



Excellent Business Environment Supported by Political Stability and Sound Legal and Regulatory System



Political Environment in Major East Asian and Oceanian Countries and Economies

Country / Region	Political environment (1-10)	Political stability (1-10)	Government stance towards business (1-5)	Transparency and fairness of legal system (1-5)	Investment protection scheme (1-5)
Japan	8.6	9.2	4.0	4.0	4.0
Australia	9.1	9.3	4.0	5.0	4.0
China	4.7	5.1	3.0	1.0	3.2
Hong Kong	7.9	6.7	5.0	4.5	4.0
South Korea	7.2	7.0	3.2	3.2	4.0
Taiwan	7.0	6.8	4.0	3.2	3.2

Source: Compiled from "Economist Intelligence Data Tool" 2020 (The Economist Intelligence Unit)

What business leaders say

"Japan's legal system is fair and globally harmonized. It covers IP, commerce, and other business areas. This really promotes ease-of-doing business and ease of collaboration. The EPA strongly promotes business as it allows free access to markets and smooth processes." Cecilia Edebo, CEO, CELLINK.

Source: Invest in Japan: Testimonials from Global Business Leaders (Prime Minister's Office of Japan)

Regulatory Reforms to Improve Business Environment



Through exceptional regulatory measures, Japan creates a business environment to implement novel ideas responding to economic and social changes or new businesses and technologies without being bound by existing regulations.

National Strategic Special Zones



- Comprehensive and intensive development of exceptional regulatory measures and implementation of related reforms
- Since the program launch in December 2013, over 400 approved projects are conducted in ten designated special zones. (as of end-March 2022)

Urban renaissance

- Speedy permission process for urban development projects
- Underground water intake for buildings

Agriculture and forestry

- Relaxed requirements for agricultural production corporations [expanded nationwide]
- Farmers' restaurants in farmland [expanded nationwide]
- Shortened period for removing designation as protection forests [expanded nationwide]

Medical care

- Authorization of remote prescription of medicine (depopulated areas, urban areas) [expanded nationwide]
- Permission of foreign doctors to practice
- Exemption from the standard number of hospital beds rule
- Establishment of a faculty of medicine

Tourism

- Exemption from Hotel Business Act for traditional houses [expanded nationwide]
- Establishment of the private lodging system in special zones
- Permission of ride-share for toursits

Childcare

- Nursery schools in urban parks [expanded nationwide]
- Small-scale licensed nursery schools (expansion of age range)
- Regional nursery teachers

Foreign talent

- Startup visa
- Status of residence for foreigners conducting housekeeping services

Source: [Cabinet Office National Strategic Special Zones website](#)  (410KB)

Regulatory Sandbox



- Enables new technologies and business models to conduct demonstrations without being subject to the existing regulations and use the outcomes to promote regulatory reform.
- Since its launch in June 2018, 23 projects by 142 businesses in various fields, such as FinTech, mobility, blockchain, healthcare, AI and IoT, have been approved by the system. (as of end-March 2022)

Urban renaissance

- Act on Prevention of Transfer of Criminal Proceeds & data
- Insurtech (P2P insurance)
- Small amount short-term insurance (P2P insurance)

Healthcare

- Online service for recommending a physician visit & diagnostic kits
- Emergency medicine & biometric authentication
- Sports & real-time blood sampling test
- Medicine & vending machines
- Voluntary manual for POP displays for vegetables

Mobility

- Electric kickboard sharing
- Hybrid motorcycle-bicycle
- Sharing of interior space of vehicle

AI · IoT

- IoT & home appliances (power line communication)
- IoT & recycling
- IoT & real estate (electronic contract)
- IoT & notice of claim assignment
- IoT & employment of persons with disabilities
- IoT & short-term property lease agreement
- AI & unstaffed cafe

Blockchain

- Crypto assets
- Knowledge, clinical data
- Perfection against a third party

Source: [Compiled from "Regulatory Sandbox System \(Scheme for Demonstration of New Technologies\)" \(Council of New Form of Capitalism Realization, Cabinet Office\)](#)  (2.4MB)

Digital Agency Launched in September 2021



The government established the Digital Agency to drive Japan's digital transformation (DX), including the digitalization of public services, for realizing the digital society.

- About 750 staff members, 1/3 from the private sector (as of July 2022)
- Plays the principal role in conducting a cross-sectional review and propelling structural reforms suitable for the digital age, including digital, regulatory, and administrative reforms.
- Currently working on projects in the following three priority areas.

Delivering Citizen-Centric Public Service


- Increasing the adoption of My Number Cards
- Expanding online public services- (one-stop service for social insurance and tax procedures, digitalizing passport application, status of residence and immigration procedures)
- Unification / standardization of information systems in local governments
- Cashless payment for administrative service fees

Modernizing Digital Infrastructure for Inclusive Growth

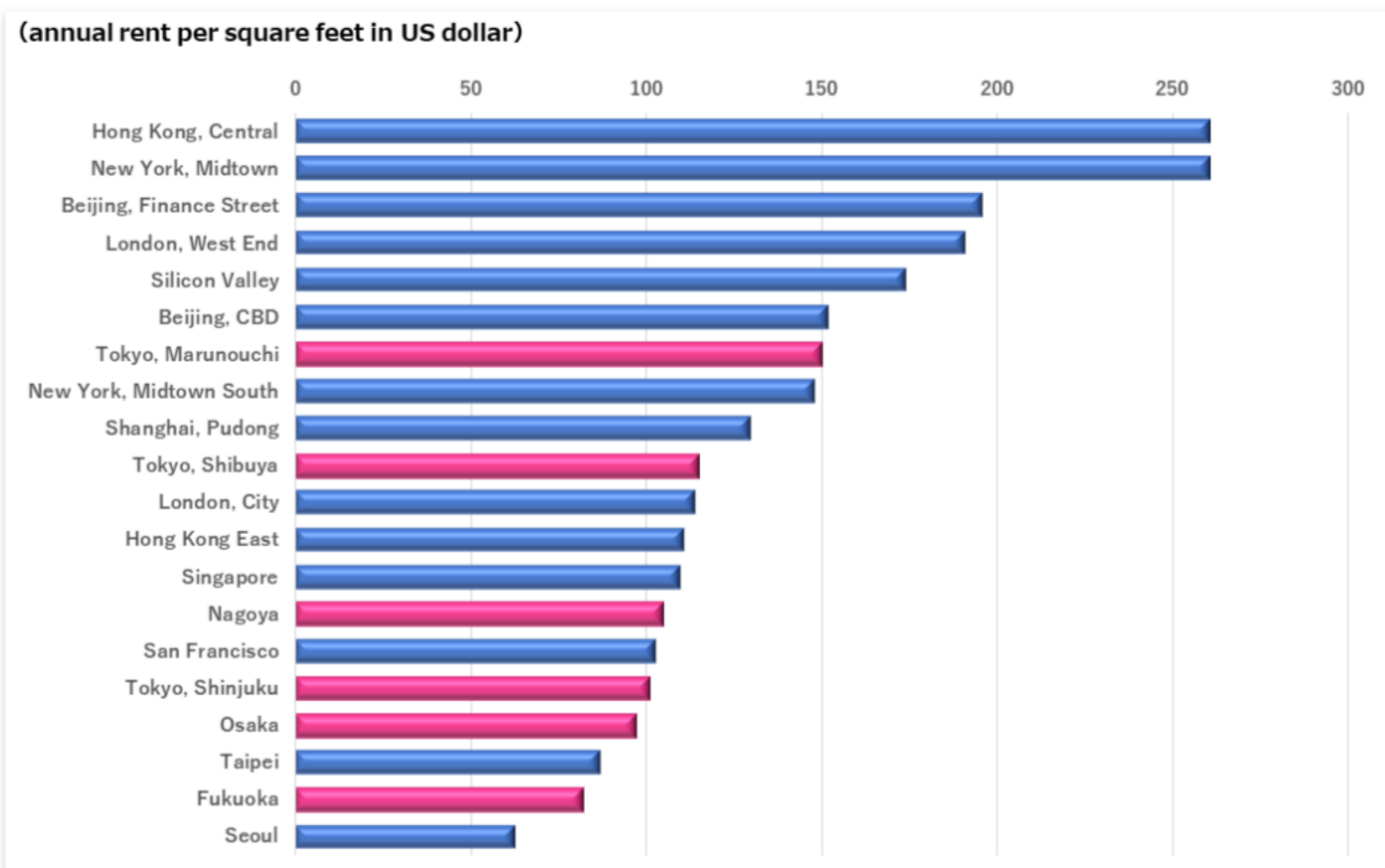
- Abolishing analog regulations
- Setting data-handling rules, developing public and open database
- Promoting DX in medical care and education
- Develop optical fiber, 5G, semiconductor strategy, data centers, and domestic submarine cable based on the "Digital Garden City National Infrastructure Development Plan," etc.
- Provide brokerage for linking data among various services nationwide, including disaster risk management and traffic.

Strengthening Digital Resilience

- Promoting the government cloud (Cloud-by-Default Principle)
- "Government Solution Service" to provide a common, standardized business execution environment for government organizations for improved productivity and security.
- Promoting DEFT (Data Free Flow with Trust) and furthering international cooperation

Source: [Digital Agency website](#) 

Competitive Office Rent Compared with Other Global Cities



Source: "Global Premium Office Rent Tracker" December 2021 (JLL)

World's Top Level Transport Infrastructure to Support Your Business

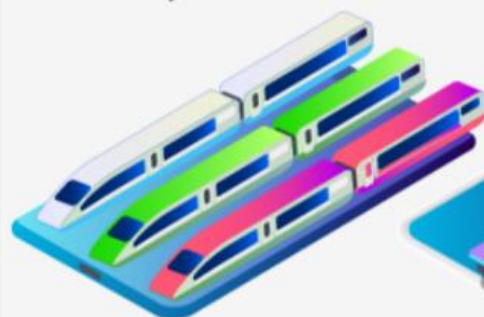


Transport Infrastructure
World No.4 G7 No.1

No.1 Singapore
No.2 Netherlands
No.3 Hong Kong
No.4 **Japan**
No.5 South Korea
No.6 Switzerland
No.7 Germany



Efficiency of train services



World No.1

Airport connectivity



World No.3

Efficiency of
seaport services



World No.5

Quality of
road infrastructure



World No.5

Source: "Global Premium Office Rent Tracker" December 2021 (JLL)

Convenient access to major business hubs in Asia



Excellent nationwide transport network



Travel time on the Shinkansen

Sendai-Tokyo 1 hour 33 minutes, Tokyo-Shin Osaka 2 hours 23 minutes

Shin Osaka-Hakata 2 hours 25 minutes

Travel time on an airplane

Tokyo-Fukuoka 2 hours, Tokyo-Sapporo 1 hours 30 minutes, Sapporo-Fukuoka 2 hours 35 minutes

