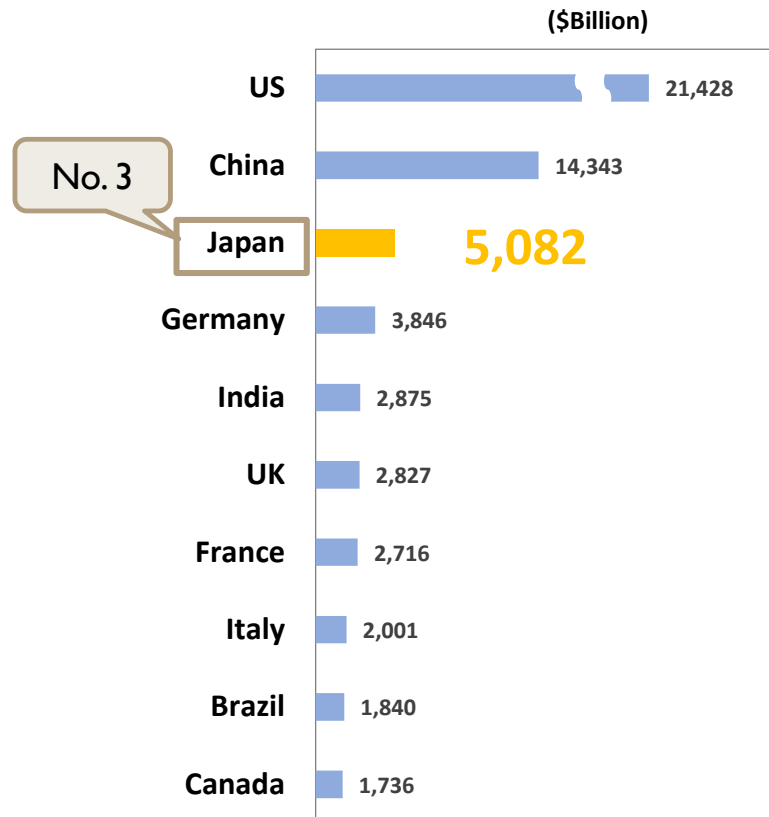


The Business Environment in Japan & Introduction to the Invest Japan Program



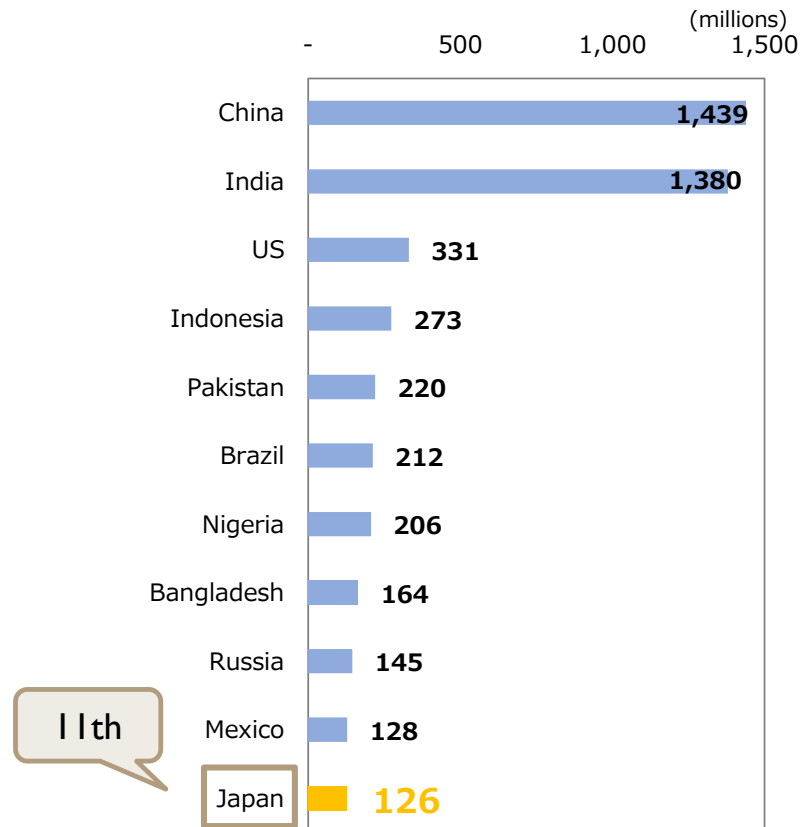
Japan - GDP and Population

Global GDP Ranking (2019)



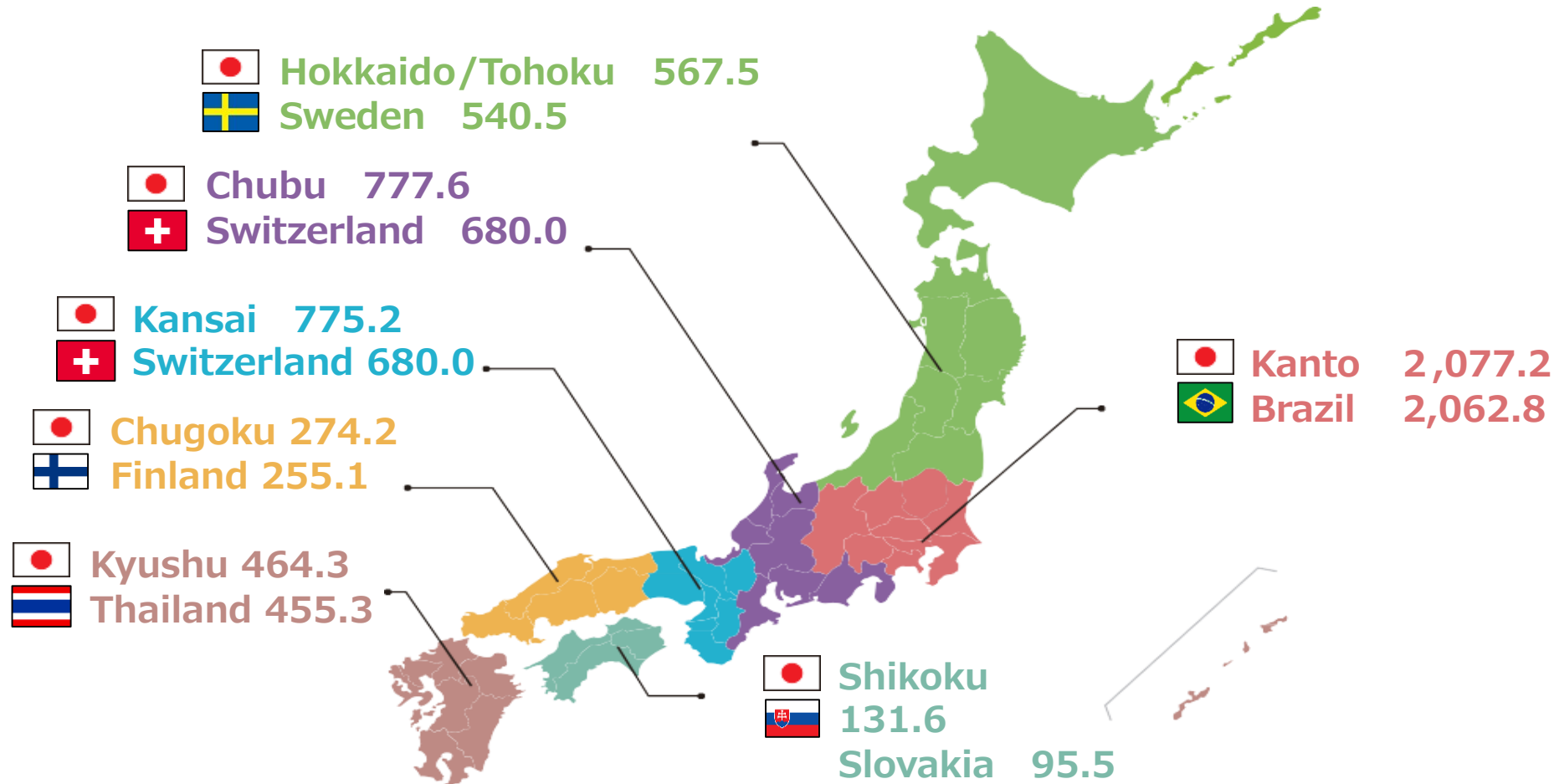
Source: "GDP Ranking" (World Bank)

World Population Ranking (2019)



Source: World Population Prospect 2019 (UNITED NATIONS)

Japan's Gross Regional Production and Foreign GDP

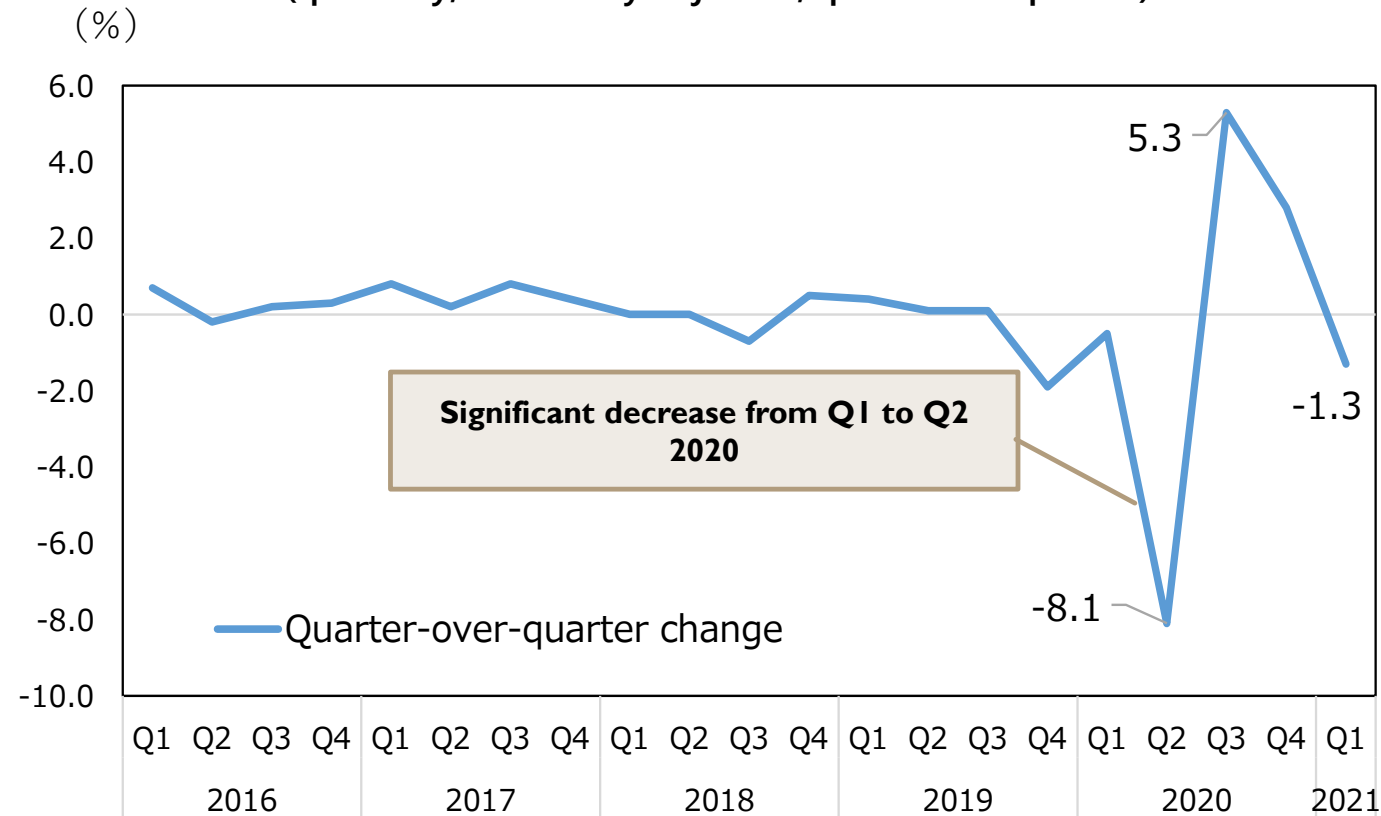


Source: Fiscal 2017 Prefectural Accounts (Oct. 2020) (Cabinet Office)

Japan's Regional GDP (FY2017 Nominal) International Comparison (Unit: US\$ 1 billion)

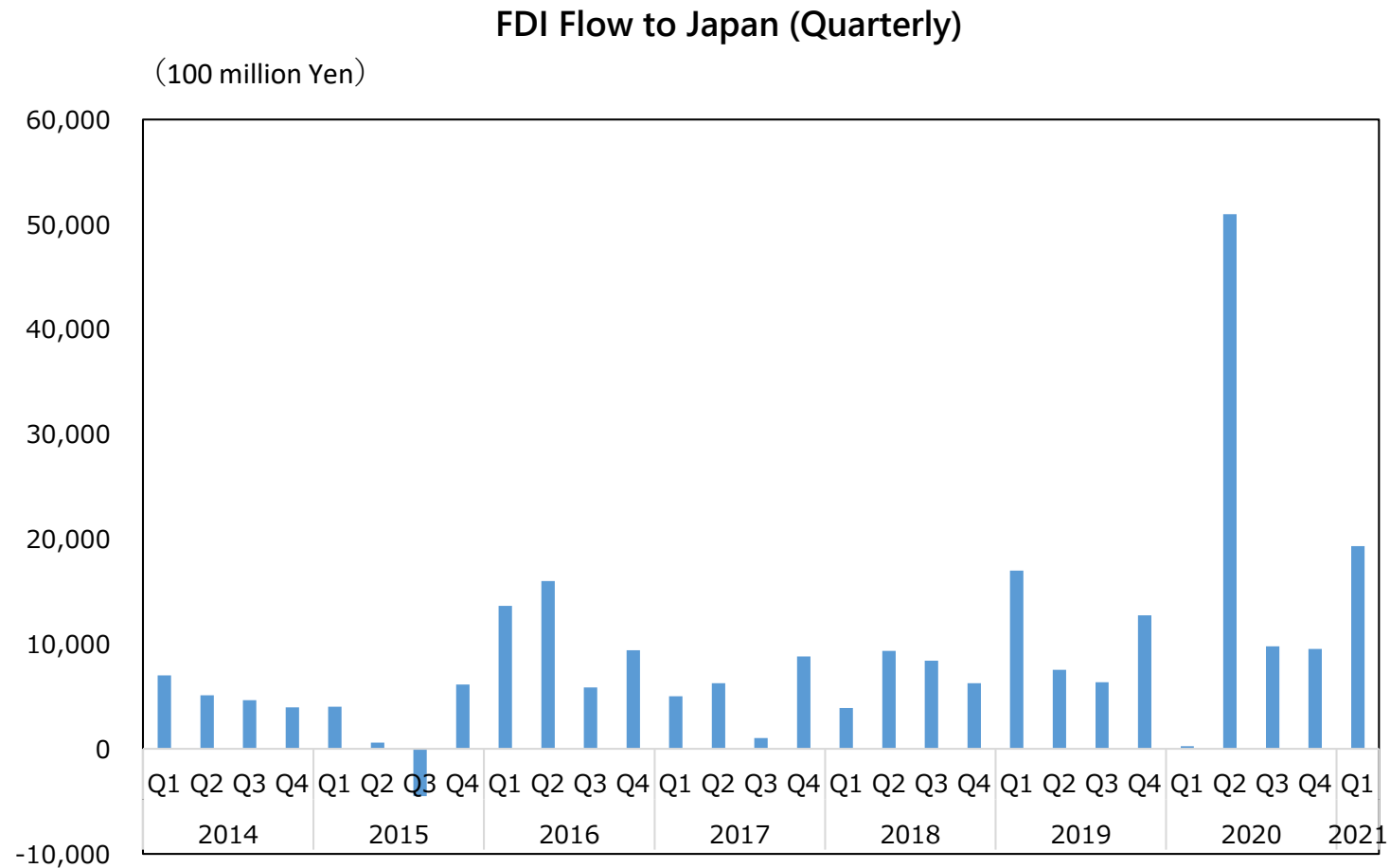
GDP Growth Rate

Japan's Real GDP Growth Rate
(quarterly, seasonally adjusted, quarter-on-quarter)



Source: Compiled from "National Economic Calculation" (Cabinet Office) (as of May. 18th, 2021)

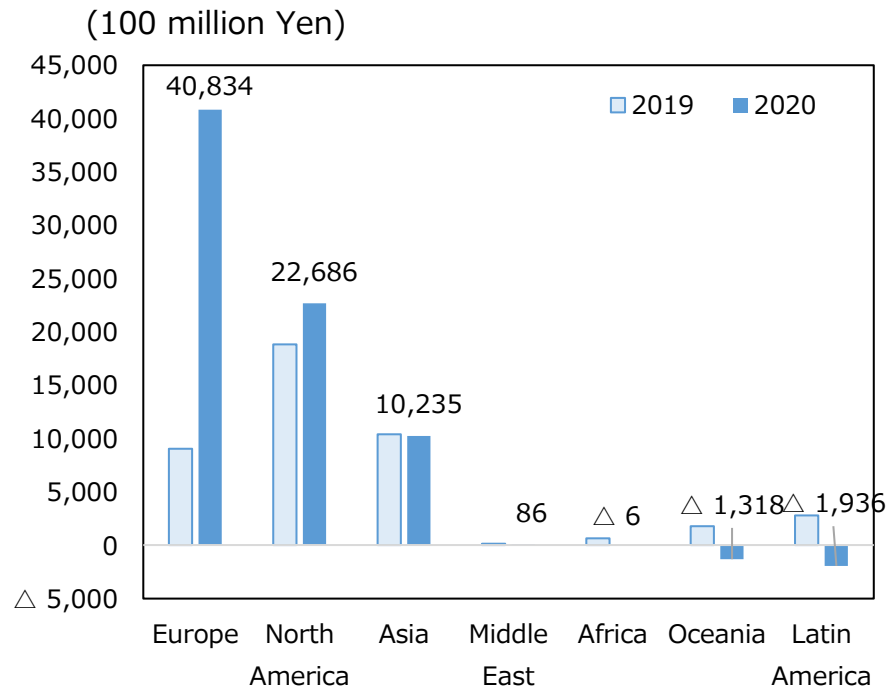
Trends in Foreign Direct Investment Flows in Japan



Source: "Balance of Payments" (Ministry of Finance and Bank of Japan)

Flow of FDI in Japan by Region and Country

FDI Flow to Japan by Region



FDI Flow to Japan by Country/Region

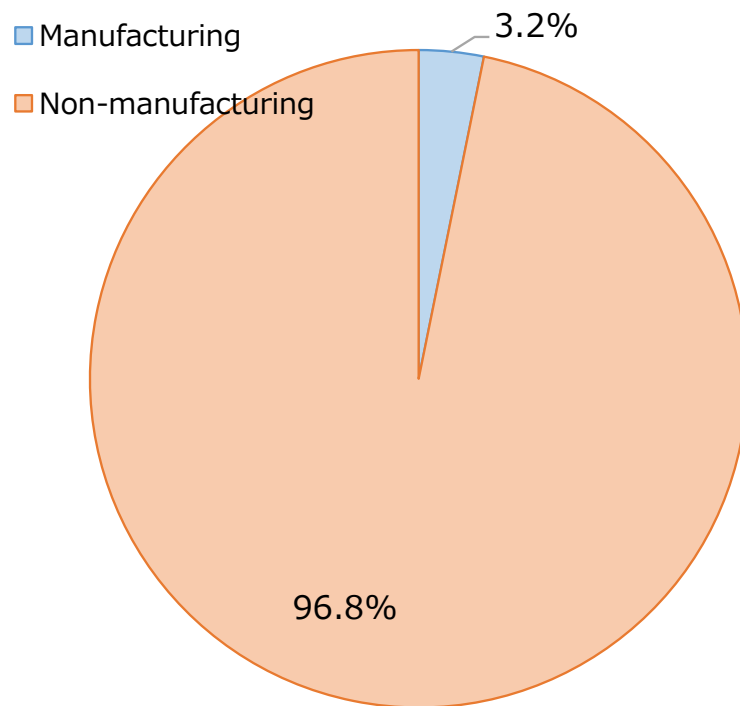
(100 million Yen, %)

Ranking	Investor Country/	2020	Share
1	UK	32,674	46.3
2	US	22,605	32.0
3	Switzerland	7,610	10.8
4	Singapore	5,462	7.7
5	China	1,434	2.0
6	France	1,398	2.0
7	Hong Kong	1,239	1.8
8	Netherlands	1,215	1.7
9	Thailand	1,080	1.5
10	Germany	819	1.2
-	World	70,581	100.0

Source: "Balance of Payments" (Ministry of Finance and Bank of Japan)

Flow of FDI in Japan by Industry

FDI Flow to Japan by Industry



FDI Flow to Japan: Top 10 Industries

(100 million Yen, %)

Ranking	Sector	2020	
			Share
1	Finance&insurance	12,445	113.7
2	Transportation Equipment	1,992	18.2
3	Services	1,950	17.8
4	Electric machinery	325	3.0
5	Transportation	256	2.3
6	General Machinery	254	2.3
7	Glass and ceramics	243	2.2
8	Petroleum	77	0.7
9	Textile	40	0.4
10	Iron, non-ferrous&metals	35	0.3

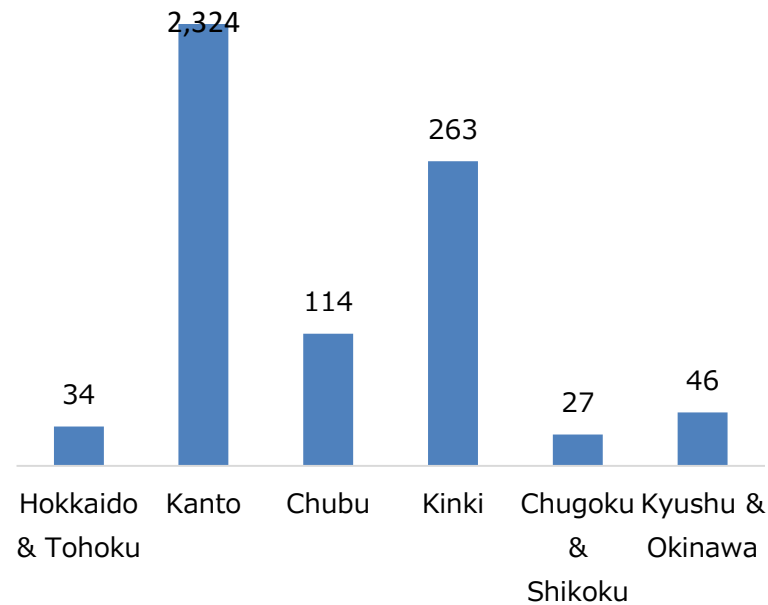
Note: FDI by industry is recorded based upon a different principle from FDI by region. Therefore, the total amounts differ.

Source: "Balance of Payments" (Ministry of Finance and Bank of Japan)

Foreign Affiliated Companies in Japan

Over 30% of foreign-affiliated companies in Japan are located outside Tokyo.

Number of Foreign Affiliates in Japan



Top 10 Foreign Affiliates Host Prefectures

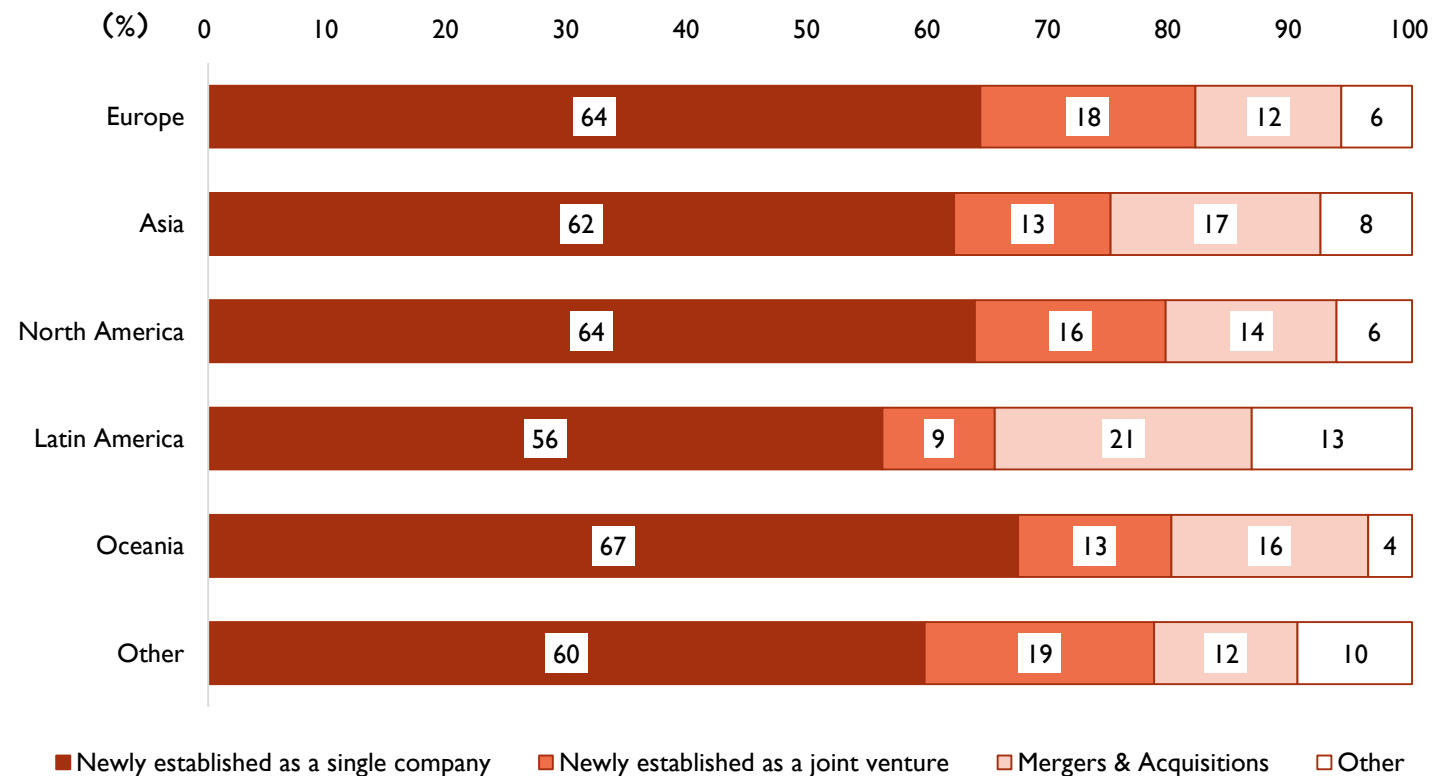
Rank	Prefecture	# of Companies	Share (%)
1	Tokyo	1,829	65.1
2	Kanagawa	297	10.6
3	Osaka	143	5.1
4	Aichi	82	2.9
5	Hyogo	80	2.8
6	Saitama	59	2.1
7	Chiba	51	1.8
8	Fukuoka	31	1.1
9	Shizuoka	21	0.7
10	Kyoto	17	0.6

Note: The number of foreign-affiliated companies in each region/prefecture is based upon the number of response (n = 2,808) to the survey and thus, do not cover all the foreign affiliates in Japan.

Source: “54th Survey of Trends in Business Activities of Foreign Affiliates” (METI)

About 60% of Foreign Companies are Established as a Single Company

Method of Establishing Foreign-affiliated Companies in Japan
(By region of parent company)



Note: n is 3,259 companies.

Source: "53rd Survey of Trends in Business Activities of Foreign Affiliates" (METI)

Size of Income and Volume are Attractive

The most attractive factor of doing business in Japan is the size of the market, followed by extensiveness of infrastructures and the market as a proving ground for measuring competitiveness of new products/services.

Attractiveness of Doing Business in Japan (Top 10 responses) (%)

Ranking	Responses	Total (n=2,468)	Manufacturing	Non- Manufacturing
1	Income levels are high. Customer volume for products and services is high	61.0	8.7	52.3
2	Extensive infrastructure	47.6	8.1	39.6
3	Sensitive to added value and trends in products and services. Proving ground for measuring competitiveness of new products/services	47.3	8.4	38.9
4	Concentration of global companies and affiliates	36.8	6.1	30.7
5	Developed living environment	34.8	5.7	29.1
6	Availability of quality personnel	23.9	5.9	18.0
7	Gateway to the Asian market. Optimal location for regional headquarters	19.8	3.8	16.0
8	Geographical advantage for accessing headquarters and countries your company manages	18.2	3.1	15.1
9	Solid financial environment, financing opportunities	13.1	2.7	10.5
10	High quality research and development environment	10.4	3.8	6.6

Note: n is 2,468 companies. Top 10 responses are listed. In the survey, companies could choose up to five responses.
Source: “54th Survey of Trends in Business Activities of Foreign Affiliates” (METI)

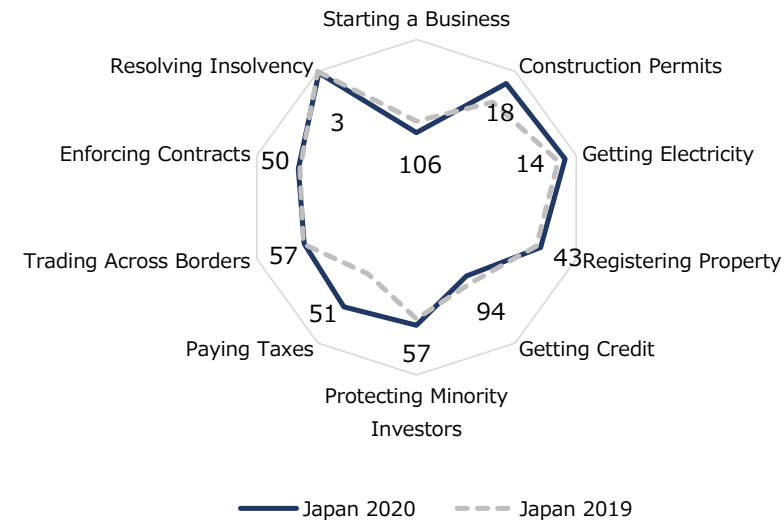
Efforts to Improve “Doing Business” in Japan

In *Doing Business 2020*, published by the World Bank, Japan ranked 29th overall and 8th among G20 (excluding the EU). The Government of Japan aims to be No. 1 in the G20 by 2030.

Doing Business Ranking of G20

Rank	2020	2016
1	Korea, Rep. 84.0 ↗	US 83.6
2	US 84.0 ↘	UK 83.3
3	UK 83.5 ↘	Korea, Rep. 83.1
4	Australia 81.2 –	Australia 80.4
5	Germany 79.7 ↗	Canada 79.8
6	Canada 79.6 ↘	Germany 79.5
7	Russia 78.2 ↖	Japan 77.5
8	Japan 78.0 ↘	France 76.1
9	China 77.9 ↗	Russia 74.1
10	France 76.8 ↘	Italy 71.7
11	Turkey 76.8 ↗	Mexico 71.6
12	Italy 72.9 ↘	Turkey 69.1
13	Mexico 72.4 ↘	South Africa 66.2
14	Saudi Arabia 71.6 ↗	China 63.1
15	India 71.0 ↗	Indonesia 62.1
16	Indonesia 69.6 ↘	Saudi Arabia 59.2
17	South Africa 67.0 ↘	Argentina 56.7
18	Brazil 59.1 –	Brazil 55.6
19	Argentina 59.0 ↘	India 54.5

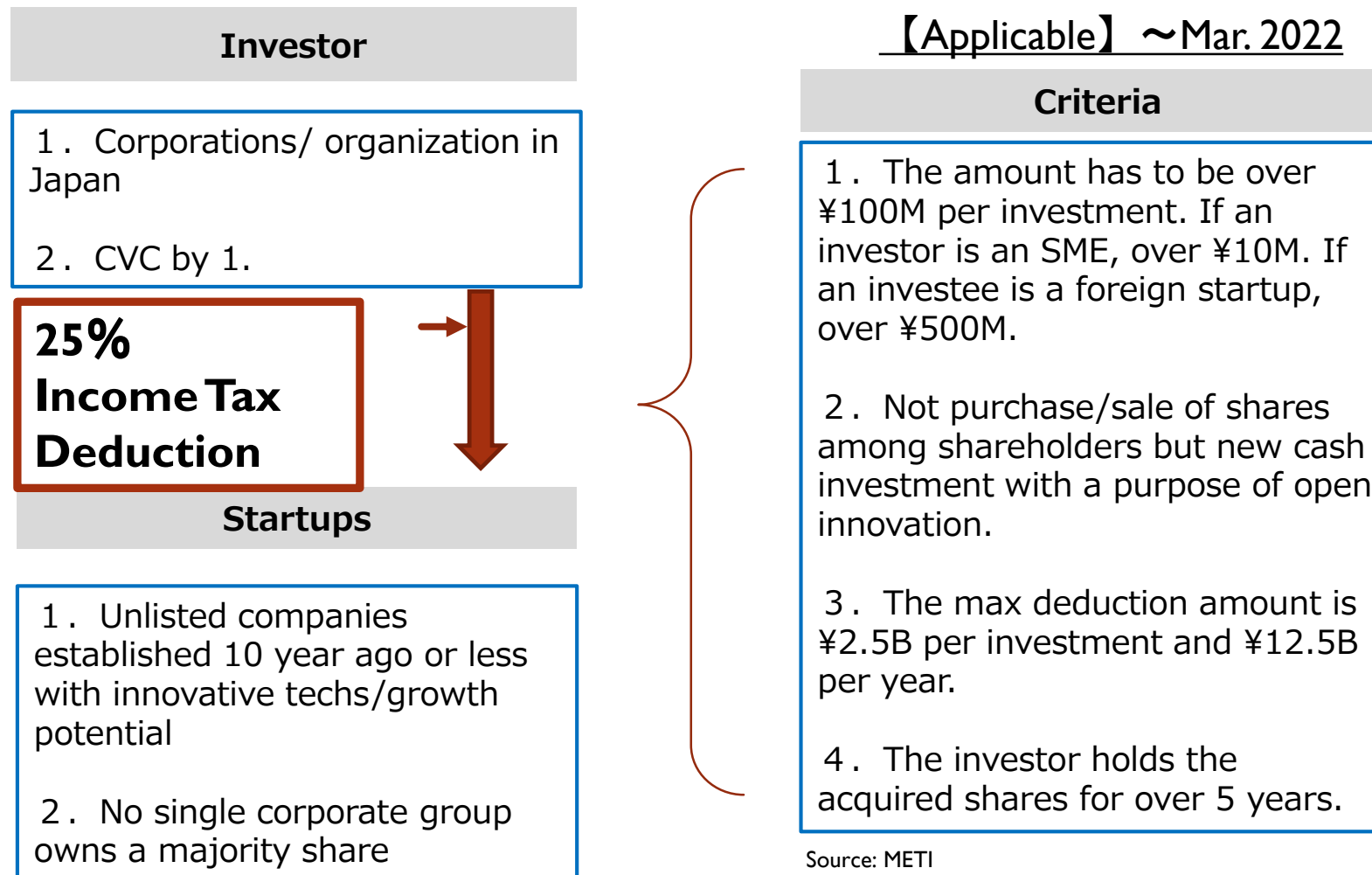
Japan’s Ranking in the 10 Topics in Doing Business



Note: Numbers indicate ranking of “Doing Business 2020.”

Source: “Doing Business 2020” (World Bank)

Corporations, organizations, and corporate venture capital (CVC) located in Japan that invest more than a certain amount for the purpose of conducting open innovation in startups, that have been in existence for less than 10 years, and are not yet listed can receive a **25% income tax deduction**.



Source: METI

Attracting Start-ups

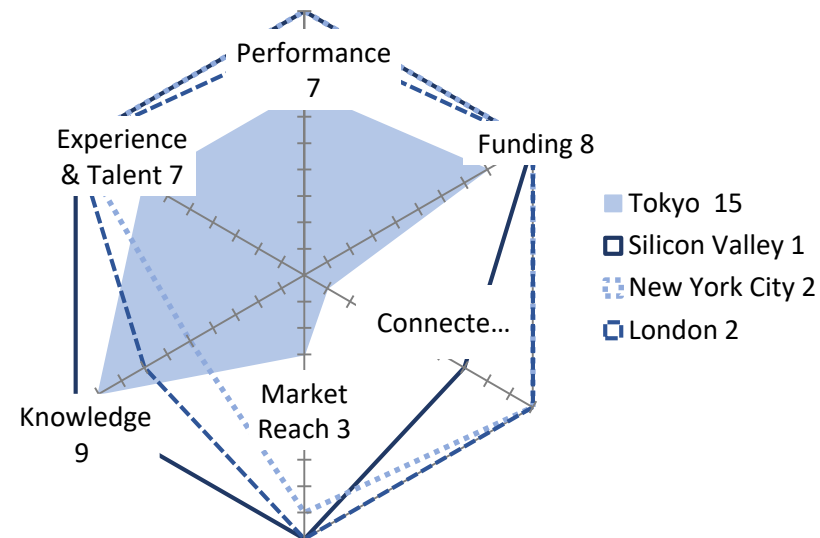
Tokyo was ranked at 15th among major cities in the world in "Global Startup Ecosystem Report (GSER) 2020." The Tokyo Metropolitan Government aims to be within top 5 by 2030.

Top 20 Cities in GSER

Rank	Country	City
1	USA	Silicon Valley
2	USA	New York City
2	UK	London
4	China	Beijing
5	USA	Boston
	⋮	⋮
15	Japan	Tokyo
16	Germany	Berlin
17	Singapore	Singapore
18	Canada	Toronto-Waterloo
19	USA	Austin
20	Korea	Seoul

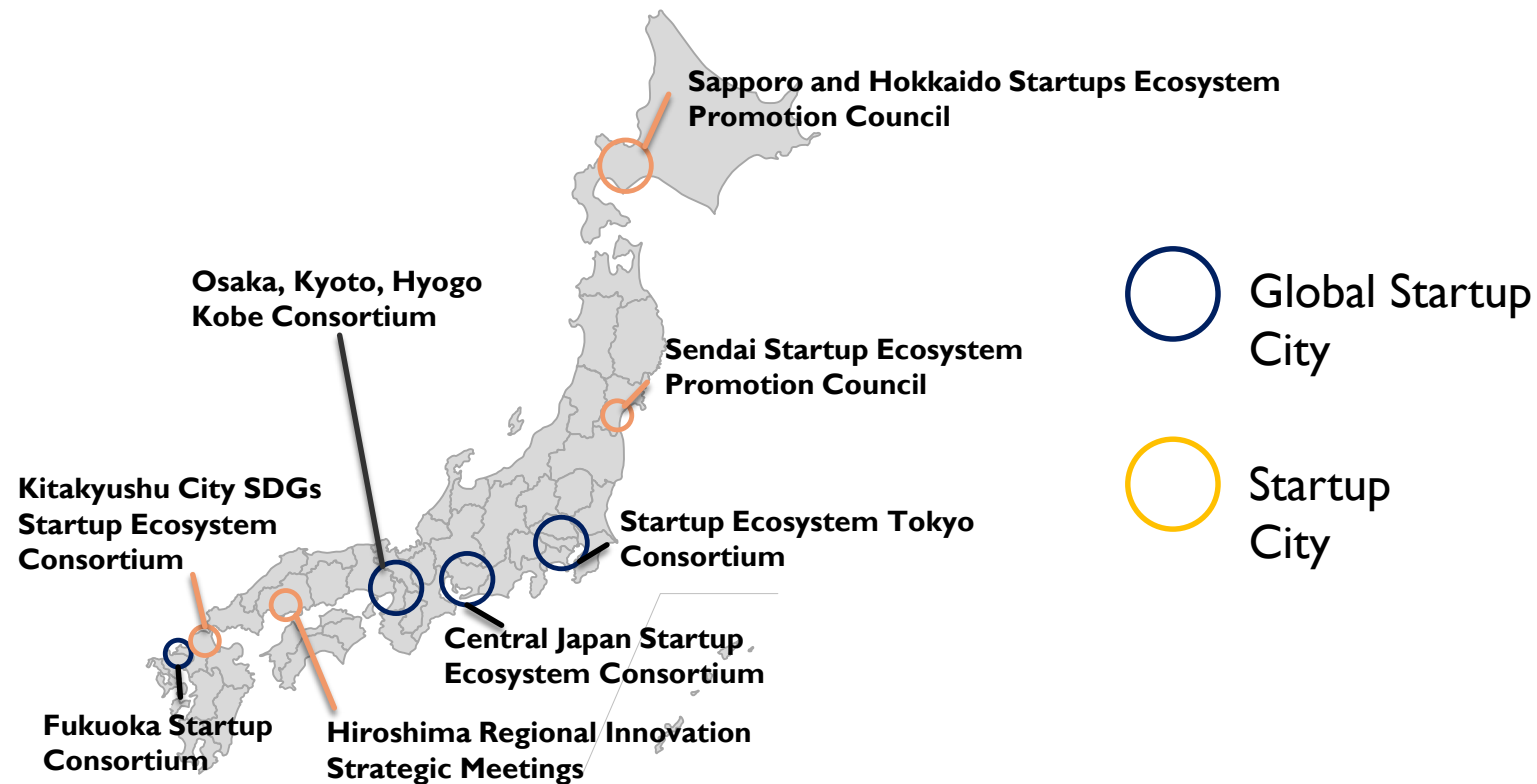
Source: GSER2020

Comparison of Tokyo and the Top Three Cities in GSER



Attracting Start-ups

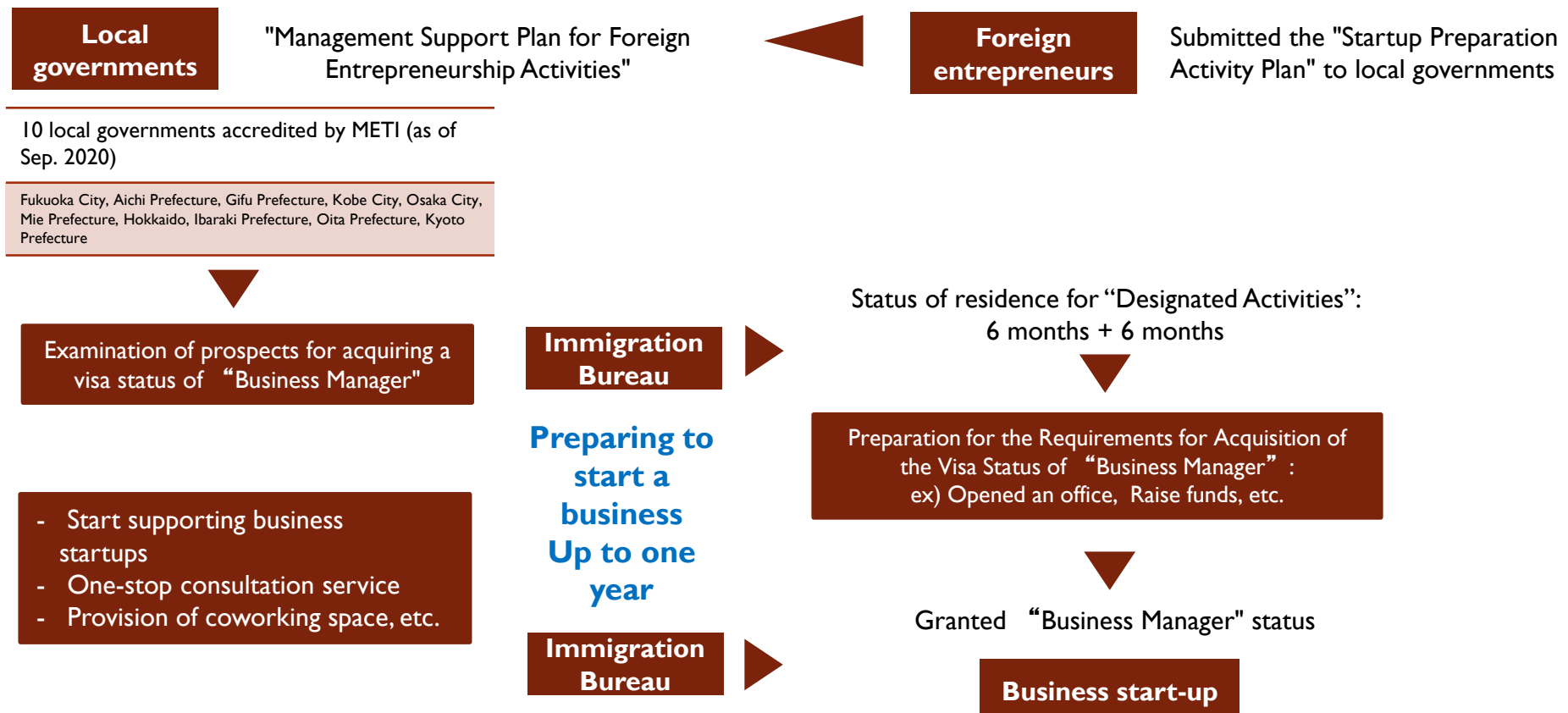
In order to strengthen the domestic startup ecosystem, the Cabinet Office announced a policy to support the development of startups and selected eight cities, four as "Global Startup City" and four as "Startup City."



Source: Cabinet Office

The “Start-up Visa”

A system that grants a status of residence for “Designated Activities” to foreign entrepreneurs who receive supports from local governments, for up to one year for startup preparation activities.

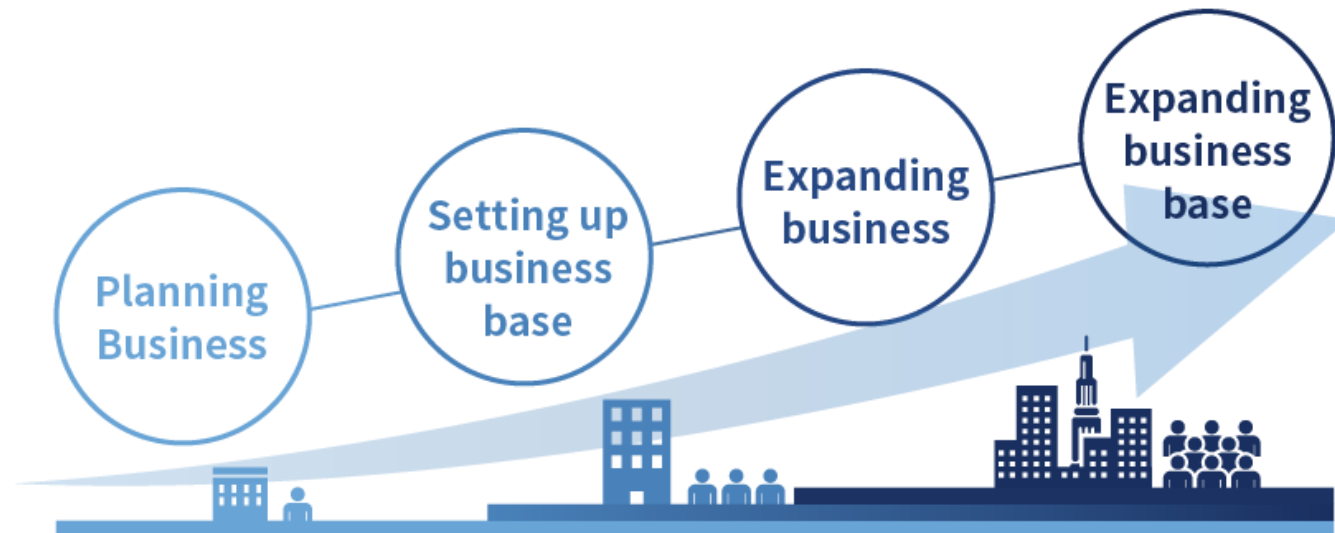


About Invest Japan



About Invest Japan

- The Invest Japan program aims to **attract FDI into Japan**, with a focus on companies which have a **unique or innovative product or service**.
- JETRO supports your business in Japan by utilizing a wide domestic and foreign network.
- With more than 70 overseas offices and 50 offices in Japan in every prefecture to support you locally.



Our Services



Japanese market and industry information



How to establish a base
(Registration, visa, tax, labor, legal, and other affairs)



Service providers
(Recruitment, real estate companies, accounting firms, and other companies)



Licensing and related legal systems



National and regional incentives



Introduction of the government and related ministries and agencies



Introduction of local governments



Introducing business partners and providing opportunities for interaction



Introduction of experts (Judicial scriveners, attorneys, tax accountants, certified social insurance labor consultants, and other experts)



Introduction of universities interested in partnerships with foreign-affiliated companies

※ Please refer to the information on this website.

※ For foreign and foreign-affiliated companies that meet certain conditions, JETRO's professional staff also provide customized information based on individual requests. If you are interested, please contact JETRO first.

※ Please refer to the information on this website.

※ For foreign and foreign-affiliated companies that meet certain conditions, JETRO's professional staff also introduce experts, national and local governments, and partner company information, based on individual requests. If you are interested, please contact JETRO first.

Invest Japan Business Support Center (IBSC)

- Invest Japan participants are able to take advantage of **free temporary office space** at our IBSCs.
- These temporary offices are available to help start your businesses and can be used as a meeting point to network and conduct business.
- These centres also have private rooms with telephones and network environment, and shared facilities such as common spaces, multipurpose halls, and conference rooms.
- (Note: Address of an IBSC cannot be used to register your company.)



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Fax : +81-45-662-4980



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Fax : +81-78-232-3439



Fukuoka

Fukuoka Chamber of Commerce & Industry Bldg. 7F, 2-9-28, Hakataekimae, Hakata-ku, Fukuoka, 812-0011, Japan

Tel : 092-471-5635

Fax : 092-471-5636

Invest Japan Business Support Center (IBSC)



Temporary office outline (Example of IBSC Tokyo)

Tenancy terms	Foreign and foreign-affiliated companies planning to invest in and expand business in Japan (companies certified by JETRO to provide service) * There are various conditions for using this service.
Tenancy period	Fifty business days in principle (You can extend it if necessary, but a tenancy fee will be charged.)
Tenancy fee	Free (Security deposit and communication costs are not included.)
Equipment	Desks, chairs, telephones, and Internet lines
Shared facilities	Conference rooms and multipurpose halls
Room area	About 13.5 square meters (Two-person room), about 18.0 square meters (Three-person room), and about 36.0 square meters (Six-person room)



Applying for Invest Japan



- Our services are completely free
- For more information, you can search “JETRO Invest Japan”
Or visit the Invest Japan website:
<https://www.jetro.go.jp/en/invest/>
- You can email us directly at:
syd-bd@jetro.go.jp