

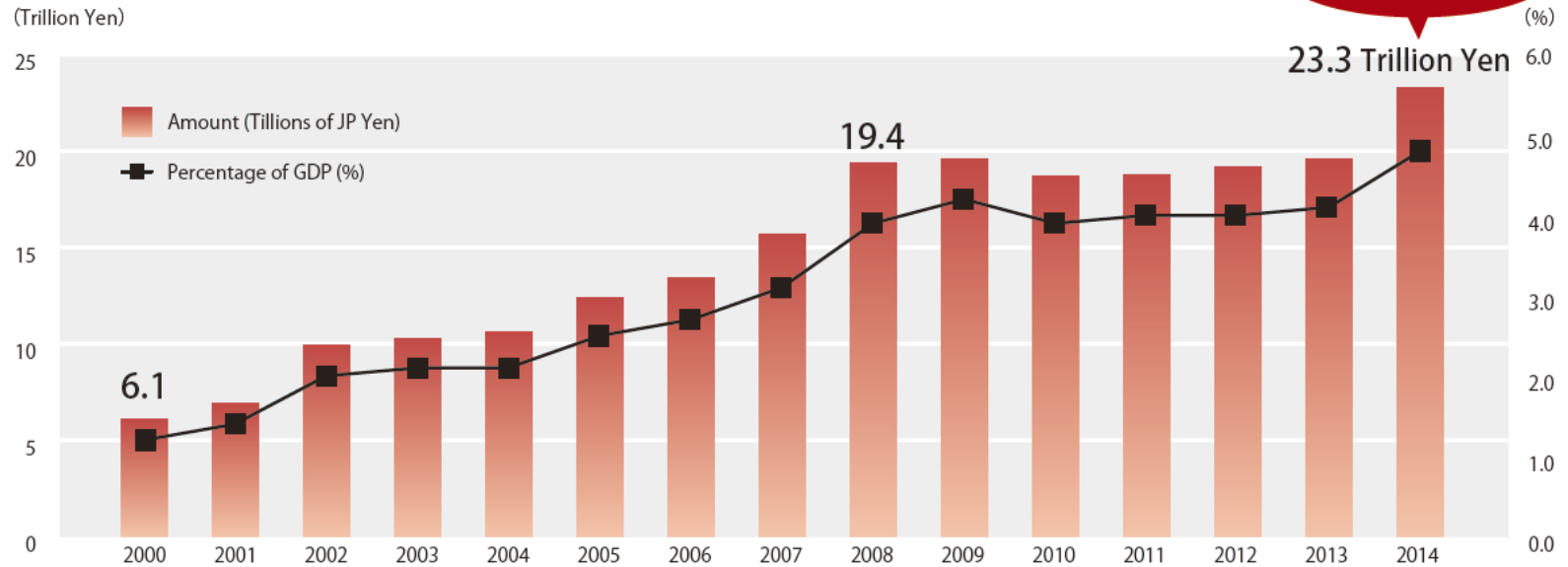
## Investment Climate in Japan/Kansai and Business Opportunities for Canadian Companies

**SHINYA FUJII**  
**Director General**  
**JETRO OSAKA**



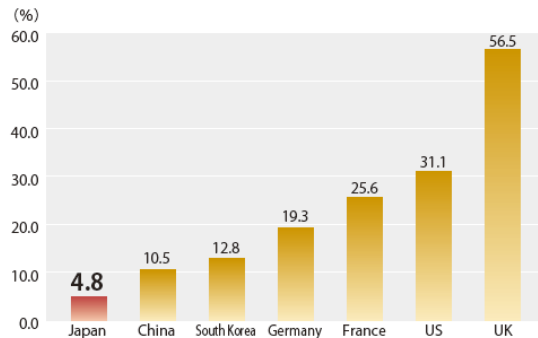
- 1. Allure of Japan/Kansai as Investment Destinations**
2. Talk to JETRO First

**Chart 1-1 The stock of inward FDI and its portion in the nominal GDP**



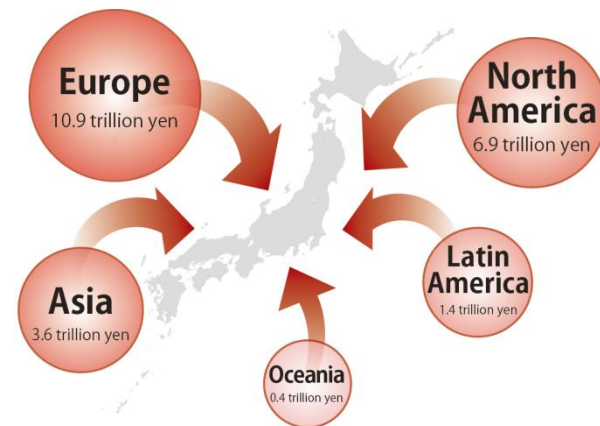
[Source] "Balance of Payments" (Ministry of Finance)

**Chart 1-2 International comparison of the inward FDI's ratio in nominal GDP**



[Source] "World Investment Report 2015" (UNCTAD) (except Japan)  
Japan: "Balance of Payments" (Ministry of Finance),  
"National Accounts of Japan" (The Cabinet Office)

**Chart 1-4 Inward FDI into Japan by region (as of the end of 2014)**



# Four allure of Japan/Kansai as Investment Destinations

**Sophisticated  
Market**

**Business  
Friendly  
Environment**

**Innovation  
Hub**

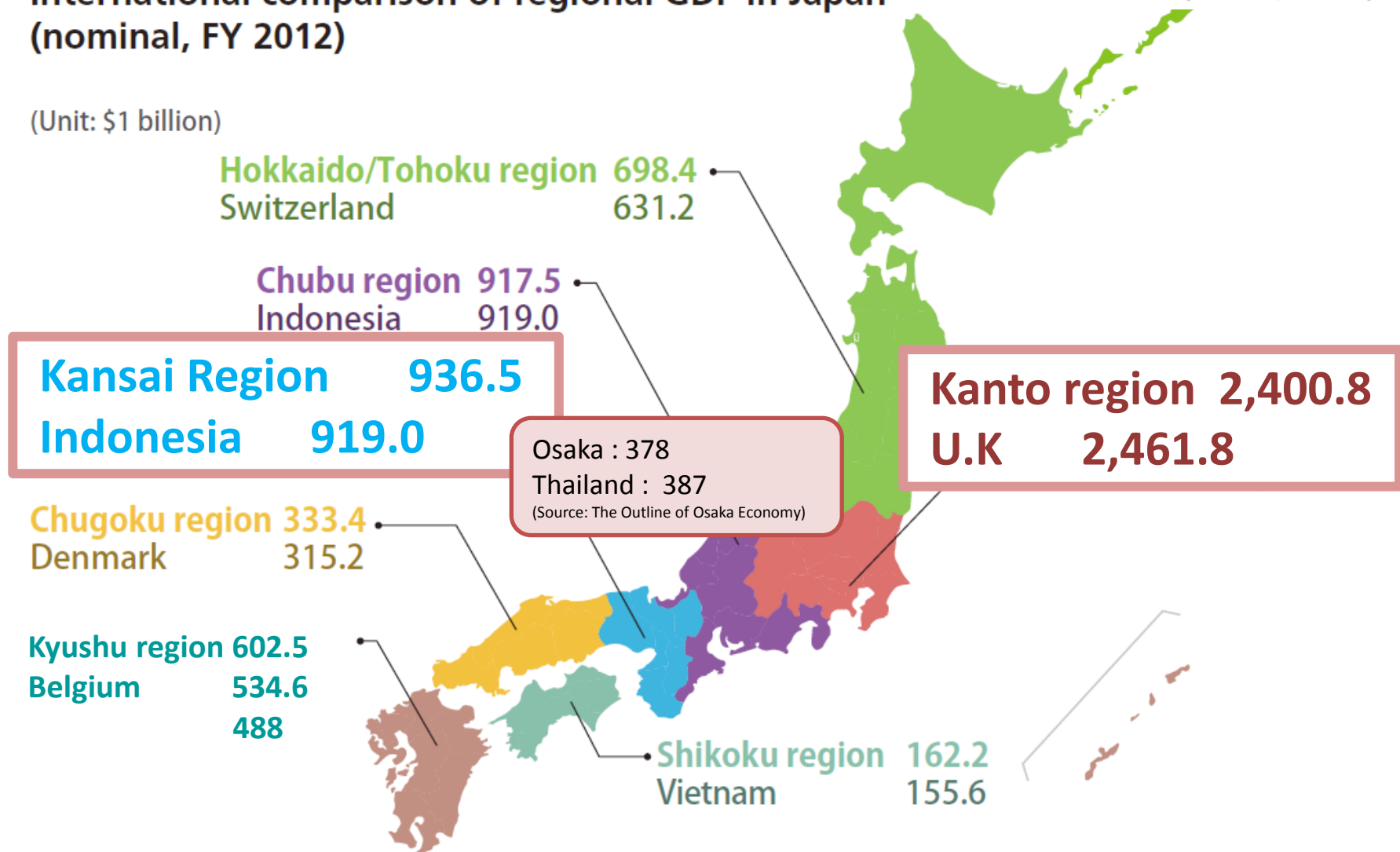
**Comfortable  
Living**

# International Comparison of Regional GDP in Japan

International comparison of regional GDP in Japan  
(nominal, FY 2012)

(nominal, FY2012)

(Unit: \$1 billion)



Source: "Annual Report on Prefectural Accounts for FY 2012" issued in FY 2015, C

# Innovation Hub

Science and technology related research is conducted actively in Japan. “Research funding as a percentage of GDP” and “Number of researchers per 10,000 people” are among the largest in the world.

## Research funding percentage of GDP (G8 comparison)

Rank	Country	Percentage of GDP (%)
<b>1</b>	<b>Japan</b>	<b>3.75</b>
2	Germany	2.98
3	U.S.	2.79

4<sup>th</sup> - France (2.29%), 5<sup>th</sup> - UK (1.73%),  
6<sup>th</sup> - Canada(1.69%), 7<sup>th</sup> - Italy (1.27%),  
8<sup>th</sup> - Russia (1.12%)

## Number of researchers per 10,000 people (G8 comparison)

Rank	Country	Number of researchers per 10,000 people
<b>1</b>	<b>Japan</b>	<b>52.0</b>
2	Canada	45.6
3	Germany	42.5

4<sup>th</sup> - US (40.2), 5<sup>th</sup> - UK (39.7),  
6<sup>th</sup> - France(38.3), 7<sup>th</sup> - Russia (31.0),  
8<sup>th</sup> - Italy (12.7)

Source: Created from Ministry of Internal Affairs and Communication, “Survey Result on Science and Technology Indicators 2014 ”  
Date source: OECD “Main Science and Technology Indicators,” etc.

# Osaka Innovation Hub / Knowledge Capital At Grand Front Osaka

## Osaka Innovation Hub

### Open Innovation Program



Innovation Exchange



CoCreation JAM

### Global Innovation Program



International Pitch Contest  
Hack Osaka

### Hackathon/Ideathon Event



Grand Front Osaka

JR Osaka Station



## Knowledge Capital

### Creation of New Industries



The creation of new products and services through the participation and collaboration of a variety of people from different fields

### Promotion of Culture



The creation of a cultural framework for participation, learning, creation, and presentation by a wide range of ordinary people

### International Exchanges



Formation of a business and tourism hub as an Asian gateway to the world

### Development of Human Resources



Development of people of different generations, who will play a leading role in the world, through industry-government-academia collaboration



Opening Ceremony of  
AIG Japan Holdings KK's  
Osaka headquarters

# Business-Friendly Environment

## Easy environment for business

Business  
sophistication

RANK

1<sup>st</sup>  
in the world  
(144 countries)

Source: World Economic Forum, "The Global Competitiveness Report 2014-2015"

## Foreign companies validate Japan's infrastructure

**Nearly 61%** of foreign companies see  
the **well-maintained infrastructure**  
as an attractiveness of Japan.

Source: Ministry of Economy, Trade, and Industry(METI), "Survey on Attitudes of Foreign Companies toward Direct Investment in Japan Report 2014"



# Improving Economic Indexes

2012

Now

**GDP**

(Real GDP (seasonally adjusted))

**517**

**Trillion yen**  
(Oct-Dec 2012)

**1.9%**

Increase

**530**

**Trillion yen**  
(Jan-Mar 2016)

**Current Profit  
of Companies**

**12.6**

**Trillion yen**  
(Apr-June 2012)

**Increase**

**15.2**

**Trillion yen**  
(Jan-Mar 2016)

**Business Confidence**

(Tankan Index of Bank of Japan,  
manufactures)

Large firms

-3

Medium-sized firms

-5

SMEs

-12

(Dec 2012)

**Greatly  
Improved**

Large firms

6

Medium-sized firms

5

SMEs

-4

(Mar 2016)

**Employment**

**62.5**

**Million**  
(Dec 2012)

**Increase**

**64.0**

**Million**  
(Apr 2016)

# Structural Reform



**Opening up  
the Electricity  
Market**



**Regulatory  
Reform of  
Medicine and  
Medical  
Equipment**

# Comfortable Living

## Most livable Japanese cities as chosen by the world

### Japan hosts Asia's most livable city

Osaka, ranked 12th overall, scored the highest in Asia. (2012)

Tokyo came second at 18th while Hong Kong nabbed 31st.

- |                           |                         |
|---------------------------|-------------------------|
| 1. Melbourne, Australia   | 11. Zurich, Switzerland |
| 2. Vienna, Austria        | <b>12. Osaka, Japan</b> |
| 3. Vancouver, Canada      | 12. Geneva, Switzerland |
| 4. Toronto, Canada        | 14. Stockholm, Sweden   |
| 5. Calgary, Canada        | 14. Hamburg, Germany    |
| 5. Adelaide, Australia    | 16. Montreal, Canada    |
| 7. Sydney, Australia      | 16. Paris, France       |
| 8. Helsinki, Finland      | 18. Tokyo, Japan        |
| 9. Perth, Australia       | 18. Frankfurt, Germany  |
| 10. Auckland, New Zealand |                         |

#### RANK

- |            |                |
|------------|----------------|
| 1.         | <b>Tokyo</b>   |
| 2.         | Vienna         |
| 3.         | Berlin         |
| 4.         | Melbourne      |
| 5.         | Sydney         |
| 6.         | Stockholm      |
| 7.         | Vancouver      |
| 8.         | Helsinki       |
| :          |                |
| <b>12.</b> | <b>Fukuoka</b> |
| <b>14.</b> | <b>Kyoto</b>   |

Source: MONOCLE, UK

(Source: 2012.08 CNN/Economist Intelligence Unit's (EIU) [Global Livability Survey](http://travel.cnn.com/explorations/life/worlds-most-livable-city-525619/))  
<http://travel.cnn.com/explorations/life/worlds-most-livable-city-525619/>

1. Allure of Japan/Kansai as Investment Destinations
2. Talk to JETRO First

# JETRO's Overseas and Domestic Network

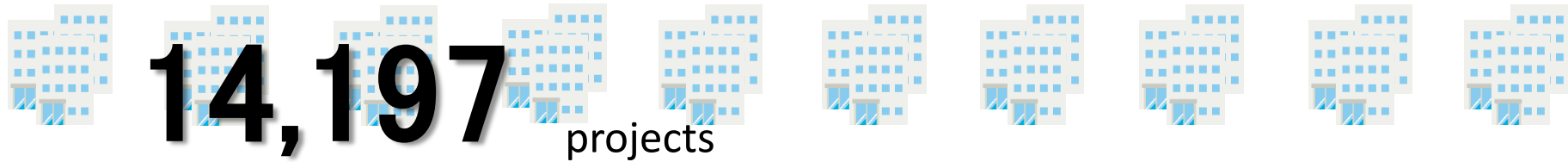
**46 domestic offices**



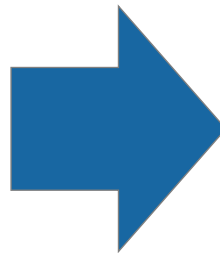
**74 overseas offices**

# Investment Projects Supported by JETRO (FY2003 - 2015)

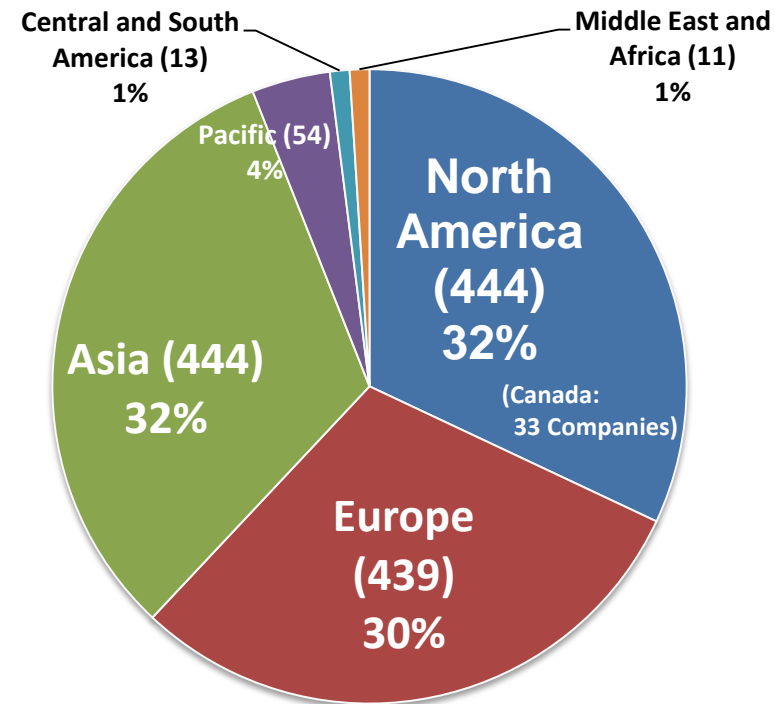
Supported



**1,405**

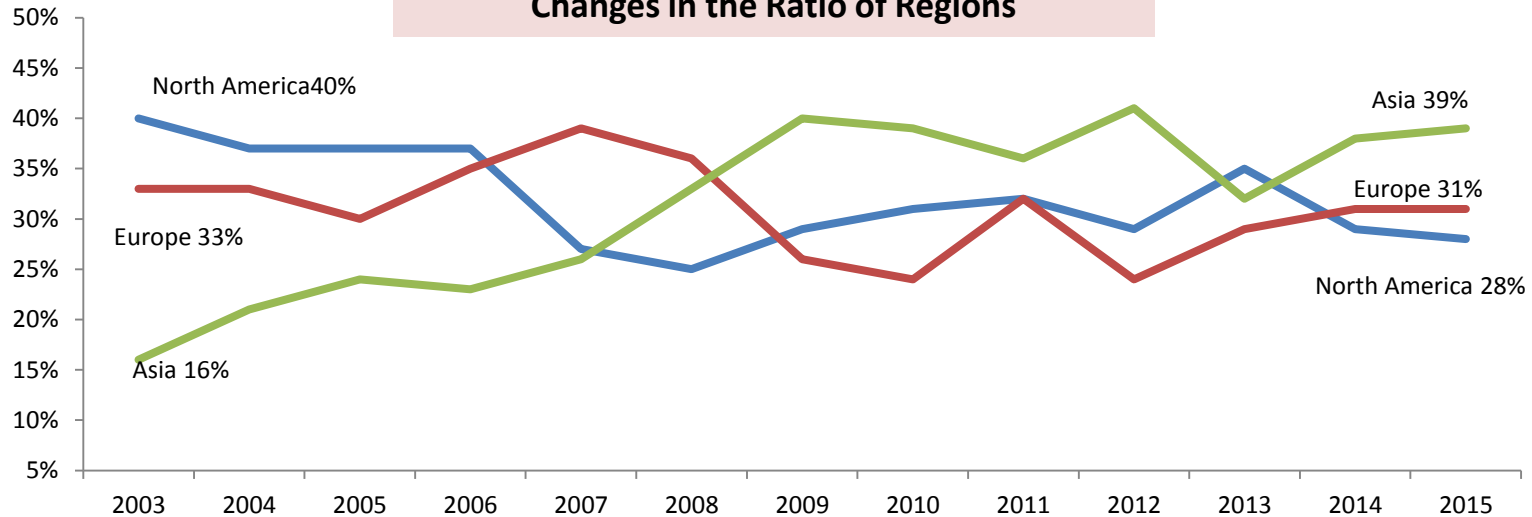


Successfully opened business

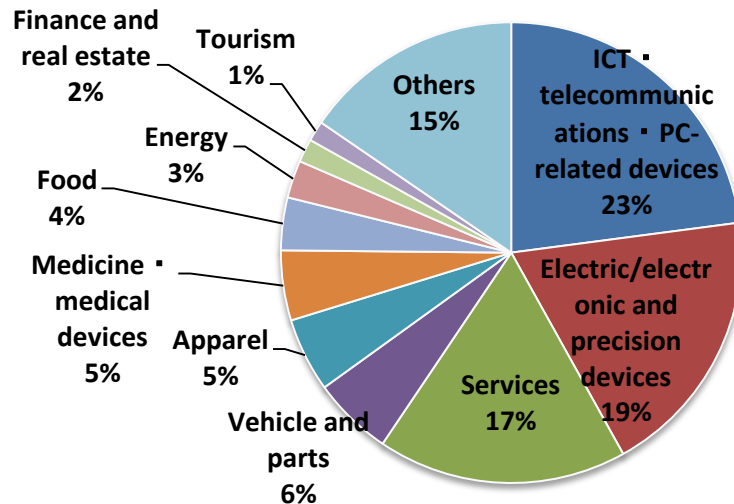


# Successful Cases Supported by JETRO (FY2003 - 2015)

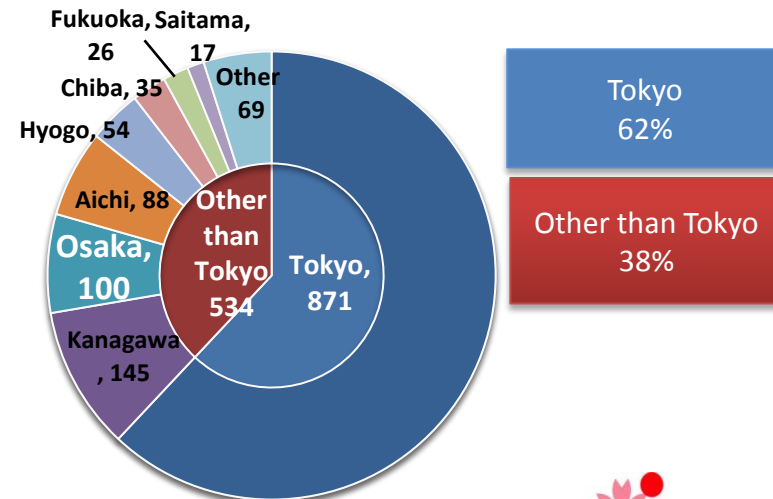
Changes in the Ratio of Regions



By Industry



By Location in Japan



# Canadian Companies in Japan

## Automotive / Machinery

ABC Group  
Alcohol Countermeasure Systems  
Husky Injection Moldings [Branch in Osaka](#)  
Linamar  
Magna International  
Servo-Robot [HQ in Osaka](#)  
Unifiller [HQ in Osaka](#)  
Woodbridge etc

## Energy / Environment

Canadian Solar [Branch in Osaka](#)  
Celestica  
Solar Power Network etc

## Food

Maple Leaf Foods  
McCain Foods [Branch in Osaka](#) etc

## Information Technology/Multimedia

Acquisio  
Audiokinetics  
Chipworks  
Corel  
GXS  
Open Text [Branch in Osaka](#)  
Perle Systems  
Redknee Solutions  
Startech com  
ViXS etc

## Financial / Insurance

Bank of Nova Scotia  
CIBC  
Manulife Financial  
RBC etc



# Supported Companies by JETRO Canada



# Case Study : Redknee Solutions Inc.



## Corporate Background

- Redknee Solutions Inc. (TSX:RKN) is a leading provider of business-critical monetizing software and solutions.
- Established in 1999 and headquartered in Mississauga, Ontario.
- Currently provides software solutions to over 200 telecom service providers worldwide with a network of 15 offices across the globe.

## Entry into Japan

- Entry into Japan spurred by multi-year deal with Tokyo-based iTSCOM, a triple service provider of cable TV, broadband and digital telephone.
- Redknee was able to gain access to the largest communications market in Asia.
- In order to provide the software support needed in the multi-year deal, Redknee Japan office (Redknee Japan K.K.) was established with the assistance of JETRO in Tokyo.

## Expand business in Japan

- The company is expanding their businesses as the liberalization of electricity retail markets in Japan and trying to open an Osaka branch.
- JETRO Osaka introduces some electric power related local governments/organizations and arranges business meetings with large Japanese companies in Osaka at the request of the company.

# JETRO's Support Service Menu

- JETRO helps foreign companies set up an office in Japan quickly and cost effectively by providing expertise, resources, and industry connections. Because JETRO is an independent agency of the Japanese government, our services are offered free of cost.

## Information & Guidance

### ✓ Personalized Market information

- Industry specific market research information including market scale, trends, competitors
- Regulatory Information
- Advice for Market Entry

### ✓ Governmental / Regional Incentive Programs

- Information on Japanese government subsidy program and regional incentives
- JETRO is the sole secretariat for certain national incentive programs.

## Hands-on Market Entry Support

### ✓ Free Incubator Office Space

- Free temporary office space "IBSC" in Tokyo and other major cities (Free for 50 business days)
- On site support and consultations

### ✓ Office Start-up Support

- Free consultations with business consultants including corporate registration, visa, tax/accounting, HR, and legal professionals etc.
- Introductions to bilingual service providers including real estates, staffing agencies, accountants, & legal support

## Networking Support

### ✓ Business Partner Matching

- Facilitate partnering through our free business matching events and industry partnering programs
- Business matching databases

### ✓ Global Network

- Expansive network of company executives, advisors and more



# Example of Networking Support

- JETRO invites you to participate in the Technology Partnering Japan Program, a free business matching program designed to give you direct access to leaders and innovators in Japan's technology industries



Sectors may include but are not limited to:

- Advanced Materials
- Computer Hardware/Software
- Renewable Energy
- Energy Efficiency & Management
- Environmental Protection
- Photonics
- Semiconductors
- Telecommunications & Internet
- Other

- JETRO will submit your company's information to Japanese companies who are seeking new technology. The Japanese companies will notify JETRO Toronto of their interest.
- Please obtain a program application from JETRO Toronto and return your completed. There is no application deadline, as this program is offered on an ongoing basis!

# Up-coming Seminars

## ➤ Past & Current Seminars

January 27, 2016 Japan Regenerative Medicine Seminar @ Toronto

April 7, 2016 Japan Power Market Seminar @ Toronto

September 15, 2016 Osaka Industry Seminar @ Toronto

## ➤ Up-coming Seminars

October 11, 2016 Japan IoT seminar @ Toronto

October 14, 2016 Japan IoT seminar @ Montreal

- We will keep posted those up-coming event information on our website.

<https://www.jetro.go.jp/canada/events/current.html>

Also JETRO Toronto issues quarterly newsletter. To receive JETRO's newsletter and other updates on JETRO activities, please e-mail: [jetronews-tor@jetro.go.jp](mailto:jetronews-tor@jetro.go.jp)

Keynote Presentation by

**NTT docomo**



**Your Company**

**JETRO Toronto**

**JETRO Osaka**

Please talk to  
**JETRO Toronto, First!!**

120 Adelaide Street West, Suite 916,  
Toronto, Ontario, M5H 1T1 Canada  
Tel: 1-416-861-0000

- ◆ Temporary Offices
- ◆ Conference Rooms
- ◆ Business Library
- ◆ Consultation Services

( Company Establishment, Residence status and Visa/ Staff recruitment/Office Locations & industrial sites/ Information on incentives & relevant law etc.)

**METI**

Kansai Bureau of Economy,  
Trade and Industry



**KANKEIREN**

Kansai Economic Federation

# Talk to JETRO First!

## 【JETRO Toronto】

120 Adelaide Street West, Suite 916, Toronto, Ontario, M5H 1T1 Canada

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<https://www.jetro.go.jp/canada>