
Total	911	34.4	24.1	21.1	19.9	12.6	10.0	4.5	3.6	2.6	1.1	0.4	7.5	20.9	
Industry	Manufacturing	15.0	18.6	19.8	34.7	15.0	12.0	6.0	5.4	2.4	0.0	0.6	10.2	19.8	
	Wholesale trade/General trade	33.0	28.1	16.1	18.5	14.4	9.8	4.4	2.5	2.2	1.1	0.5	5.7	20.7	
	Retail trade	47.5	23.0	27.9	14.8	6.6	3.3	1.6	3.3	1.6	0.0	0.0	3.3	23.0	
	Services	44.8	23.4	26.8	14.4	10.4	10.0	4.7	4.3	3.7	2.0	0.3	8.7	21.1	
Site function	Corporate planning & management functions	36.7	26.2	22.9	20.9	15.1	9.5	4.2	3.4	2.6	1.6	0.5	8.9	18.0	
	Sales & marketing functions	36.0	25.6	22.5	20.5	13.7	9.4	4.0	3.0	2.9	1.1	0.3	7.6	18.3	
	Procurement functions	31.6	27.1	21.2	28.6	12.3	8.6	4.5	3.3	3.3	0.7	0.4	10.8	16.4	
	R&D functions	21.9	23.5	27.8	29.4	13.9	12.8	8.0	9.1	5.3	1.1	0.5	8.6	16.6	
	Manufacturing & processing functions	22.5	25.8	15.2	37.7	13.9	13.9	9.3	3.3	6.0	0.7	0.0	8.6	15.9	
	Logistics functions	29.3	29.3	17.8	29.3	13.6	9.5	5.0	2.9	4.1	0.4	0.4	10.7	16.5	
	Sales & service providing functions	34.1	27.3	20.5	22.8	12.5	9.5	3.9	3.3	2.7	1.5	0.3	9.5	19.3	
	Customer service functions	34.6	29.1	23.7	23.0	14.5	9.7	4.5	2.8	3.3	1.9	0.5	10.4	17.3	
	Data centers	35.4	35.4	29.2	34.4	18.8	7.3	6.3	7.3	5.2	1.0	1.0	9.4	13.5	
	Others	36.2	19.1	31.9	29.8	17.0	2.1	14.9	4.3	6.4	6.4	0.0	10.6	19.1	

Note: The notable figures in each category are colored in .

10 | The Majority of Funding Comes From Self-Financing and Borrowings from Affiliated Companies

- The majority of funds raised came from “Self-financing” (58.8%) and “Borrowings from parent company or other affiliated companies” (53.3%), with a significant gap to the next largest source, “Loans from financial institutions” (22.0%).
- By Japanese subsidiaries’ year of establishment, companies founded in or after 2011 had the highest rate in “Borrowings from parent company or other affiliated companies,” exceeding 60%. For “Loans from financial institutions,” companies established between 1981 and 1990 had the highest rate (35.4%). This proportion tends to decrease among more recently established companies.

Fundraising status (By industry/year of establishment, multiple responses allowed)

Unit: responses, %

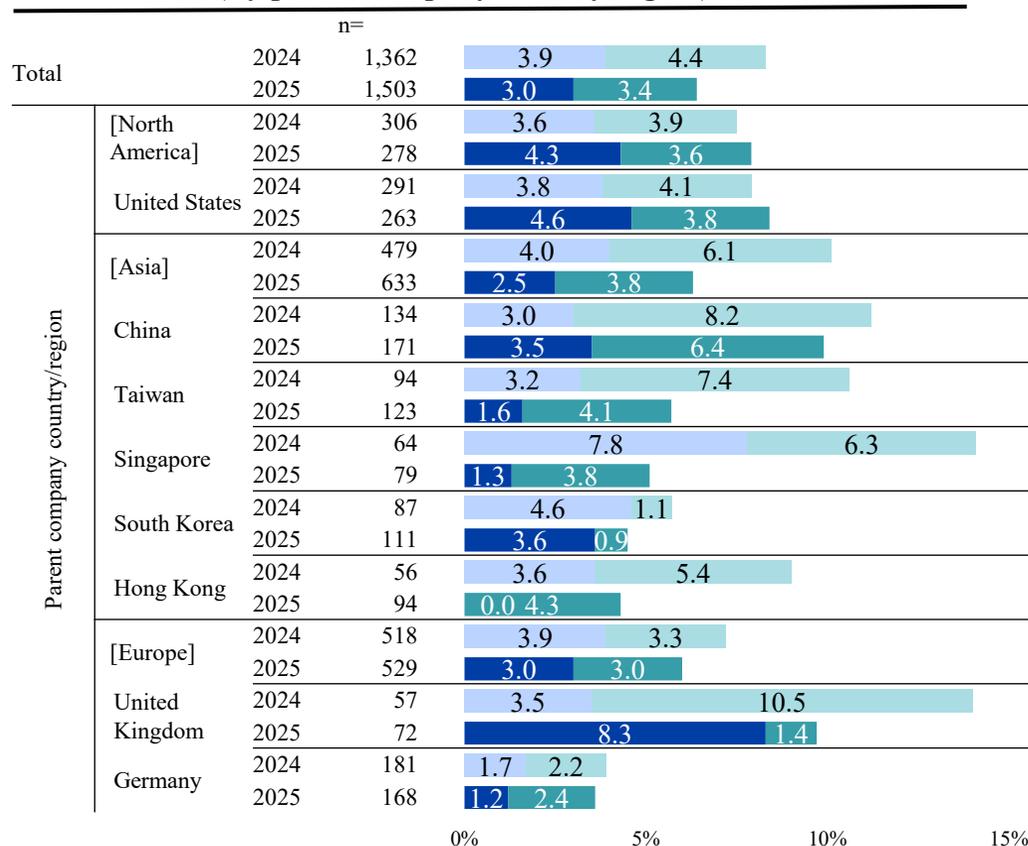
			Self-financing (retained earnings, etc.)	Borrowings from parent company or other affiliated companies	Loans from financial institutions	Subsidies/grants	Directed credit by municipalities	Investment by VC (Venture Capital)	Investment by angel investors	IPO (Initial Public Offering)	Others
n =											
Total		1,467	58.8	53.3	22.0	5.9	1.0	1.0	0.6	0.1	1.6
Industry	Manufacturing	225	55.1	53.3	31.6	8.0	1.3	0.9	0.9	0.0	0.4
	Wholesale trade/ General trade	621	59.3	53.6	24.5	5.5	1.0	0.3	0.5	0.0	1.1
	Retail trade	89	53.9	56.2	22.5	1.1	1.1	0.0	0.0	0.0	2.2
	Services	504	60.5	53.0	15.1	6.7	0.8	2.0	0.8	0.2	2.8
Year of establishment	1980 or earlier	111	65.8	45.9	29.7	7.2	0.0	0.0	0.0	0.0	0.9
	1981-1990	99	57.6	48.5	35.4	4.0	2.0	0.0	0.0	0.0	1.0
	1991-2000	229	65.9	41.5	26.6	4.8	0.4	0.0	0.4	0.0	2.2
	2001-2010	341	63.6	44.9	24.0	5.6	0.3	0.3	0.0	0.0	1.2
	2011-2015	244	60.7	60.7	21.3	9.0	2.5	1.6	1.2	0.4	2.9
	2016-2020	274	51.8	65.7	15.7	5.1	1.5	1.5	1.1	0.0	1.1
	2021 or later	160	43.1	66.3	10.0	5.6	0.0	3.1	1.3	0.0	0.6
	Unknown	9	66.7	11.1	11.1	0.0	0.0	0.0	0.0	0.0	22.2

Note: The notable figures in each category are colored in .

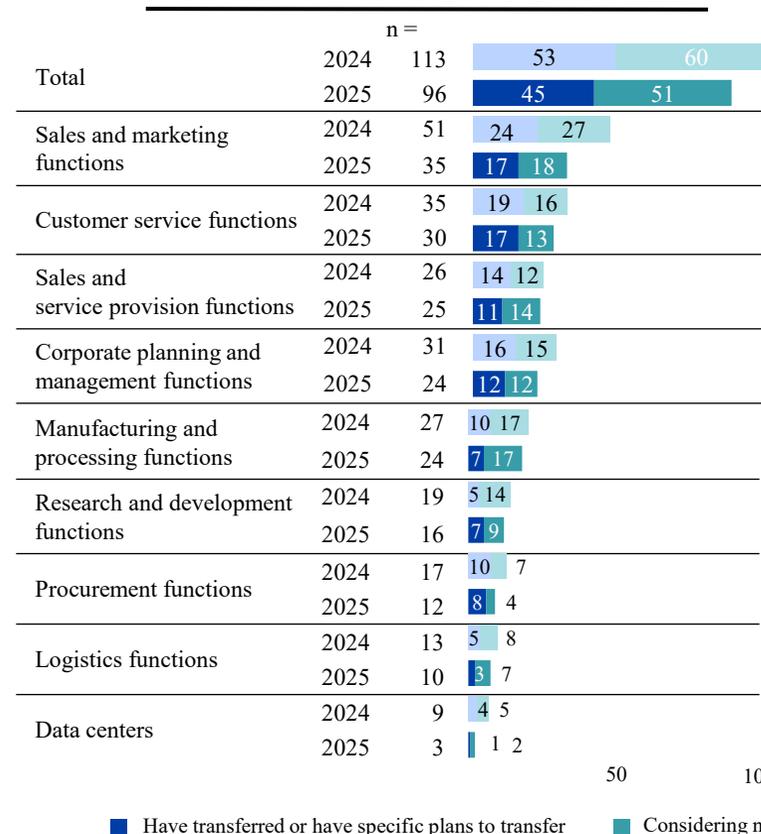
11 | Function Transfer to Japan Is Declining But to North America, Including the U.S., Is Increasing

- Regarding the transfer of functions from overseas sites to Japan over the past three years or the next three years, the majority of the respondents reported no transfers, plans, or consideration. Both the percentages of those that “Have transferred or have specific plans to transfer” (3.0%) and those that “Have not transferred but are considering now” (3.4%) decreased compared to the previous year.
- By country and region of the parent company, the overall percentages of companies that “Have transferred or have specific plans to transfer” and those that “Have not transferred but are considering now” decreased from the previous year. North America was the only region to exceed the previous year.
- Among the functions being transferred, planned for transfer, or under consideration, sales and marketing sites were the most common, followed by customer support and sales/service provision.

Consideration status for transferring overseas functions to Japan (By parent company country/region)



Function transfer to Japan (By site function)



0% 5% 10% 15%

■ Have transferred or have specific plans to transfer
■ Considering now

■ Have transferred or have specific plans to transfer ■ Considering now

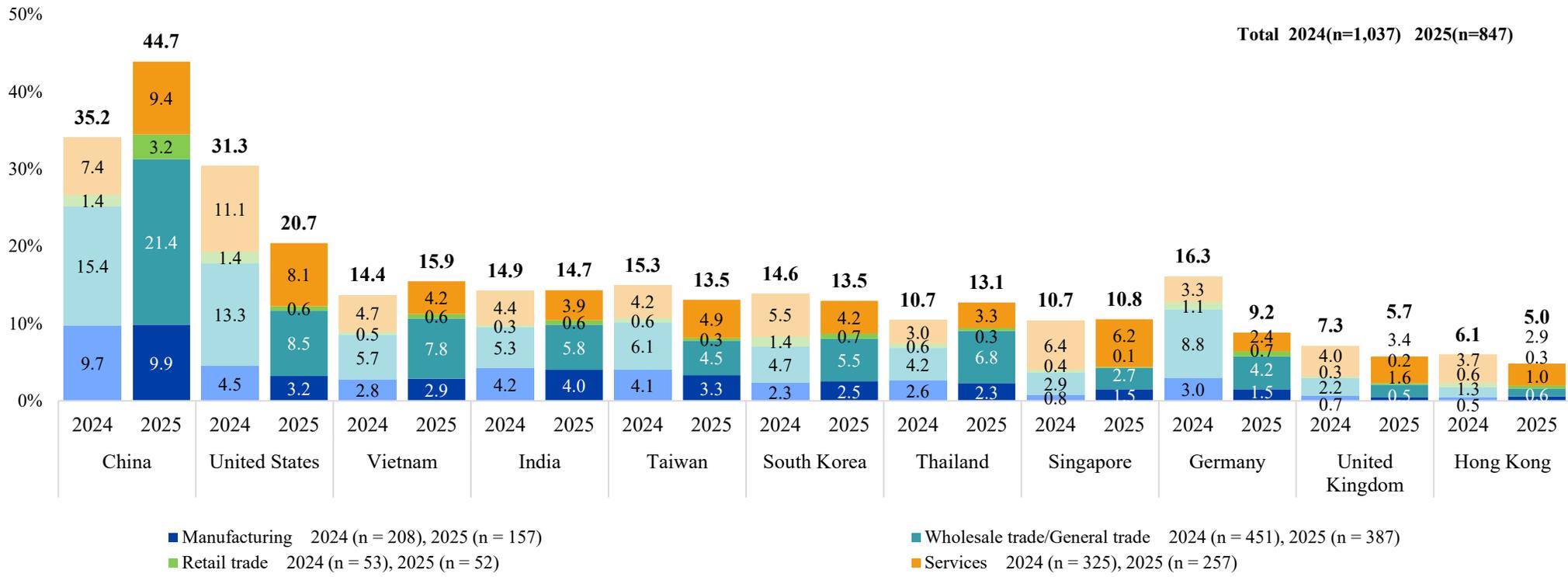
50 100

Note: A selection of parent company countries/regions is presented.

12 | China Ranks the Highest Among Countries/Regions Considered Important for Procurement

- In future procurement policies (excluding Japan and the company’s foreign parent country/region), China was the most prominent at 44.7%, followed by the U.S. (20.7%) and Vietnam (15.9%).
- Across all industries, China ranked the highest. However, looking at the second and third positions, the results varied by industry: in wholesale/trading, the U.S. and Vietnam; in manufacturing, India and Taiwan; in retail, South Korea and Germany (tie); and in services, the U.S. and Singapore.

Countries/regions considered important in future procurement policies other than Japan (By industry, multiple responses allowed)



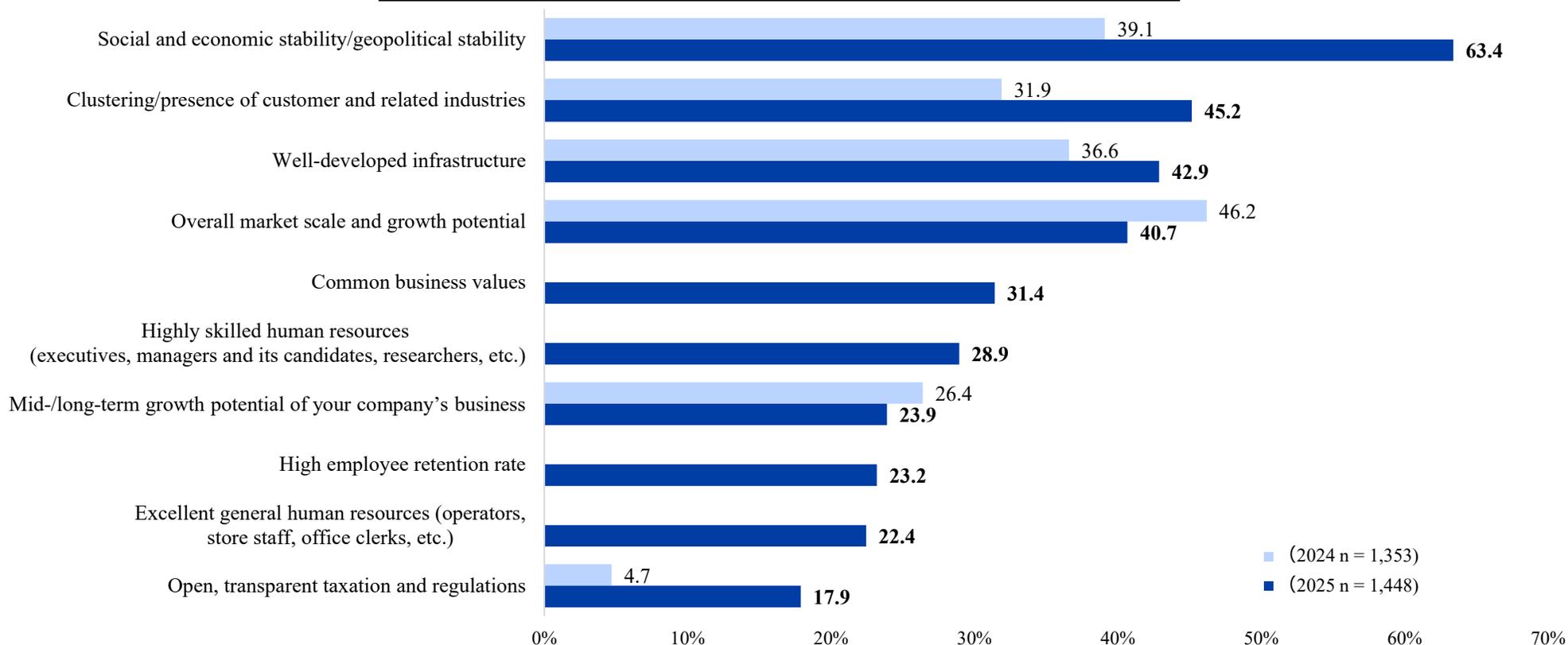
Note: Only selected options are shown. Excludes responses that emphasized the importance of the country/region of the foreign parent company.

II. Attractions and Challenges of Japan's Business Environment

1 | Social and Economic Stability Is the Top Attraction of Japan's Business Environment

- Regarding the attraction of Japan's business environment compared to other markets around the world, "Social and economic stability/geopolitical stability" ranked the highest at 63.4%, marking a significant increase of 24.3 points from the previous survey. The percentage of social and economic stability has continued to rise since the survey began in FY2021, ranking first for the first time in the history of this survey.
- The factor ranked second, "Clustering/presence of customers and related industries," also rose in the rankings. The factor ranked third, "Well-developed infrastructure" (42.9%), remained in the same position as last year but increased by 6.3 percentage points. Meanwhile, "Overall market scale and growth potential" (40.7%), which had been the most frequently cited factor for four consecutive years since the survey began,*1 declined by 5.5 percentage points and ranked fourth.

Attractions of Japan's business environment (multiple responses allowed)



Note: Only selected options are shown.

*Common business values," "Highly skilled human resources," and "High employee retention rate" were not included as options in the 2024 survey.

*1: Although a direct comparison is not possible because "Overall market scale and growth potential" was listed as multiple options in the surveys from FY2021 to FY2023, when looking at the options that include market scale, market scale was the most frequently cited factor for four consecutive years.

2 Finance and Insurance Services Place High Value on Social and Economic Stability

- Looking at Japan's business environment appeal by industry and product line/service, "Social and economic stability/geopolitical stability" is highly valued across all industries. In particular, more than 70% of companies in financial and insurance services (80.6%), plastic and rubber products (75.0%), pharmaceuticals and cosmetics (71.4%), and chemicals (71.2%) selected this item.
- The second most important factor varied across industries, and in the service sector, it was "the overall market size and growth potential" (47.4%). In particular, more than half of companies in financial and insurance services (62.7%) and information and communications (54.9%) selected this item.

Attractions of Japan's business environment (By industry and product line/service, multiple responses allowed)

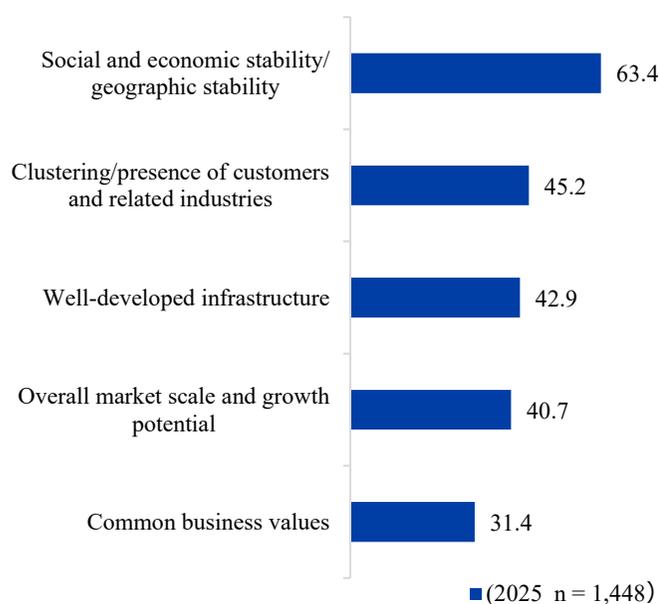
		n =	Social and economic stability/geopolitical stability	Clustering/presence of customer and related industries	Well-developed infrastructure	Overall market scale and growth potential	Common business values	Highly skilled human resources (executives, managers and its candidates, researchers, etc.)	Mid-/long-term growth potential of your company's business	High employee retention rate	Excellent general human resources (operators, store staff, office clerks, etc.)	Open, transparent taxation and regulations	Sophisticated consumers	Fewer language/communication barriers	Unit: responses, %
Total		1,448	63.4	45.2	42.9	40.7	31.4	28.9	23.9	23.2	22.4	17.9	17.6	14.5	
Industry	Manufacturing	220	62.7	44.1	38.6	29.5	29.1	31.4	23.2	31.4	25.0	12.3	18.6	18.2	
	Wholesale trade/General trade	615	63.6	48.6	43.1	40.0	33.5	26.7	21.8	24.1	22.8	21.1	21.3	15.1	
	Retail trade	86	51.2	30.2	43.0	38.4	25.6	20.9	23.3	17.4	34.9	16.3	24.4	12.8	
	Services	500	65.8	45.4	44.8	47.4	31.6	32.4	27.6	19.8	19.4	17.0	12.2	12.8	
Product lines in Manufacturing/ Wholesale & General Trade/ Retail Trade	Plastic & rubber products	28	75.0	64.3	42.9	28.6	32.1	25.0	25.0	35.7	28.6	21.4	14.3	25.0	
	Pharmaceuticals & cosmetics	35	71.4	34.3	57.1	34.3	25.7	42.9	17.1	11.4	20.0	11.4	25.7	14.3	
	Chemicals	73	71.2	56.2	38.4	27.4	35.6	26.0	23.3	32.9	17.8	20.5	26.0	20.5	
	Textile products & apparel	31	67.7	32.3	45.2	16.1	25.8	25.8	16.1	19.4	22.6	6.5	45.2	12.9	
	Household goods, etc.	36	61.1	25.0	41.7	38.9	22.2	16.7	13.9	22.2	30.6	5.6	36.1	8.3	
	Electronic components	104	60.6	50.0	30.8	37.5	39.4	32.7	23.1	26.9	24.0	12.5	14.4	15.4	
	Food & beverage	57	59.6	35.1	50.9	35.1	35.1	15.8	15.8	12.3	29.8	7.0	21.1	15.8	
	Metal products	59	59.3	42.4	40.7	32.2	39.0	27.1	25.4	37.3	18.6	15.3	10.2	16.9	
	Machinery & equipment	301	56.1	54.2	39.2	42.2	31.2	26.2	23.6	25.2	27.2	23.3	20.9	17.9	
	Others	189	67.2	36.0	48.7	41.3	27.0	29.1	22.8	24.3	22.8	22.8	19.0	10.6	
Service Details	Finance & insurance	67	80.6	38.8	44.8	62.7	26.9	37.3	22.4	17.9	22.4	11.9	10.4	7.5	
	Information & communications	175	66.3	53.1	48.0	54.9	36.0	30.9	40.0	20.6	15.4	17.1	13.1	18.3	
	Transportation & postal services	41	65.9	39.0	53.7	17.1	48.8	29.3	7.3	24.4	31.7	22.0	9.8	12.2	
	Academic research, professional & technical services	61	60.7	37.7	29.5	29.5	27.9	41.0	14.8	21.3	13.1	14.8	16.4	11.5	
	Other services	155	61.3	44.5	45.2	47.7	25.8	29.7	26.5	18.1	21.9	18.7	11.0	9.0	

Note: The notable figures in each category are colored in . Only selected options are shown.

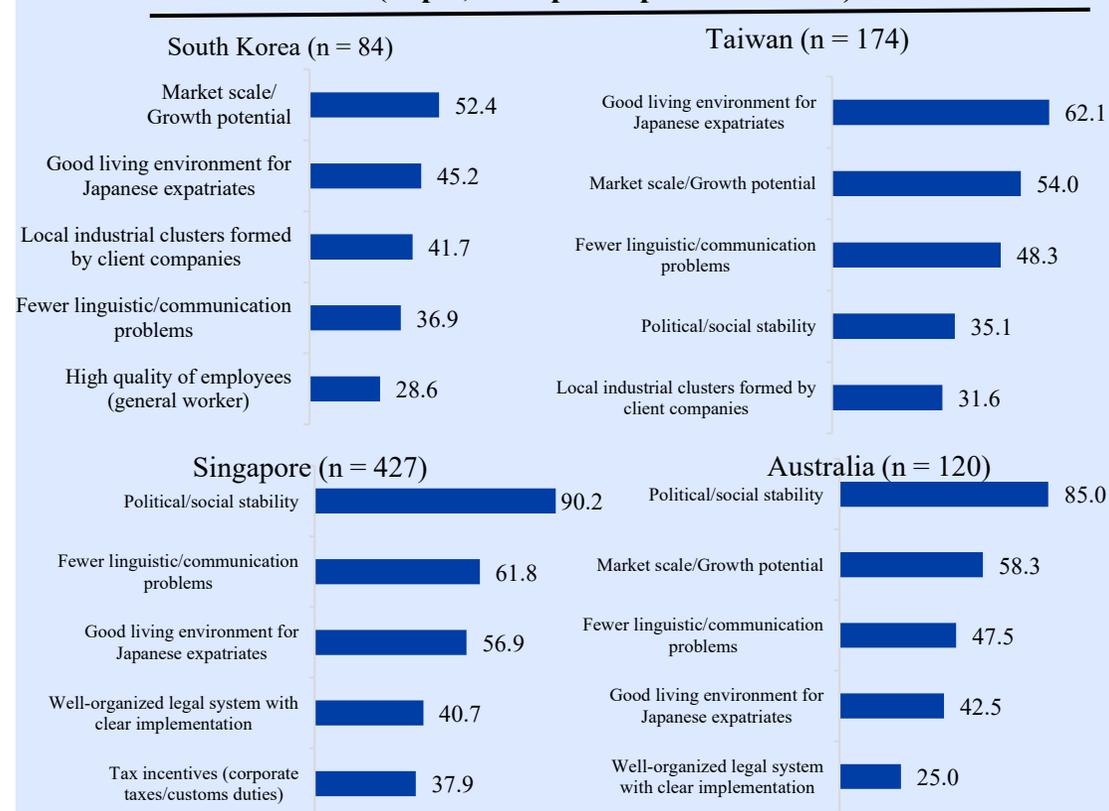
3 | Social Stability and Clustering of Industries Are Shared Attractions with Neighboring Countries

- When comparing the top five items for the attractions of Japan's business environment with the "Top 5 advantages of the investment environment" from JETRO's Survey on Business Conditions of Japanese Companies Operating Overseas (Asia and Oceania)," the latter identifies "political/social stability" (ranked first in Singapore and Australia, and fourth in Taiwan), "local industrial clusters formed by client companies" (ranked third in South Korea and fifth in Taiwan), and "market scale and growth potential" (ranked first in South Korea and second in both Taiwan and Australia) as corresponding factors. This suggests that these aspects are regarded as common attractions shared by major countries in the region.

**Attractions of Japan's business environment
(Top 5, multiple responses allowed)**



**Advantages of the investment environment in Asia and Oceania
(Top 5, multiple responses allowed)**



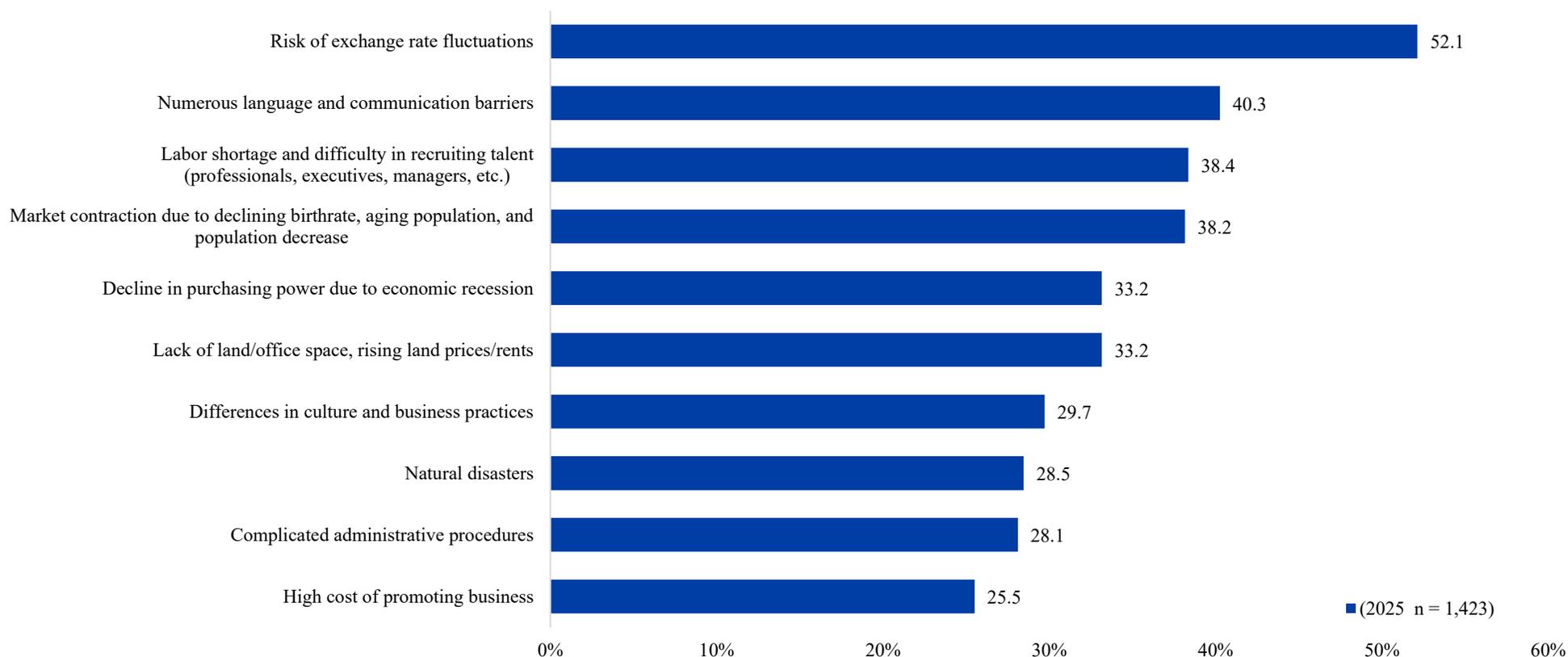
(Source) Survey on Business Conditions of Japanese Companies Operating Overseas (Asia and Oceania)

Note: Only selected options are shown. In the survey on Japanese Companies, infrastructure-related options are subdivided; therefore, it was determined that a direct comparison is not possible.

4 | Exchange Rate Risk, Language Barriers, and Communication Issues Considered Challenges

- Regarding the challenges of Japan's business environment compared to other global markets, "Risk of exchange rate fluctuations" was cited the most frequently (52.1%) followed by "Numerous language and communication barriers" (40.3%) and "Labor shortage and difficulty in hiring staff (operator, sales staff, etc.)" (38.4%).

Challenges of Japan's business environment (Multiple responses allowed)



Note: Only selected options are shown.

The question on challenges related to the business environment was newly introduced in this year's survey; therefore, no year-on-year comparison is available.

5 | Market Contraction due to Population Decrease Is the Greatest Concern Among Industries Such as Textile Products

- Looking at the challenges of Japan's business environment by industry, the "Risk of exchange rate fluctuations" ranked the highest among the manufacturing, wholesale trade/general trade, and retail trade industries. In contrast, in the service industry, "Numerous language and communication barriers" ranked the highest (45.2%). In particular, more than half of the respondents in academic research, professional & technical services (50.8%) and finance & insurance services (50.0%) selected this as a challenge.
- By product line/service, exchange rate fluctuations were the most frequently cited challenge for most categories. However, in textile products & apparel (66.7%), food & beverage (56.9%), and transportation & postal services (43.6%), "Market contraction due to declining birthrates, aging population, and population decrease" was cited the most frequently.

Challenges of Japan's business environment (By industry and product line/service, multiple responses allowed)

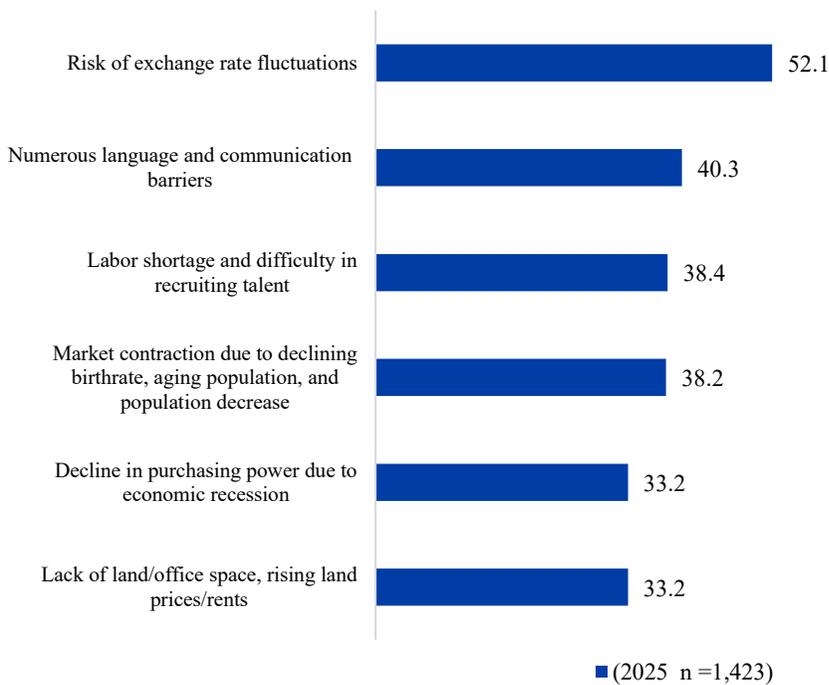
		n =	Risk of exchange rate fluctuations	Numerous language and communication barriers	Labor shortage and difficulty in recruiting talent (professionals, executives, managers, etc.)	Market contraction due to declining birthrate, aging population, and population decrease	Decline in purchasing power due to economic recession	Lack of land/office space, rising land prices/rents	Differences in culture and business practices	Natural disasters	Complicated administrative procedures	High cost of promoting business	Complicated administrative procedures	Labor shortage and difficulty in hiring staff (operator, sales staff, etc.)
Total		1,423	52.1	40.3	38.4	38.2	33.2	33.2	29.7	28.5	28.1	25.5	25.0	24.5
Industry	Manufacturing	213	44.6	37.6	41.3	43.2	29.1	33.8	30.5	30.0	29.6	26.8	23.0	33.3
	Wholesale trade/General trade	608	60.5	38.7	36.3	41.3	40.0	33.4	32.4	27.5	28.9	25.2	25.5	25.2
	Retail trade	82	62.2	30.5	28.0	39.0	37.8	39.0	26.8	29.3	22.0	26.8	17.1	28.0
	Services	493	43.6	45.2	41.4	32.7	26.8	31.2	27.2	27.6	27.4	25.4	26.8	18.9
Product lines in Manufacturing/ Wholesale & General Trade/ Retail Trade	Plastic & rubber products	26	69.2	42.3	19.2	42.3	34.6	42.3	34.6	30.8	34.6	30.8	34.6	19.2
	Textile products & apparel	30	60.0	36.7	20.0	66.7	56.7	43.3	26.7	40.0	23.3	26.7	20.0	30.0
	Household goods, etc.	35	60.0	37.1	22.9	48.6	42.9	40.0	37.1	31.4	20.0	28.6	20.0	25.7
	Machinery & equipment	297	58.2	40.7	35.4	36.4	36.7	32.3	33.3	25.9	25.3	23.9	19.5	28.6
	Pharmaceuticals & cosmetics	35	57.1	45.7	40.0	45.7	45.7	42.9	42.9	42.9	54.3	25.7	20.0	28.6
	Metal products	57	56.1	28.1	42.1	31.6	33.3	31.6	28.1	28.1	19.3	40.4	22.8	26.3
	Food & beverage	58	55.2	41.4	39.7	56.9	43.1	27.6	29.3	27.6	37.9	17.2	20.7	44.8
	Electronic components	102	54.9	30.4	42.2	41.2	34.3	44.1	29.4	23.5	25.5	28.4	32.4	21.6
	Chemicals	71	53.5	38.0	38.0	40.8	32.4	33.8	33.8	42.3	40.8	28.2	39.4	21.1
	Others	184	55.4	35.9	39.1	41.3	36.4	27.7	28.8	23.9	28.3	22.8	21.7	26.1
Service details	Academic research, professional & technical services	61	52.5	50.8	50.8	39.3	36.1	31.1	31.1	31.1	39.3	27.9	36.1	23.0
	Information & communications	174	48.9	44.8	46.6	33.3	28.2	31.0	28.7	17.8	24.1	28.7	31.0	18.4
	Transportation & postal services	39	43.6	25.6	30.8	43.6	20.5	33.3	10.3	35.9	30.8	30.8	20.5	28.2
	Finance & insurance	64	29.7	50.0	34.4	29.7	12.5	34.4	26.6	31.3	21.9	18.8	31.3	10.9
	Other services	153	40.5	46.4	37.3	27.5	28.8	30.1	28.8	33.3	27.5	20.9	17.6	18.3

Note: The notable figures in each category are colored in . Only selected options are shown.

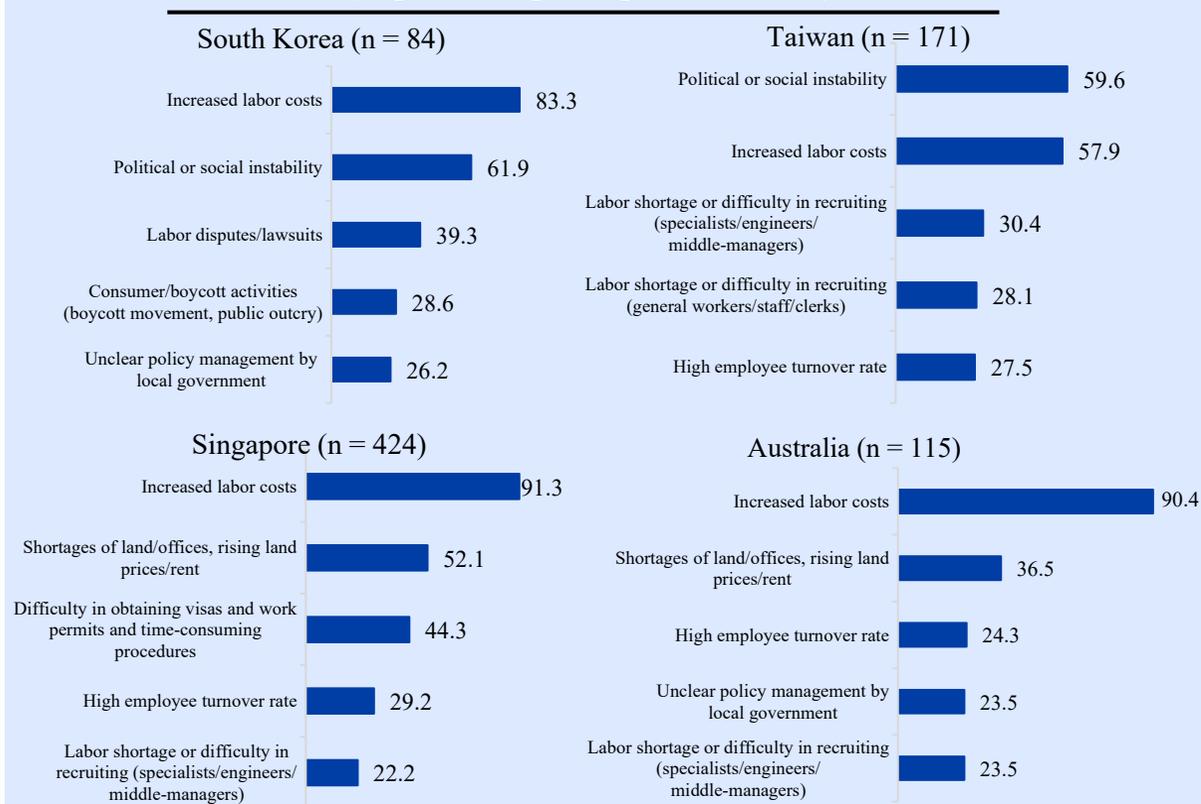
6 | Exchange Rate Fluctuation Risk Is a Challenge Specific to Japan

- When comparing the top six items for the challenges of Japan's business environment*1 with the "Top 5 advantages of the investment environment" from JETRO's Survey on Business Conditions of Japanese Companies Operating Overseas (Asia and Oceania)," "Risk of exchange rate fluctuations," which ranked first for foreign-affiliated companies in Japan, did not appear among the top challenges for Japanese companies operating in neighboring countries, indicating that it is a challenge specific to Japan.
- On the other hand, "Labor shortage and difficulty in recruiting talent (professionals, executives, managers, etc.)" (ranked third in Taiwan and fifth in both Singapore and Australia) and "Lack of land/office space, rising land prices/rents" (ranked second in both Singapore and Australia) were also cited in Japan, ranking third and fifth, respectively.

**Challenges of Japan's business environment
(Top 6, multiple responses allowed)**



**Risks of the investment environment in Asia and Oceania
(Top 5, multiple responses allowed)**



(Source) Survey on Business Conditions of Japanese Companies Operating Overseas (Asia and Oceania)

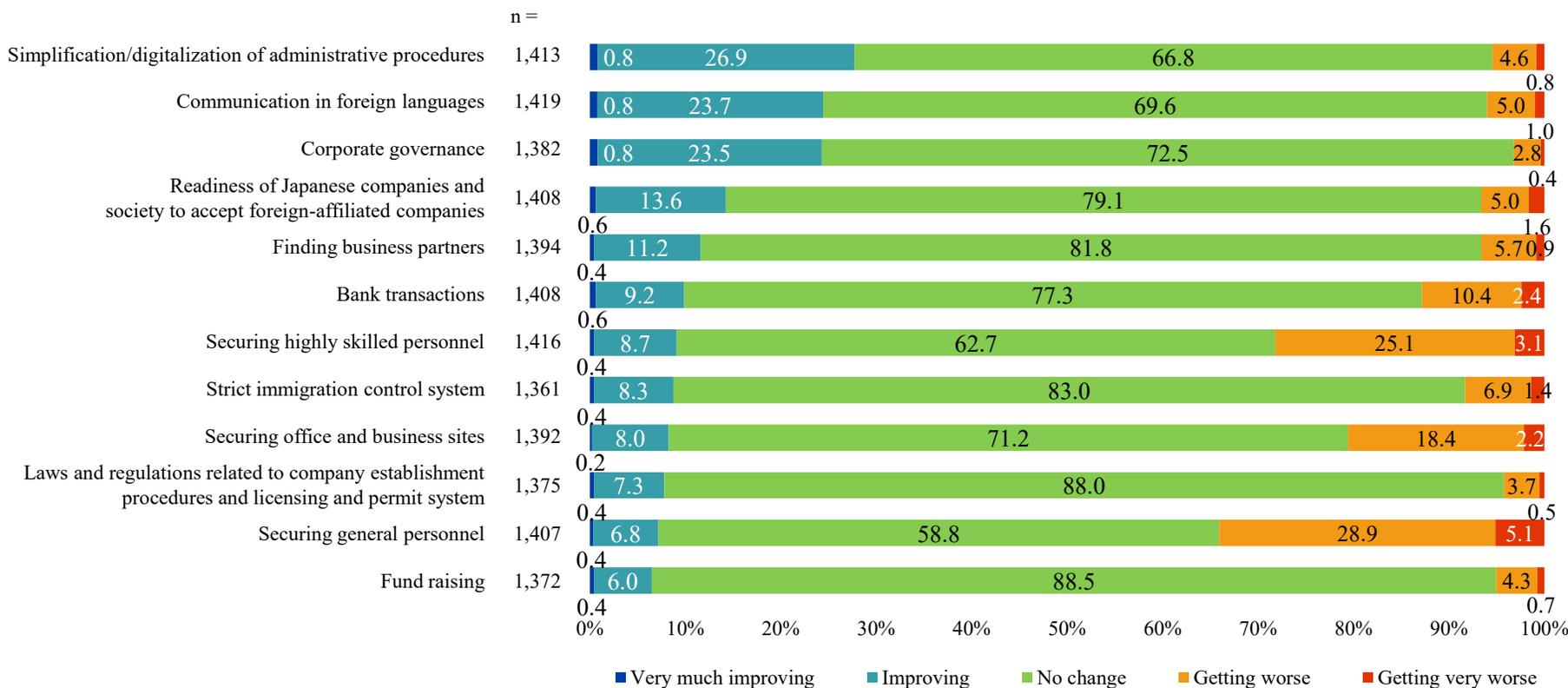
Note: Only selected options are shown.

*1: Regarding the challenges of Japan's business environment, "Decline in purchasing power due to economic recession" and "Lack of land/office space, rising land prices/rents" were tied for fifth place. Therefore, the top six items are highlighted.

7 Talent Acquisition and Securing of Office/Land Space Are Becoming Increasingly Challenging

- Regarding changes in Japan's business environment over the past one to two years, "No change" was the most frequently selected response for all items. Looking at the combined share of "Very much improving" and "Improving," "Simplification/digitalization of administrative procedures in business" ranked the highest.
- Regarding securing of personnel, compared with the previous year's survey, the combined percentages of responses that indicated improvement increased both for skilled and general personnel (up 2.0/0.7 points, respectively), while the combined percentages that indicated worsening decreased (down 2.3/3.3 points, respectively). This shows a slight upward trend; however, the total share of worsening remains noticeably high. For "Securing office and business sites," the combined percentage of responses that indicated improvement decreased, while the combined percentage that indicated worsening rose sharply by 8.7 points.

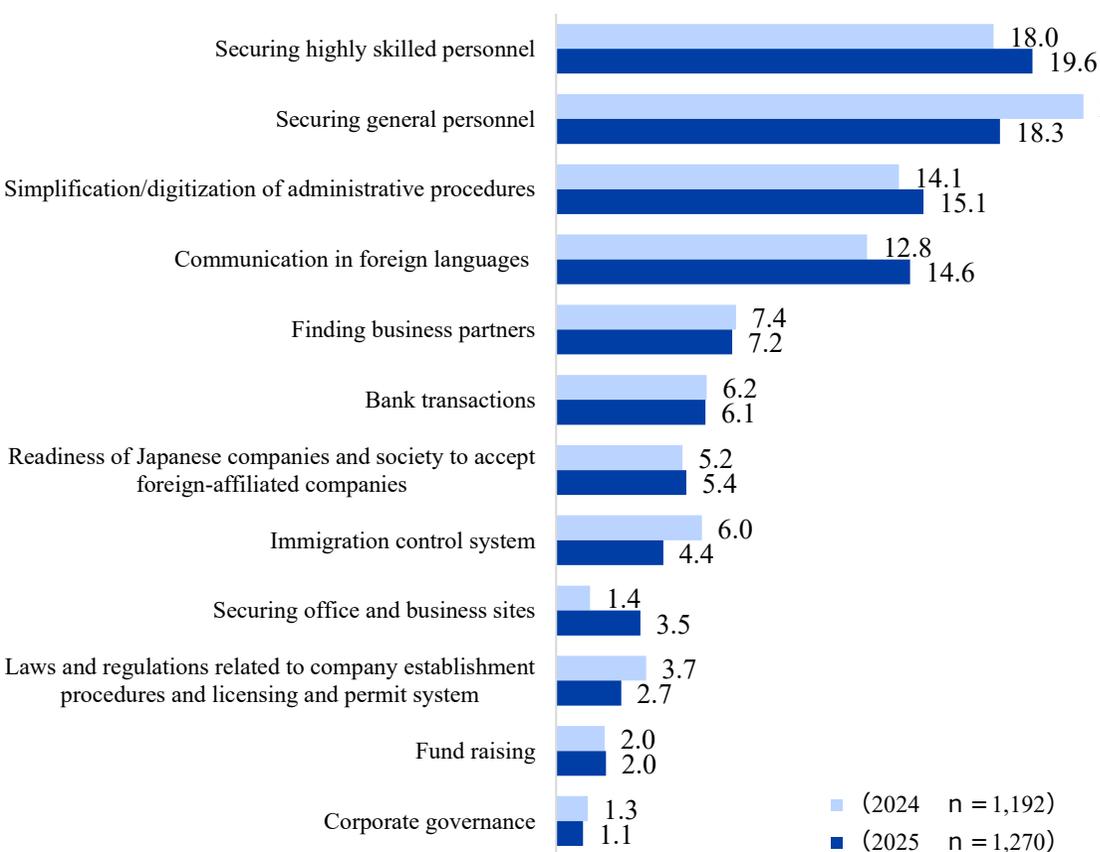
Changes in Japan's business environment in the past 1-2 years (Single answer per item)



8 Talent Acquisition Continues to Top the List of Areas Requiring Improvement

- In response to the question asking which area is most in need of improvement regarding Japan's business environment, securing highly skilled personnel (19.6%) and general personnel (18.3%) occupied the top two positions, with their rankings reversing compared to the previous year.
- Following talent acquisition, "Simplification/digitization of administrative procedures in business" (15.1%) and "Communication in foreign languages in business" (14.6%) ranked next. Although these areas were evaluated positively in terms of improvement (see the previous page), the results indicate that there is still room for further improvement.

Areas requiring specific improvement for business operations in Japan (Single response)



Note: Only selected options are shown.
In the FY2024 survey, multiple responses were allowed.

Specific improvement requests and problems (Free entry response)

Securing human resources (General and highly skilled)

- In regional areas, it is difficult to secure personnel who have both English proficiency and technical skills. [General-purpose machinery manufacturing]
- The weak yen has made it difficult to hire foreign talent. [Production machinery manufacturing]
- Aging of the workforce has led to a shortage of young and mid-career personnel. [Electrical machinery manufacturing]
- Highly capable talent is absorbed by large companies and firms offering higher salaries, making it difficult to recruit quality personnel. [Medical device wholesale]

Simplification/digitization of administrative procedures

- Subsidy-related documentation and procedures are complex, and there is a need for unified rules. [Chemical manufacturing]
- Simplification and centralization of administrative procedures, including more effective use of the G Biz ID system. [Academic research and professional services]
- Opening corporate bank accounts is troublesome. [Electrical machinery wholesale]
- Under the immigration control system, the period from application to approval has lengthened significantly over the past three years. [Real estate]

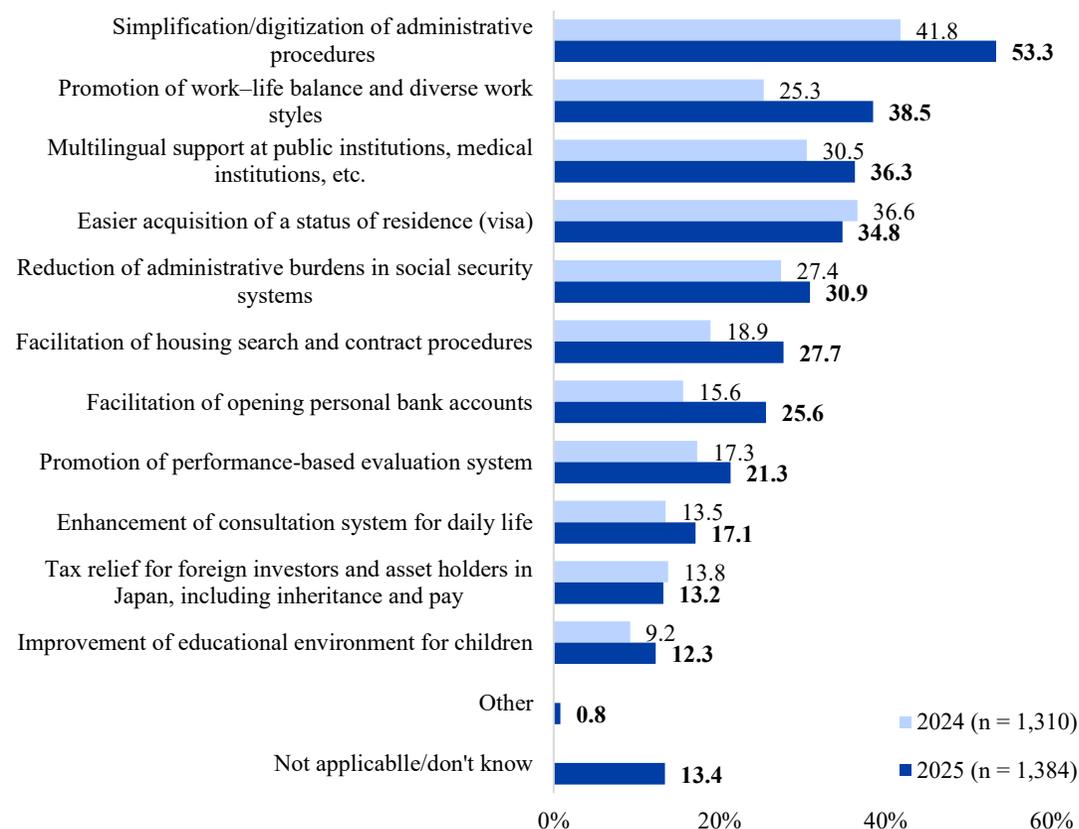
Securing office and business sites

- With rising office rents, it has become difficult to manage selling and administrative expenses and to maintain a stable office environment. [Electrical machinery/equipment manufacturing]

9 Simplification of Administrative Procedures Is the Most Frequently Cited Area for Improving the Retention of Highly Skilled Foreign Talent

- As improvements in the business environment necessary for highly skilled foreign talent to work and reside smoothly in Japan, “Simplification/digitization of administrative procedures” ranked the highest (53.3%), followed by “Promotion of work-life balance and diverse work styles” (38.5%) and “Multilingual support at public institutions, medical institutions, etc.” (36.3%).
- “Simplification/digitization of administrative procedures” increased by 11.5 percentage points from the previous year, while “Promotion of work-life balance and diverse work styles” rose by 13.2 percentage points, representing a marked increase.

Improvements required in the business environment necessary for highly skilled foreign talent to work and reside smoothly in Japan (Multiple responses allowed)



Note: In the 2024 survey, the top three options could be selected.

Specific improvement requests and problems (Free entry response)

Simplification/digitization of administrative procedures

- Shortening the time required to obtain or change work visas (preferably within two weeks of application). [Other services]
- Digitalization of government administration is behind, and paper-based applications are still common, which can be problematic. [Pharmaceuticals and cosmetics retail]
- Examination of certificates of eligibility for foreign nationals currently takes more than six months; we would like this to be shortened to within three months. [Finance and insurance]
- Realize online, centralized processing of procedures related to residence status and visas. [Information and communications]

Enhancement of multilingual support

- Improvements to the living environment in English, as well as improvements related to taxation. [Information and communications equipment wholesale]
- Multilingual support at public institutions and medical facilities. [Information and communications equipment wholesale]

Housing and living support

- Refusal to rent housing to foreign nationals when searching for accommodations. [Textile and apparel manufacturing]

Taxation and social security systems

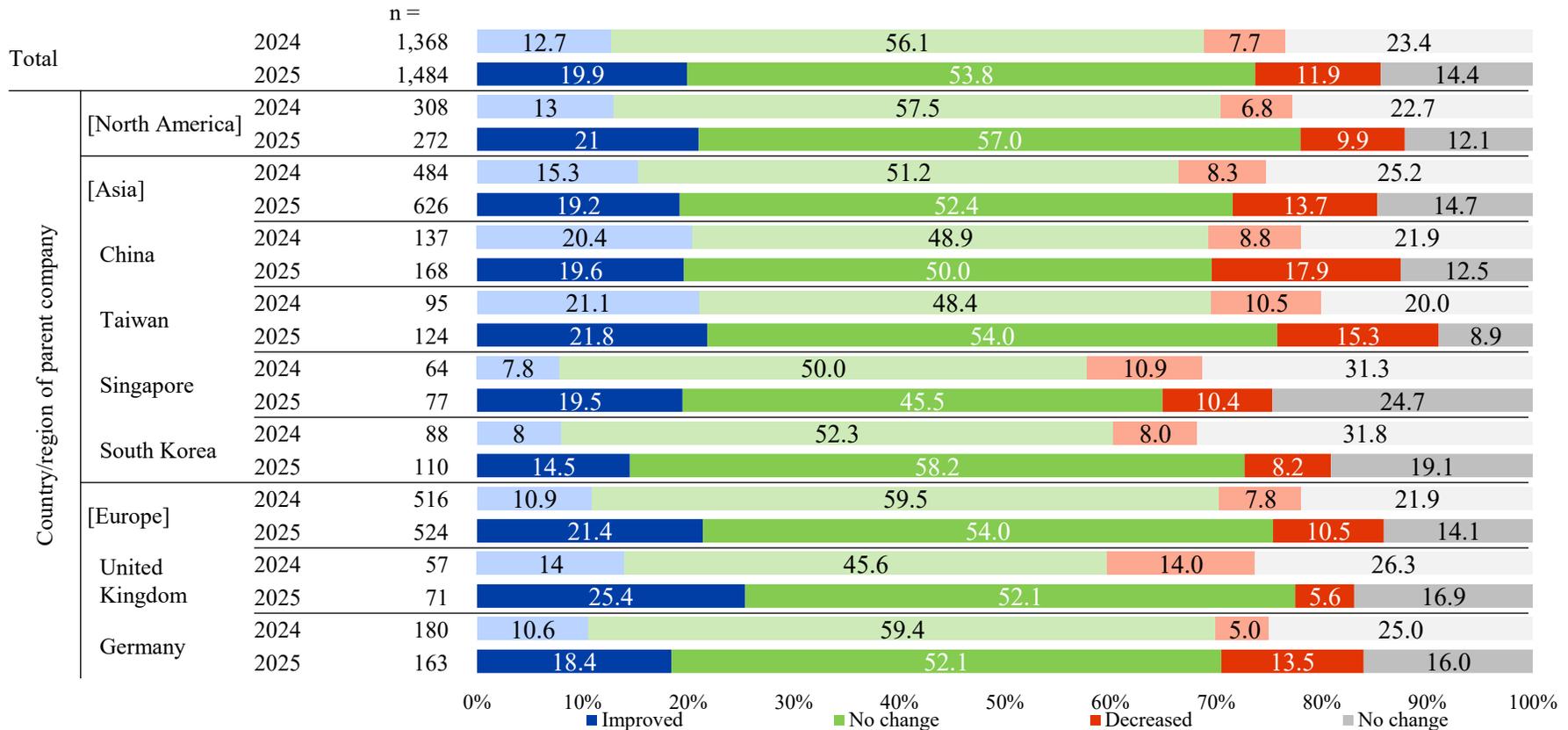
- Simplification of the complex tax system. [Information and communications]

III. Impacts of Geopolitical Risks and U.S. Tariff Policy

1 | The Importance of Japan Has Increased for European and North American Companies

- When asked about Japan’s importance in light of geopolitical risks, 53.8% of companies reported “No change” (2.3-point YoY decrease), 19.9% responded “Increased” (7.2-point YoY increase), and 11.9% responded “Decreased” (4.1-point YoY decrease).
- An analysis by country/region of parent company showed that the percentage of companies selecting “Increased” was the highest for European companies (21.4%, 10.5-point YoY increase), followed by North American companies (21.0%, 8.0-point YoY increase) and Asian companies (19.2%, 3.9-point YoY increase). Most countries and regions saw an increase, and only Chinese companies reported a 0.8-point YoY decrease. Although the percentage selecting “Decreased” also rose in many countries and regions, the increase was particularly notable for Chinese companies (9.1-point YoY increase) and German companies (8.5-point YoY increase).

The importance of Japan in light of geopolitical risks (By country/region of parent company)

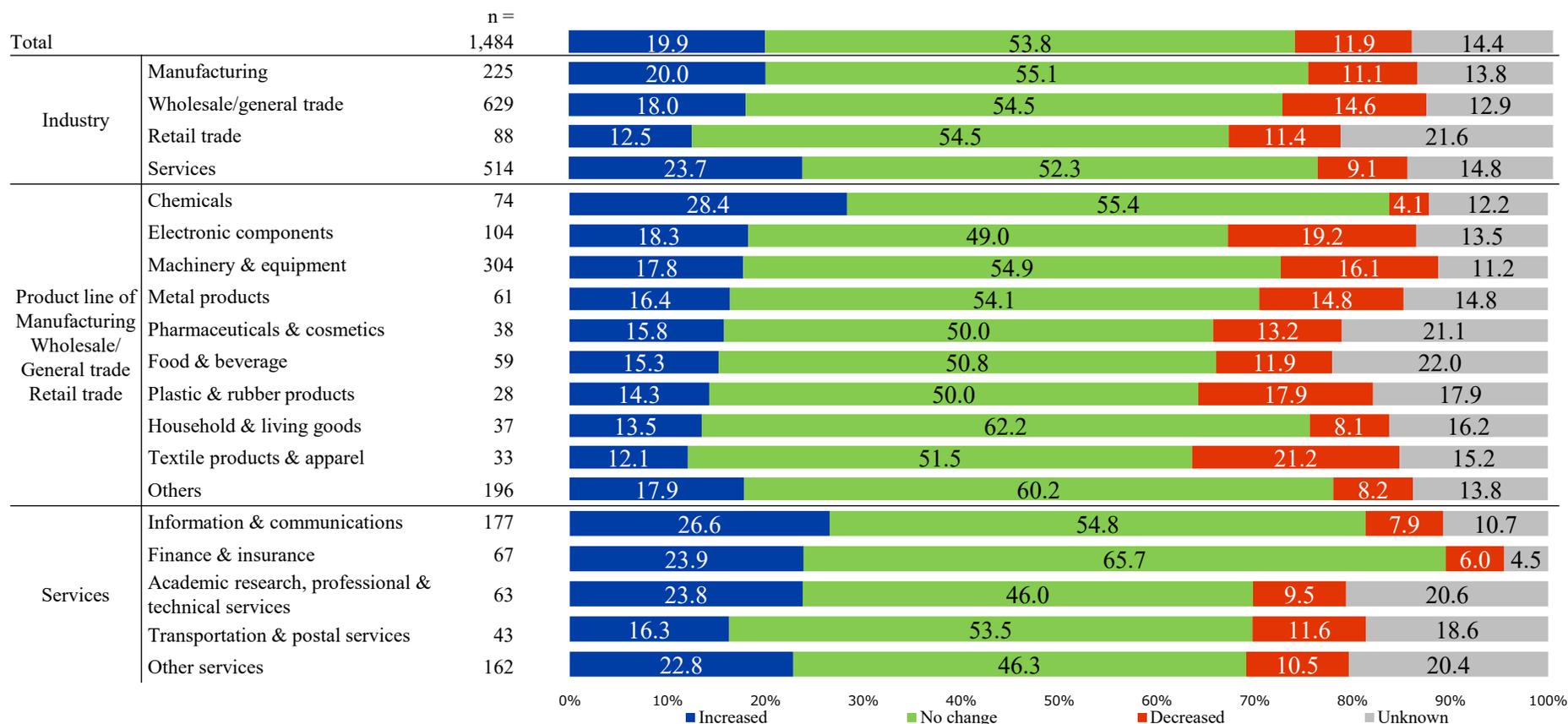


Note: A selection of parent company countries/regions is presented.

2 | The Importance of Japan Has Increased for Chemicals and Information/Communications

- Looking at the importance of Japan by industry in light of geopolitical risks, the percentage selecting “Increased” was the highest in the service industry at 23.7%, exceeding the overall average by 3.8 points.
- By product line/service, the percentage selecting “Improved” exceeded 20% in chemicals (28.4%), information and communications (26.6%), finance and insurance (23.9%), and academic research, professional & technical services (23.8%). In the chemicals industry, only 4.1% selected “Decreased,” indicating a relative rise in importance.

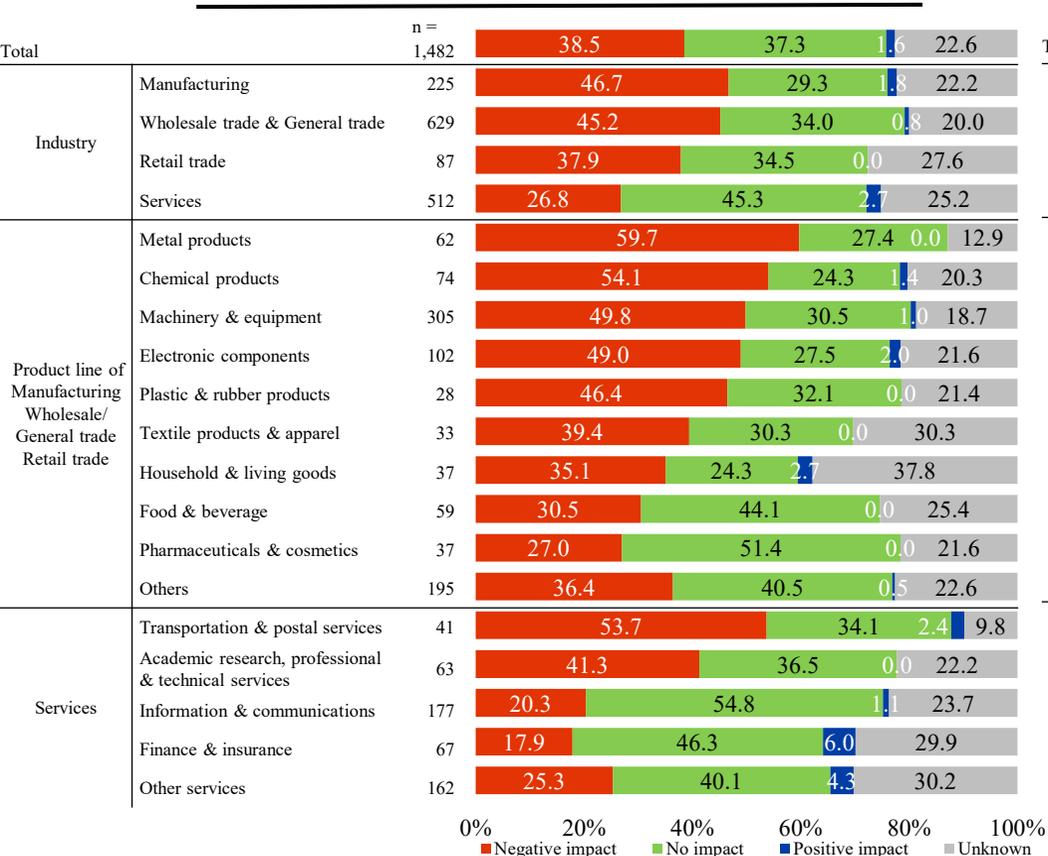
The importance of Japan in light of geopolitical risks (By industry and product line/service)



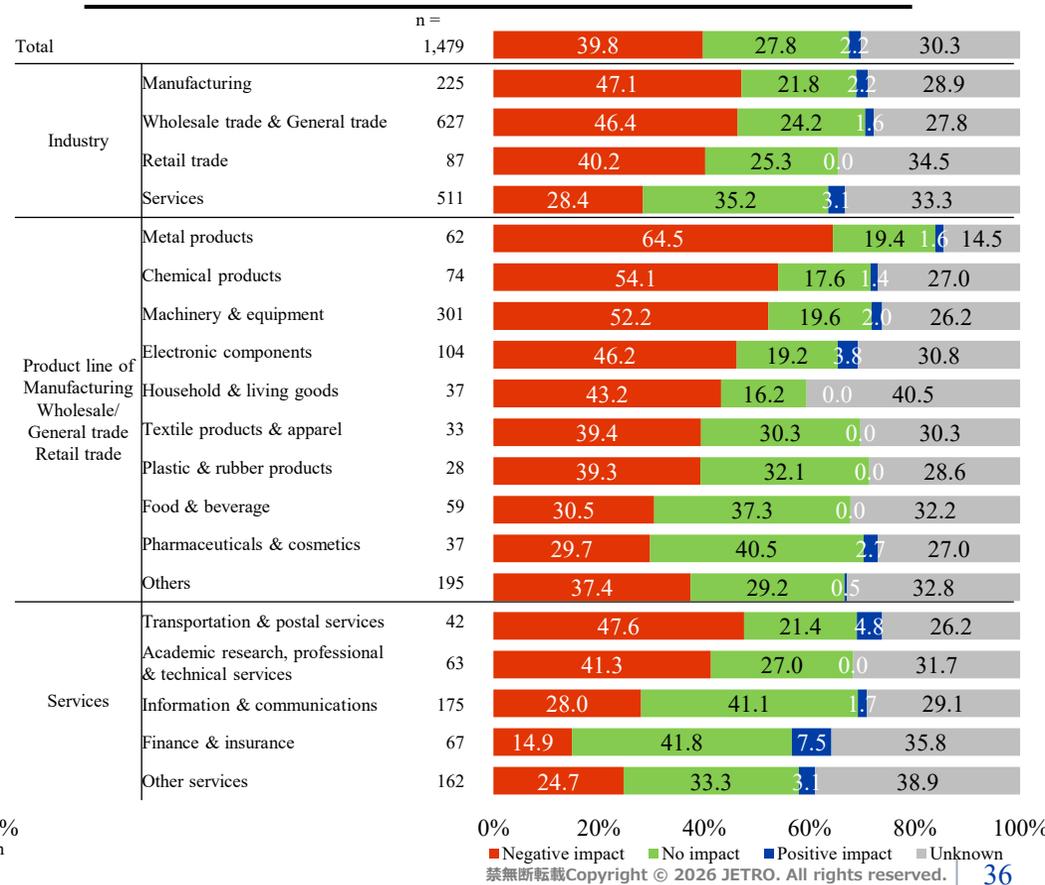
3 About 40% Reported Negative Impacts of U.S. Tariff Policy Both Short-term and Long-term

- Regarding the impacts of U.S. tariff policy, the largest percentage of companies responded that it will have a “Negative impact” both short-term and long-term (38.5% and 39.8%, respectively). For short-term, this was followed by “No impact” and “Unknown,” while the order was reversed for long-term. Responses indicating a “Positive impact” remained at around 2% for both short-term and long-term.
- By industry, the service industry was the only one in which “No impact” was the most common response for both short-term and long-term. By product line/service, more than 50% of respondents in the metal products and chemicals industries reported “Negative impact” for both short-term and long-term.

Short-term impacts of the U.S. administration’s tariff policy (Within one year) (By industry and product line/service)



Long-term impacts of the U.S. administration’s tariff policy (For the next four years) (By industry and product line/service)

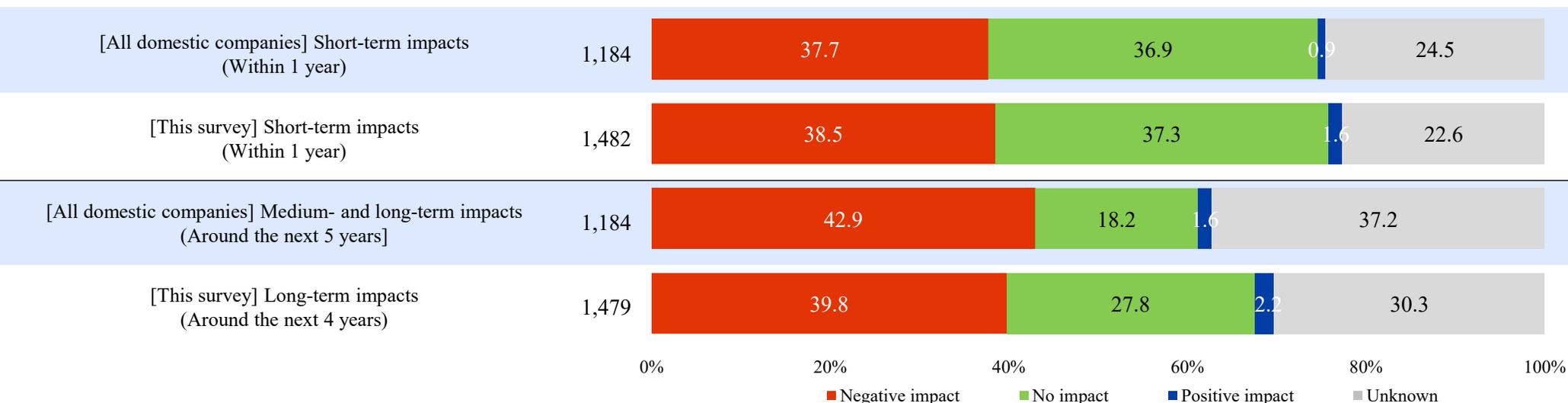


[Reference] Foreign-affiliated Companies More Optimistic About Long-term Impacts of U.S. Tariff Policy

- Regarding the impacts of U.S. tariff policy, a comparison with a survey of domestic companies (not limited to foreign-affiliated companies) showed no significant difference from this survey in the percentage of companies reporting a “Negative impact” in the short-term. In contrast, when looking at medium- to long-term impacts, 18.2% of domestic companies (not limited to foreign-affiliated companies) responded “No impact,” compared to 27.8% in this survey, a difference of 9.6 points, which was larger than for other responses. In addition, the percentage reporting a negative impact was 3.1 points lower in this survey, while the percentage reporting a positive impact was 0.6 points higher, suggesting that foreign-affiliated companies take a more optimistic view overall.

Impacts of the U.S. administration’s tariff policy (All industries)

n =



Note: The data for [All domestic companies] are based on a survey conducted by Teikoku Databank, Ltd. (“Corporate Survey on Trump Tariffs (Reciprocal Tariffs of 15%, etc.)”), dated August 7, 2025. The survey period was August 1–5, 2025.

4 | U.S. Tariff Policy May Lead to Impacts Such as Increased Import Costs and Deterioration in Client Performance

- Regarding the impact of U.S. tariff policy on business activities in Japan, concerns include direct effects (such as higher import costs and the need to reconsider supply chains) as well as indirect effects (such as lower profits due to deteriorating performance of clients or parent companies). In addition, some companies commented on positive impacts, such as the tariffs potentially leading to new business opportunities for them.

Impacts of U.S. tariff policy and measures (Free entry response)

Rising costs/price pass-through

- Rising import costs. As a countermeasure, we are evaluating and moving forward with shifting suppliers to other countries. [Food & beverage service]
- Due to rising prices of components procured from overseas by the U.S. headquarters, production costs are increasing. Consequently, the prices of products manufactured at the U.S. headquarters will rise, leading to lower competitiveness in the Japanese market. [Production machinery wholesale]

Supply chain

- Due to U.S. policy toward China, there are concerns about export controls and other restrictions on imports from China. [Mining products manufacturing]
- By avoiding dependence on a single market and establishing sales operations across multiple regions, we aim to diversify risk and achieve stable growth. [Production machinery manufacturing]
- Chinese products can no longer be shipped to the United States, leading to an influx of low-priced goods into the Japanese market. [Textile products and Apparel Wholesale]

Deterioration in client/parent company performance

- There are concerns about deteriorating business performance due to declining sales in the U.S. of productions from the European headquarters. [Medical equipment manufacturing]
- The business conditions of our customers are worsening, particularly their profits. The pace of new product development has slowed, resulting in fewer business opportunities for us. [Electric components retail]
- Our manufacturing clients are cutting costs and curbing investment to secure profits. [Finance and insurance]

Positive impacts

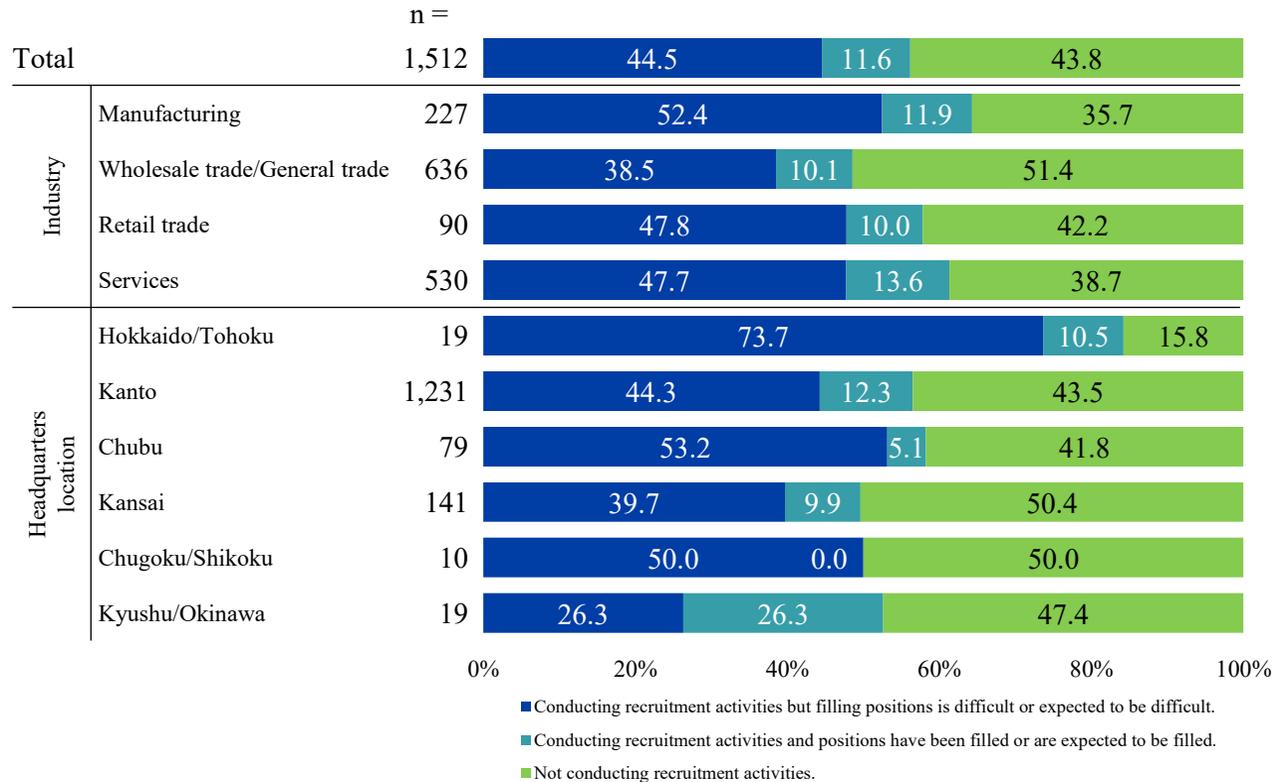
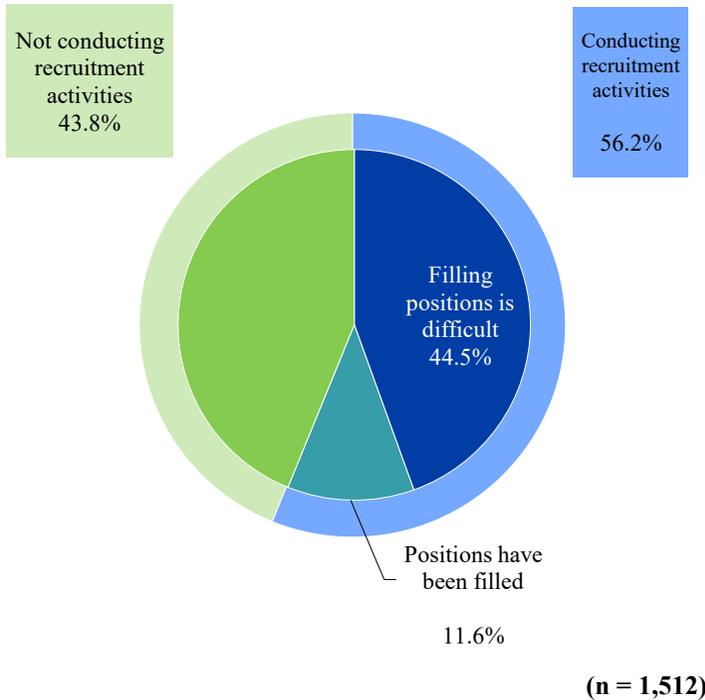
- Our clients in Japan are considering local production in the U.S., where their headquarters are located, due to the tariff policy. If local production is realized, we expect to see increased business opportunities. [Automotive parts service]
- Our Chinese corporate clients are shifting their U.S. suppliers to Asian-based suppliers like us, creating new business opportunities for us. [Finance and insurance]
- Increasing uncertainty is linked to volatility in financial markets, which is generating business opportunities for our company. [Finance and insurance]

IV. Securing Human Resources —Current Status and Initiatives

1 | Over 40% of Companies Struggle with Recruitment Activities

- Regarding recruitment, 56.2% of the companies reported that they are conducting recruitment activities. Among these, about 80% responded that “Filling positions is difficult,” meaning that overall, 44.5% of companies are facing challenges in securing the talent they need.
- By industry, the percentage of companies having difficulty filling positions was markedly higher (4.8 times) compared to those that have successfully filled positions in the retail industry. By headquarters location, the percentage of companies having difficulty filling positions greatly exceeded those that had successfully filled positions in the following areas: Chugoku and Shikoku (100% reporting difficulty), Chubu (10.5 times), and Hokkaido/Tohoku (7.0 times). On the other hand, in Kyushu/Okinawa, the numbers of companies facing difficulties and successfully filling positions were roughly equal.

Recruitment status (By industry/headquarters location)



2 | Sales Personnel in Short Supply in Major and Medium-sized Cities, Whereas Non-IT Technical Personnel Scarce in Other Regions

- When companies conducting recruitment activities but struggling to secure talent were asked about the specific job fields in which it is difficult to secure human resources, “Sales-related” ranked the highest (60.2%), substantially ahead of the second-ranked category. “Non-IT technical” (28.3%) and “Administrative” (21.7%) followed.
- By industry, about 50% of companies in manufacturing reported that “Non-IT technical” were difficult to fill, showing a remarkable gap compared to other positions, for which the percentages were less than 30%. By city size, “Sales-related” ranked the highest in major and medium-sized cities, while “Non-IT technical” ranked the highest in other regions, suggesting that the percentage of the manufacturing industry is influential.

Job fields with difficulty securing human resources (By industry/city size, multiple responses allowed)

Unit: responses, %

		n =	Sales-related	Non-IT technical	Administrative	IT & digital	Business planning	Research & development	Logistics	Creative	Others
Total		665	60.2	28.3	21.7	20.0	11.9	8.3	4.7	2.0	8.4
Industry	Manufacturing	119	53.8	47.9	25.2	10.1	10.1	24.4	2.5	0.8	11.8
	Wholesale trade/ General trade	240	72.5	28.3	17.5	11.3	8.3	4.2	6.3	2.5	5.8
	Retail trade	43	83.7	20.9	27.9	7.0	11.6	4.7	7.0	0.0	4.7
	Services	250	47.2	19.6	22.4	35.2	16.4	5.2	4.0	2.4	10.0
City size	Major cities	560	61.3	25.4	20.9	21.1	12.9	6.8	4.8	2.3	8.4
	Medium-sized cities	66	66.7	37.9	27.3	12.1	9.1	9.1	6.1	0.0	10.6
	Other regions	33	30.3	57.6	24.2	15.2	3.0	33.3	0.0	0.0	6.1

Note: The notable figures in each category are colored in . For the definition of “city size,” see p. 5.

3 | Salary Increases the Most Common Measure to Secure Talent, Followed by Enhancement of Company Visibility

- Regarding the efforts that have been implemented or are planned to be implemented to secure necessary human resources, “Salary increases” ranked highest at 35.9%, followed by “Enhancement of your company’s visibility and public relations” at 34.4% and “Promotion of remote work” at 25.5%.
- By industry, “Salary increases” were the most common response in manufacturing and wholesale/general trade, while “Enhancement of your company’s visibility” ranked highest in retail trade and services. By city size, “Salary increases” ranked highest in major and medium-sized cities, while “Enhancement of your company’s visibility” was the most common response in other regions

**Efforts implemented or planned to be implemented to secure necessary human resources
(By industry/city size, multiple responses allowed)**

Unit: responses, %

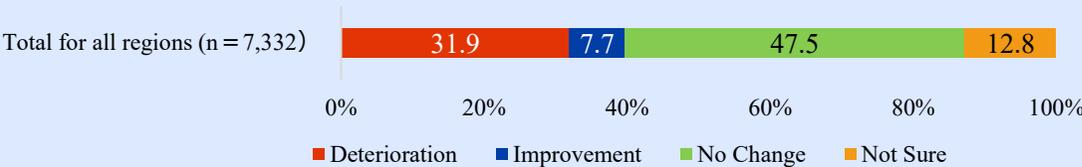
		n =	Salary increases	Enhancement of your company’s visibility and public relations	Promotion of remote work	Improvement of employees’ language skills such as English	Promotion of women in the workplace	Increased budget and resource allocation for recruitment activities	Performance-based evaluation system reform	Recruitment/transfer of foreign personnel (highly skilled personnel)	Recruitment/transfer of foreign personnel (other than highly skilled personnel)	Reskilling	Acceptance of interns from universities and other educational institutions	Employment of international students	Others
Total		1,297	35.9	34.4	25.5	24.6	20.6	19.5	18.7	16.8	13.8	12.6	7.4	5.4	1.9
Industry	Manufacturing	204	37.7	34.8	13.7	25.0	23.0	20.6	19.1	17.6	19.1	14.2	8.8	6.4	2.0
	Wholesale trade/General trade	546	39.7	31.0	26.2	27.5	22.3	19.4	20.1	9.7	10.4	13.6	3.8	2.7	1.8
	Retail trade	78	26.9	56.4	12.8	24.4	16.7	19.2	10.3	14.1	15.4	11.5	6.4	7.7	0.0
	Services	442	32.4	34.6	32.6	21.5	18.8	19.5	19.0	24.4	15.2	11.3	11.8	7.9	2.0
City size	Major cities	1,096	35.4	34.4	26.6	24.5	20.5	19.3	18.6	17.0	12.9	12.6	6.7	5.0	1.8
	Medium-sized cities	136	38.2	30.9	19.9	25.7	20.6	19.9	18.4	13.2	16.9	12.5	12.5	6.6	3.7
	Other regions	53	37.7	41.5	13.2	22.6	24.5	20.8	20.8	20.8	18.9	15.1	9.4	9.4	0.0

Note: The notable figures in each category are colored in . For the definition of “city size,” see p. 5.

[Reference] Labor Shortages Are a Global Challenge

- JETRO’s survey of Japanese-affiliated companies overseas reports on talent acquisition conditions, indicating that labor shortages are a serious issue not only for foreign-affiliated companies in Japan but for Japanese-affiliated companies overseas.
- According to the Global Edition of the aforementioned survey, the percentage of companies reporting a “Deterioration” in the talent acquisition situation over the past two years in local labor markets was 4.1 times higher than the percentage reporting an “Improvement.” About 80% of companies reporting deterioration struggle to secure staff or workers, and over 60% struggle to secure specialty personnel.
- Among measures for recruitment and retention, improving benefits and remuneration ranked the highest. In contrast, the percentage selecting “Strengthening public relations and external communications,” which is closely linked to “Enhancement of your company’s visibility” that ranked second in this survey, was low.

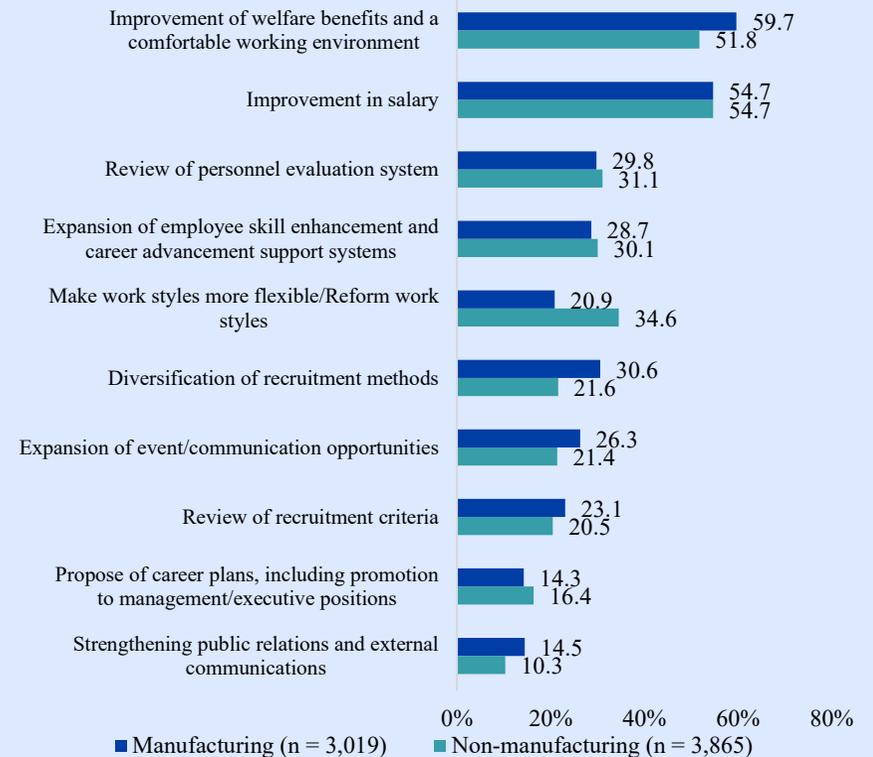
Talent acquisition situation over the past two years (All regions)



Occupations experiencing worsening staffing conditions (Manufacturing/Non-manufacturing)



Measures for personnel recruitment and retention (Manufacturing/Non-manufacturing)



Note: Only selected options are shown

(Source) JETRO FY2025 Survey on Business Conditions of Japanese-affiliated Companies Overseas (Global Edition)

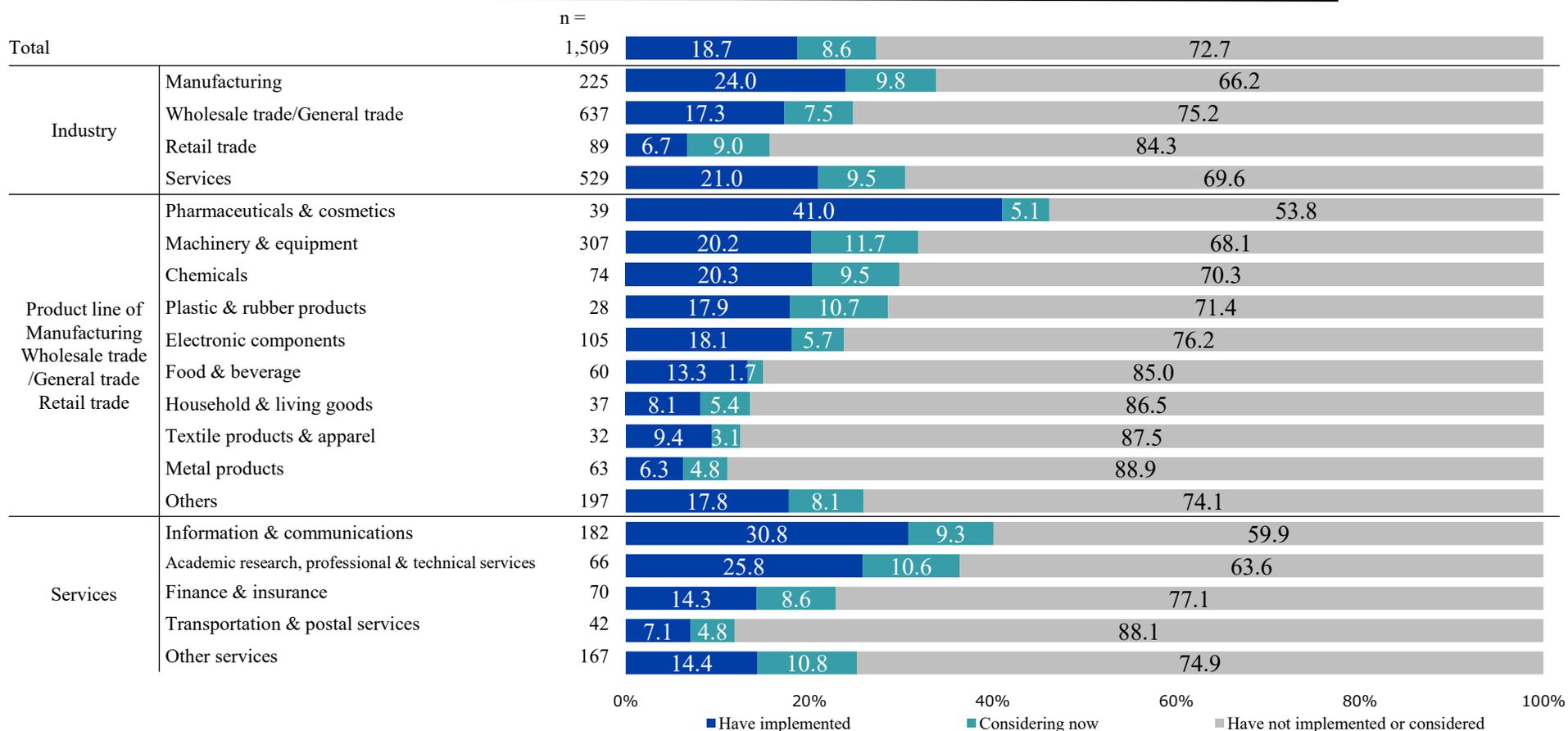
V. Collaboration/Cooperation in Japan

1

More than 30% of Companies Welcome Collaborative Partnerships—the Percentage Is Especially High in Pharmaceuticals & Cosmetics and Information & Communications

- A total of 27.3% of companies have either implemented or are considering collaboration/cooperation with domestic companies and institutions. By industry, this percentage exceeds 30% for manufacturing (33.8%) and services (30.5%).
- By product line/service, a particularly high percentage of companies—over 40%—in pharmaceuticals and cosmetics (46.1%) and in information and communications (40.1%) are considering or have implemented collaboration or cooperation.

Activity status of collaboration/cooperation (By industry and product line/service)



Note: Collaboration/cooperation indicates that foreign companies build relationships with domestic companies, universities or research centers and make a business or capital alliances to expand their business in Japan.

2 | The Most Common Forms of Collaboration/Cooperation Are Joint Marketing and Sales Channel Development or Product Development

- When companies that have implemented or are considering collaboration/cooperation were asked about specific initiatives, “Joint marketing and sales channel development (Japanese market)” was the most common response (48.5%), followed by “Joint development of new products and services” (38.1%). Among manufacturing companies, “Joint research and development” ranked first.
- By product line/service, more than 50% of companies in information and communications, finance and insurance, and pharmaceuticals and cosmetics selected “Joint marketing and sales channel development (Japanese market).” “Joint development of new products and services” ranked highly among companies in household and living goods (80.0%) and textile products and apparel (75.0%), while “Joint research and development” ranked highly among companies in chemicals and companies in academic research and professional/technical services (57.1% for both).

Types of collaboration/cooperation (By industry and product line/service, multiple responses allowed)

		n =	Joint marketing and sales channel development (Japanese market)	Joint development of new products and services	Joint research and development	Joint marketing and sales channel development (markets outside Japan)	Capital alliances (investments in collaborative partners, M&A, etc.)	Joint production	Capital alliances (establishment of joint ventures, etc.)	Joint purchase/use of equipment, etc.	Others	Unit: responses, %
Total		402	48.5	38.1	29.4	15.9	7.7	6.5	6.2	4.2	5.5	
Industry	Manufacturing	76	36.8	46.1	48.7	14.5	6.6	11.8	9.2	5.3	2.6	
	Wholesale trade/General trade	154	50.6	38.3	22.7	14.9	4.5	6.5	5.2	5.2	5.2	
	Retail trade	13	46.2	30.8	38.5	23.1	0.0	7.7	0.0	0.0	15.4	
	Services	156	52.6	34.6	25.0	17.3	11.5	3.8	6.4	3.2	6.4	
Product line of Manufacturing Wholesale /General trade Retail trade	Pharmaceuticals & cosmetics	18	55.6	33.3	44.4	0.0	5.6	5.6	0.0	0.0	11.1	
	Machinery & equipment	95	54.7	35.8	20.0	14.7	1.1	7.4	4.2	2.1	4.2	
	Chemicals	4	50.0	75.0	25.0	25.0	25.0	25.0	25.0	50.0	0.0	
	Plastic & rubber products	7	42.9	57.1	0.0	14.3	14.3	0.0	0.0	0.0	0.0	
	Electronic components	25	40.0	52.0	44.0	16.0	8.0	4.0	4.0	8.0	12.0	
	Food & beverage	8	37.5	12.5	25.0	12.5	12.5	12.5	37.5	0.0	0.0	
	Household & living goods	9	33.3	66.7	44.4	44.4	11.1	22.2	0.0	22.2	0.0	
	Textile products & apparel	21	33.3	42.9	57.1	28.6	9.5	23.8	9.5	4.8	0.0	
	Metal products	5	20.0	80.0	0.0	20.0	0.0	0.0	0.0	0.0	0.0	
	Others	50	42.0	34.0	38.0	8.0	4.0	4.0	8.0	6.0	6.0	
Services	Information & communications	73	69.9	37.0	21.9	16.4	13.7	4.1	4.1	4.1	1.4	
	Finance & insurance	16	56.3	37.5	6.3	25.0	12.5	0.0	0.0	0.0	18.8	
	Transportation & postal services	5	20.0	0.0	0.0	80.0	20.0	0.0	40.0	0.0	0.0	
	Academic research, professional & technical services	21	14.3	42.9	57.1	4.8	4.8	4.8	4.8	4.8	9.5	
	Other services	40	42.5	30.0	25.0	15.0	10.0	5.0	10.0	2.5	10.0	

Note: The notable figures in each category are colored in light blue. “n” includes respondents who selected “Considering now.”

3

Diverse Effects of Collaboration and Cooperation, Ranging from Expansion of Sales Channels and Increased Sales to Enhanced Recognition and Creation of Intellectual Property

- When companies that have implemented or are considering collaboration/cooperation were asked about the effects that they have achieved or expect to achieve from collaboration/cooperation, “Expansion of sales channels and enhancement of sales” was the most common response (57.5%). By industry, “Promotion of technical development and creation of intellectual property” ranked the highest among manufacturing companies, tied with expansion of sales channels. Among retail companies, “Enhancement of brand power and recognition” ranked the highest.
- By product line/service, “Promotion of technical development and creation of intellectual property” exceeded 50% in textile products and apparel (75.0%), electronic components (58.3%), academic research and professional/technical services (57.9%), and pharmaceuticals and cosmetics (57.1%).

Effects of collaboration/cooperation (Including expectations) (By industry and product line/service, multiple responses allowed)

		Unit: responses, %									
		Expansion of sales channels and enhancement of sales	Increase in sales revenue	Enhancement of brand power and recognition	Promotion of technological development and creation of intellectual property	Cost reduction, operational efficiency, and productivity improvement	Enhancement of the management base and building of new business models	Human resources development and retention, and improvement of the working environment	Contribution to local communities and CSR	Others	
n =											
全体		381	57.5	52.2	36.7	27.6	15.2	13.4	7.9	5.0	1.8
Industry	Manufacturing	74	51.4	45.9	32.4	51.4	17.6	10.8	5.4	2.7	5.4
	Wholesale trade/General trade	146	64.4	57.5	33.6	20.5	17.1	13.7	5.5	6.2	0.7
	Retail trade	13	38.5	30.8	53.8	23.1	15.4	0.0	38.5	7.7	0.0
	Services	144	55.6	52.1	41.7	22.9	12.5	16.0	8.3	4.9	1.4
Product line of Manufacturing Wholesale trade/ General trade Retail trade	Textile products & apparel	4	75.0	75.0	50.0	75.0	50.0	50.0	0.0	0.0	0.0
	Metal products	7	71.4	71.4	42.9	14.3	14.3	42.9	14.3	0.0	0.0
	Machinery & equipment	91	67.0	57.1	37.4	20.9	16.5	9.9	5.5	4.4	0.0
	Plastic & rubber products	8	62.5	50.0	37.5	25.0	12.5	25.0	12.5	0.0	0.0
	Food & beverage	9	55.6	66.7	44.4	33.3	22.2	0.0	11.1	11.1	11.1
	Electronic components	24	54.2	29.2	25.0	58.3	8.3	16.7	8.3	4.2	4.2
	Pharmaceuticals & cosmetics	16	50.0	37.5	37.5	18.8	18.8	0.0	0.0	6.3	12.5
	Chemicals	21	42.9	61.9	9.5	57.1	28.6	14.3	9.5	4.8	4.8
	Household & living goods	5	40.0	20.0	80.0	0.0	0.0	0.0	20.0	0.0	0.0
	Others	48	54.2	52.1	33.3	29.2	16.7	10.4	8.3	8.3	0.0
Services	Information & communications	67	64.2	59.7	44.8	16.4	14.9	16.4	9.0	1.5	0.0
	Transportation & postal services	5	60.0	60.0	60.0	0.0	60.0	0.0	20.0	0.0	0.0
	Finance & insurance	14	57.1	50.0	42.9	7.1	7.1	14.3	7.1	7.1	7.1
	Academic research, professional & technical services	19	42.1	47.4	31.6	57.9	10.5	10.5	0.0	0.0	0.0
	Other services	38	47.4	42.1	39.5	26.3	5.3	18.4	10.5	13.2	2.6

Note: “n” includes respondents who selected “Considering now.”

4 Utilization of Domestic Exhibitions and Existing Partner Companies to Find Collaboration Partners

- The most common means of finding collaboration/cooperation partners (including planned partnerships) was “Participation in exhibitions and events (in Japan)” at 56.3%, followed by “Introduction through existing partner companies” at 46.7% and “Introduction through universities and other research institutions” at 23.1%.
- By industry, in services, “Introduction through existing partner companies” (55.2%) ranked the highest, while “Participation in exhibitions and events (in Japan)” ranked first in other industries. In retail trade, more than half of companies also selected “Introduction through universities and other research institutions,” which ranked second. By city size, “Introduction through universities and other research institutions” and “Participation in exhibitions and events (overseas)” ranked higher in other regions compared to major and medium-sized cities.

Means of finding collaboration/cooperation partners (By industry and city size, multiple responses allowed)

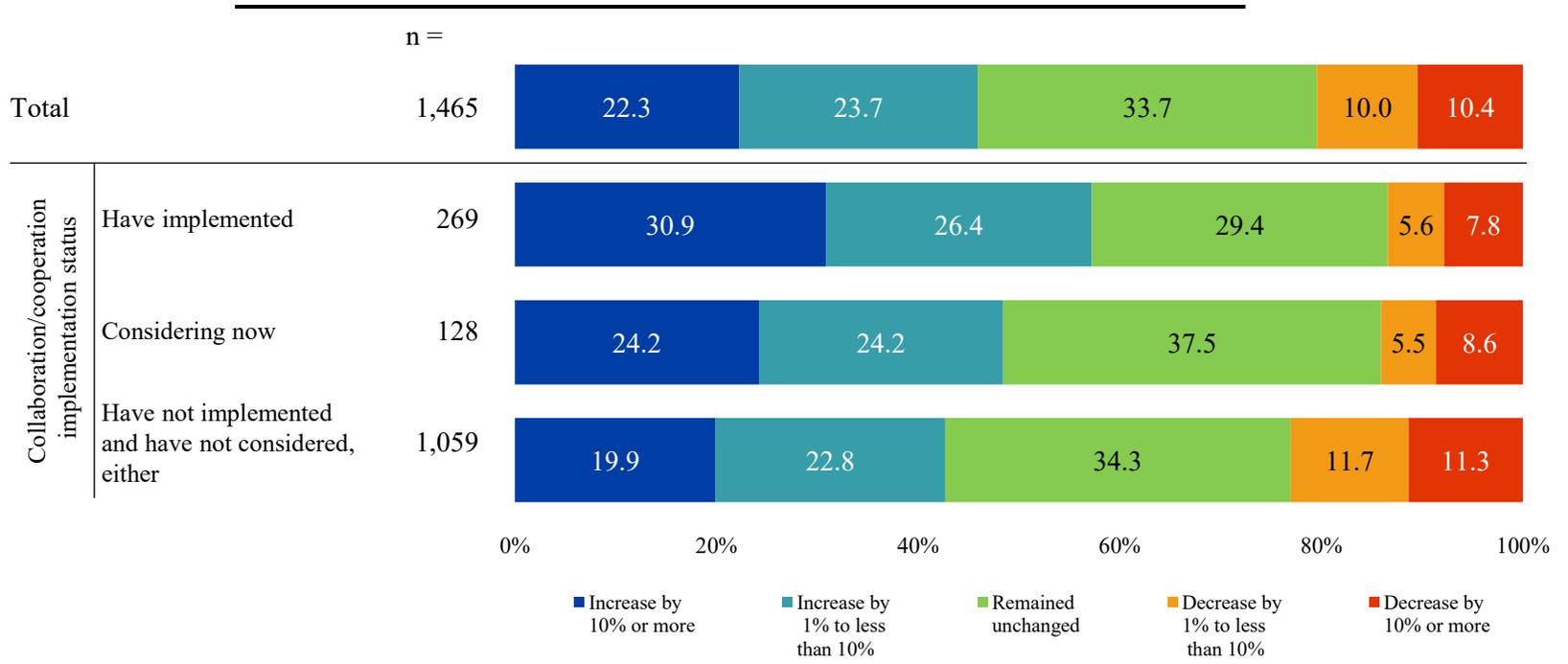
		Unit: responses, %									
n =		Participation in exhibitions and events (in Japan)	Introduction through existing partner companies	Introduction through universities and other research institutions	Introduction through overseas parent companies	Public relations and approaches using company websites, social media, etc.	Participation in exhibitions and events (overseas)	Support from local governments and other public organizations	Use of outside specialists	Others	
Total	364	56.3	46.7	23.1	18.1	16.2	14.8	8.5	6.0	6.3	
Industry	Manufacturing	72	48.6	36.1	30.6	13.9	6.9	16.7	11.1	2.8	9.7
	Wholesale trade/General trade	144	63.2	46.5	22.2	14.6	16.7	13.2	6.9	2.8	2.8
	Retail trade	10	90.0	20.0	50.0	0.0	20.0	40.0	0.0	30.0	0.0
	Services	134	50.7	55.2	17.9	26.1	20.1	14.2	9.7	9.7	9.0
City size	Major cities	297	54.2	50.2	20.5	19.5	15.2	12.8	6.4	6.1	6.1
	Medium-sized cities	46	71.7	37.0	30.4	10.9	23.9	17.4	19.6	4.3	8.7
	Other regions	17	52.9	11.8	47.1	11.8	5.9	41.2	17.6	5.9	5.9

Note: The notable figures in each category are colored in light blue. “n” includes respondents who selected “Considering now.”

5 | Companies That Plan or Engage in Collaboration Tend to Achieve Higher Sales

- When examining the relationship between collaborative activities and companies' YoY sales growth, 57.3% of companies that have implemented collaboration or cooperation expect sales to increase by at least 1%, exceeding the overall average (45.9%) by 11.3 points and exceeding companies considering collaboration (48.4%) by 2.5 points.
- In contrast, among companies that “have not implemented and have not considered” collaboration/cooperation, the percentage expecting an increase in sales was the lowest at 42.7%, which is 3.3 points below the national average. In addition, the percentage expecting a decrease in sales of 1% or more was higher at 23.0%, 2.6 points above the national average. Use of resources in Japan may be one factor behind their sales growth, as was also observed in the previous year’s survey.

Comparison of sales (By implementation status of collaboration/cooperation)



[Reference] List of Survey Items

I. Outline and activities of your company

1. Industry of your foreign parent company and your company
2. Ownership ratio of the foreign parent company
3. Country/region of the foreign parent company
4. Countries/regions in Asia (East, Southeast, and South Asia) where the foreign parent companies have subsidiaries, excluding Japan
5. Regional Headquarters in Asia
6. Period/Years since the establishment of the foreign parent company
7. Year in which your company was established or the foreign parent company invested in your company
8. Capital of your company (as of August 31, 2025)
9. Number of regular employees in your company (including board members, excluding part-time workers)
- 10-1. Your company's sales revenue for the current fiscal year (YoY change)
- 10-2. Your company's sales revenue for the next fiscal year (YoY change)
- 11-1. Forecast for your company's operating profit for the current fiscal year
- 11-2. Forecast for your company's operating profit for the current fiscal year (YoY comparison)
- 11-3. Reasons for improvement if the forecast for operating profit for the current fiscal year is "Improved"
- 11-4. Reasons for deterioration if the forecast for operating profit for the current fiscal year is "Deteriorated"
- 11-5. Forecast for your company's operating profit for the next fiscal year (Comparison with the current fiscal year)
- 11-6. Reasons for improvement if the forecast for operating profit for the next fiscal year is "Improved"
- 11-7. Reasons for deterioration if the forecast for operating profit for the next fiscal year is "Deteriorated"
12. Your company's future business plan for operations in Japan
13. Status of utilization of public support services
14. Fundraising history
15. Desirable exchange rate for your company
16. Locations and functions of your company's sites in Japan and the number of regular employees (As of August 31, 2025)
17. Factors that your company considered important when establishing new sites (Metropolitan areas/other cities)
18. Status of implementation and future plans for establishing new sites or strengthening existing sites in Japan during the past three years (or the next three years)
19. Implementation and future plans for the transfer of overseas functions owned by your foreign parent company to Japan over the past three years or the next three years
20. Countries or regions, other than Japan, that your company considers important for its future procurement policy

[Reference] List of Survey Items

II. Japan's strengths and challenges compared to neighboring Asian countries

- 21-1. Strength/attractions of Japan's business environment compared to other global markets
- 21-2. Weakness/challenges of Japan's business environment compared to other global markets
- 22-1. Changes in Japan's business environment over the past 1-2 years
- 22-2. Areas that need the most improvement for business operations in Japan; specific issues or opinions for improvement (Free entry response)
- 23. Areas that need improvement for foreign investors, entrepreneurs, managers, and businesspersons (highly skilled professionals, etc.) to work and reside smoothly in Japan
- 24. Facilities, services, and systems that need to be expanded, improved, or introduced for foreign investors, entrepreneurs, managers, and businesspersons (highly skilled professionals, etc.) to work and reside smoothly in Japan (Free entry response)

III. Human resources

- 25-1. Recruitment situation for operations in Japan
- 25-2. If conducting recruitment activities, the current situation regarding talent acquisition
- 26. Fields with recruitment challenges
- 27. Efforts your company has implemented to secure the necessary human resources

IV. Collaboration/Cooperation within Japan

- 28-1. Collaborative initiatives with Japanese companies, universities, research institutes, etc. to drive development of domestic business
- 28-2. Details of collaboration/cooperation
- 29. Effects of collaboration/cooperation (including collaboration/cooperation under consideration)
- 30. Existing and potential collaborative partners
- 31. Means that your company has used (or is considering using) to find collaborative partners

V. Others

- 32. Geopolitical risks such as US-China trade friction, economic security, and de-risking
- 33-1. Short-term (within one year after this) impact of the U.S. Trump administrations tariff policy on your company's business in Japan
- 33-2. Long-term (approximately four year after this) impact of the U.S. Trump administrations tariff policy on your company's business in Japan
- 33-3. Impact of the U.S. Trump administration's tariff policy on your company's business operations and what measures you are taking (Free entry response)