



Investment Promotion Projects of JETRO

1. Achievements of JETRO

Between the time when it started to promote inward FDI in 2003 and to March 2016, JETRO as the central organization for attraction of inward investment has provided support to more than 14,000 overseas companies interested in investment in Japan, of which over

1,400 have successfully established operations in Japan (Chart 5-1). By region, each of North America, Europe and Asia accounts for one-third of them. By industry, ICT, telecommunications and electric/electronic and precision devices constitute more than 40% of them (Chart 5-4).

Chart 5-1 Investment projects supported by JETRO (FY 2003-2015)

Chart 5-2 Investment projects supported by JETRO (by prefecture)

Supported

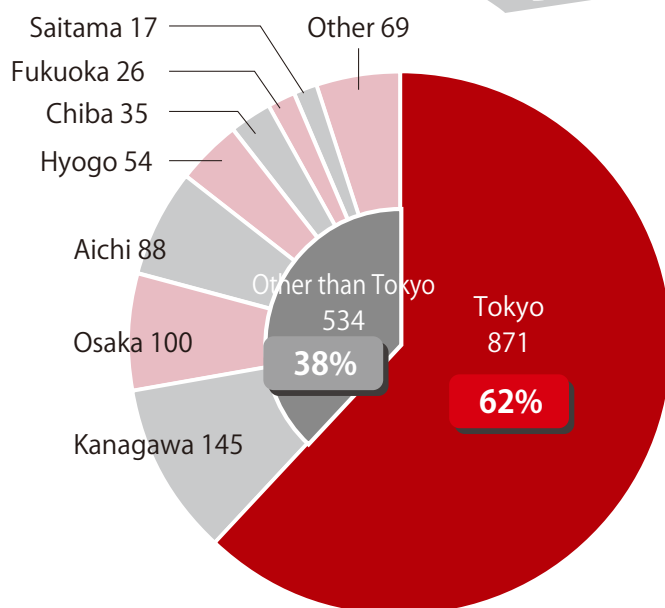
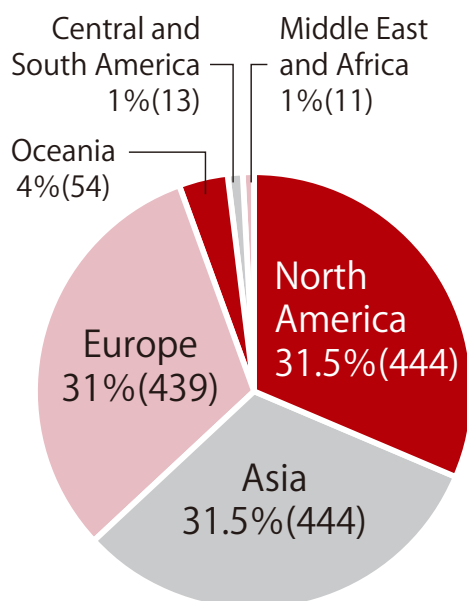
Total **14,197** projects

FY2015 **1,617** projects

Foreign companies' startups

Total **1,405** projects

FY2015 **160** projects



**Chart 5-3 Investment projects supported by JETRO
(by country) (FY2003-2015)**

Total: 1,405 companies		
North America: 444		Europe: 439
Asia: 444		Other regions: 78
Rank	Nations	Number of cases
1	US	411
2	China	151
3	Germany	120
4	Korea	96
5	UK	85
6	France	75
7	Australia	46
8	Singapore	45
9	Taiwan	43
10	Hong Kong	41

**Chart 5-4 Investment projects supported by JETRO
(by industry)**

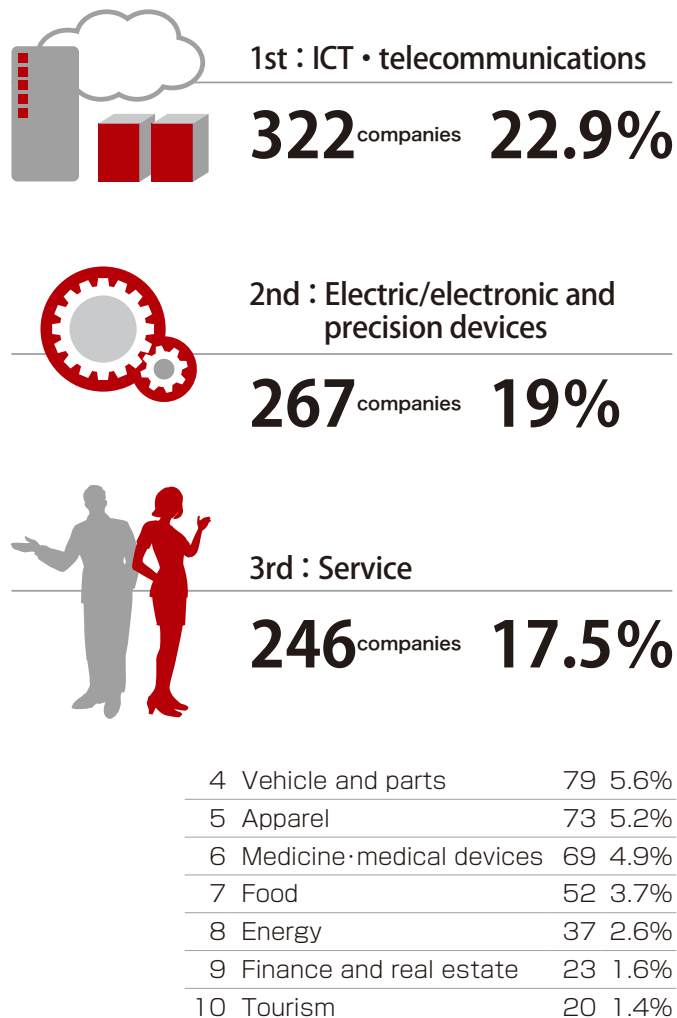
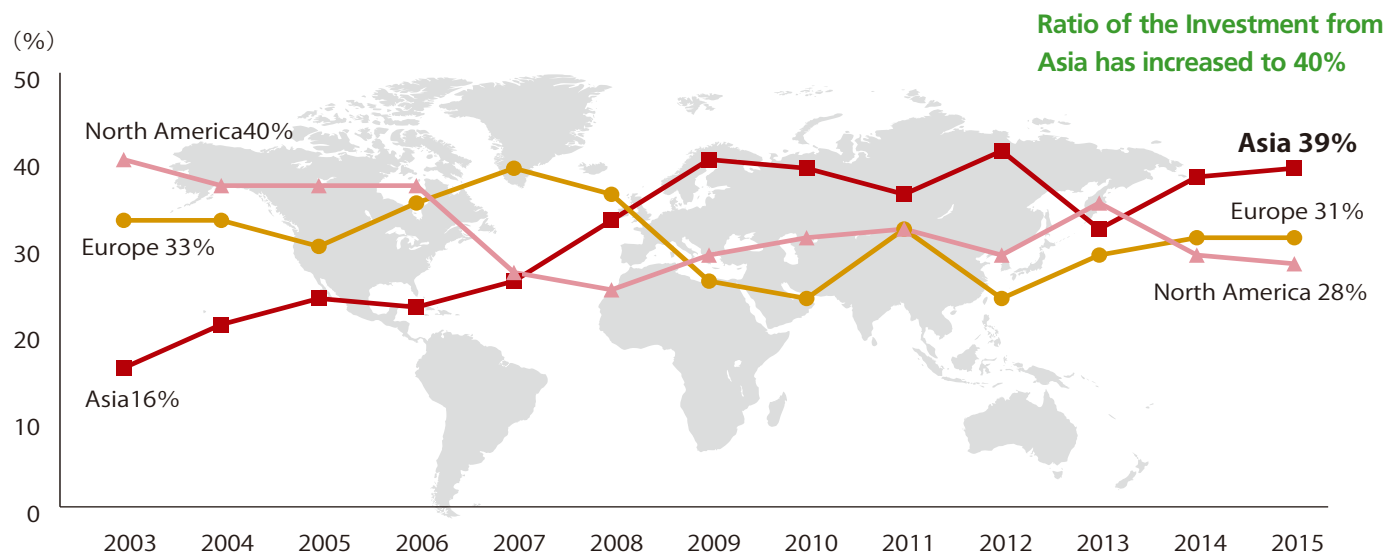


Chart 5-5 Ratio of JETRO's investment projects by region



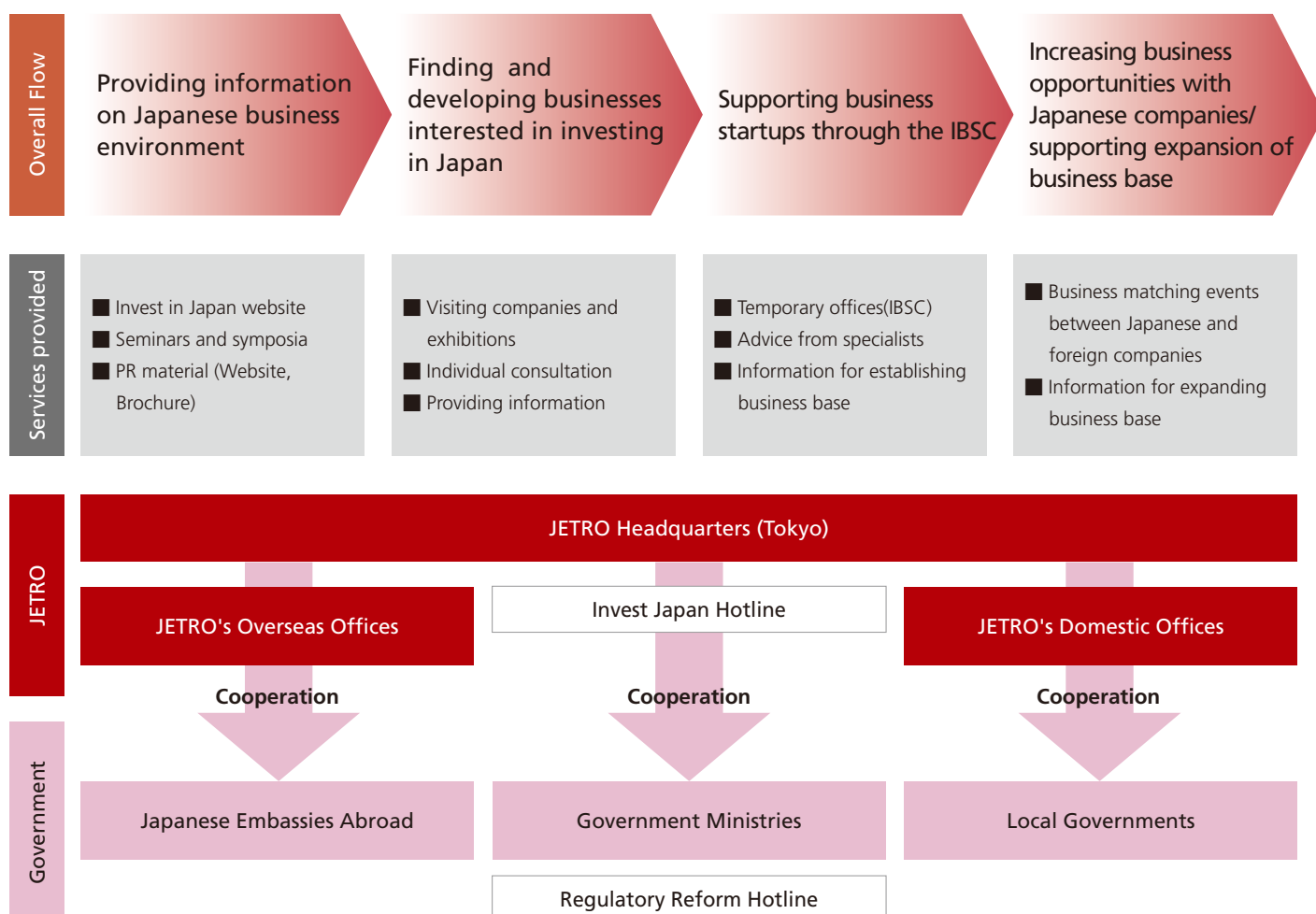
2. Focus of JETRO's activities

Under the government's plan to double inward FDI in Japan, JETRO is conducting various publicity projects and activities to attract foreign companies including identification of companies interested in investment in Japan using a network of 74 overseas offices in 55 countries worldwide, as well as the Tokyo and Osaka headquarters and 43 regional offices in the country (as of April 1, 2016: Chart 5-6).

In recent years, in addition to the existing initiatives, JETRO is strengthening its efforts in the three areas: approach to foreign-affiliated companies in Japan; support for R&D activities and attraction of R&D centers to stimulate innovation; and attraction of

Asian enterprises. Specifically, the Foreign Affiliate Support Division was set up in April 2015, to promote subsequent investment by foreign-affiliated companies that already have presence in Japan. JETRO also started a subsidy program to support R&D activities and stepped up its promotions in Asia. Furthermore, in order to contribute to realization of the "Policy Package for Promoting Foreign Direct Investment into Japan to Make Japan a Global Hub" (decision of the Council for Promotion of Foreign Direct Investment in Japan on May 20, 2016) (see p16 of Chapter 2) and other policies, JETRO is carrying out various initiatives with focus on (1) improvement of business environment, (2) strengthening dispatch of information, (3) enhancement of supports for individual projects, and (4) contribution to regional revitalization.

Chart 5-6 JETRO's activities to promote inward FDI



3. Outline of JETRO's projects

(1) Dispatching information contributing to promotion of inward FDI

• Top-level sales and overseas seminars

JETRO has been putting effort into PR activities by introducing the attractiveness of Japan as investment destination and its excellent business environment to overseas enterprises and government officials, and by setting up forums for the government and heads of local governments to call for investments.

In 2014, JETRO started top-level sales by the Prime Minister in an effort to strengthen inward investment promotion activities. Since then, JETRO has held six inward investment symposiums and Prime Minister encouraged overseas enterprises to invest in Japan. In May 2015, the Japan-US Economic Forum was held in Los Angeles, inviting Prime Minister Abe, US Secretary of Commerce Pritzker and US Ambassador to Japan Kennedy. The forum was joined by approximately 500 attendees from the US and Japanese business communities. In September 2015, another seminar was held in New York for top-level sales by Prime Minister Abe, governor of Mie and mayor of Yokohama.

In May 2016, the first high-profile seminar on investment in Japan was held in Brussels, Belgium. At the seminar, Prime Minister Abe and Belgian Deputy Prime Minister Kris Peeters took the platform,

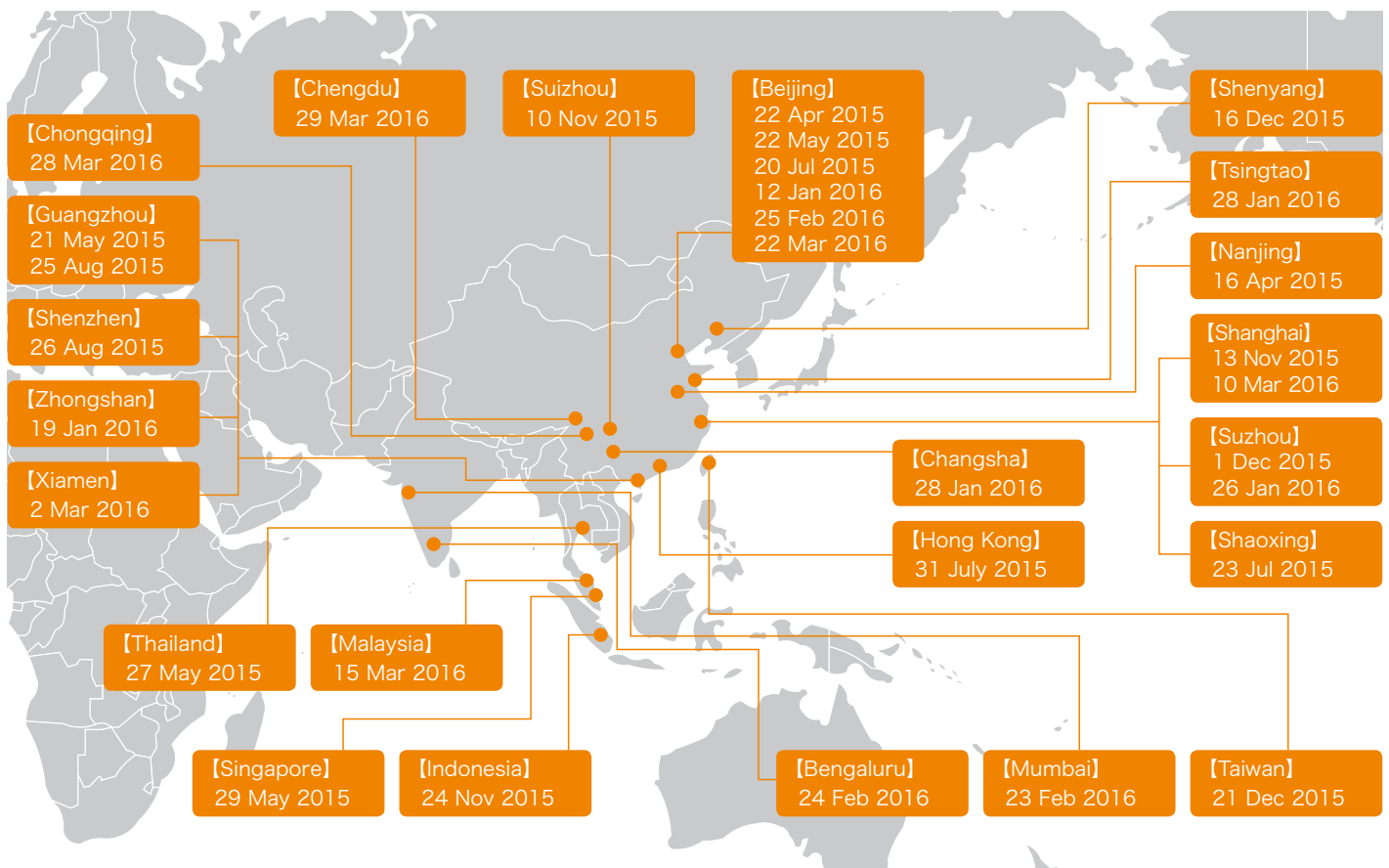
dispatched information on the advantage of doing business in Japan and opportunities in local regions, and encouraged Belgian companies to further invest in Japan.



Besides top-level sales in Europe and America, JETRO held over 30 seminars on investment in Japan in Asia and succeeded to attract 62 projects from the region in fiscal 2015 (about 1.5 times of the result in fiscal 2014) (Chart5-7).

For fiscal 2016, about 40 seminars on investment in Japan are scheduled across Asia. In Europe and North America, JETRO plans to hold seminars selecting right themes based on the interests of local companies in the country where the seminar is held, to enable focused approach to companies highly interested in investment in Japan.

Chart 5-7 Seminars on investment in Japan held in Asia in fiscal 2015



• Websites and other PR media for investment in Japan

In addition to top-level sales, JETRO is sending out information regularly through a variety of media including websites, email newsletters and pamphlets.

Through its website JETRO introduces the attractiveness of the Japanese market, incentive information and success stories of foreign companies investing in Japan, and trying to enrich their content so that visitors can obtain all information on investment in Japan they need including information on procedures for setting up business and various support programs of JETRO (Chart 5-8). "Regional Information" enables search for local investment environment and industry information of the regions of 77 local governments across Japan, incentives and supports by local governments, logistics infrastructure, living conditions for foreigners by prefecture and their target industry. You can also view comparison of data of local regions.

Support for investing in regions :

<https://www.jetro.go.jp/en/invest/region.html>

"Laws & Regulations on Setting up Business in Japan" compiles information on procedures for company registration, visas, tax, personnel/labor and IPR related to company establishment in Japan. Since there is a strong need for such information, the site has been very popular. The total number of accesses to "How to Set up Business in Japan/Initial Cost Estimation" carrying the materials above in Japanese and English exceeded 500,000 in fiscal 2015 (the materials are compiled in Japanese, English, French, German, Chinese (simplified and traditional) and Korean).

How to Set up Business in Japan/Initial Cost Estimation:

https://www.jetro.go.jp/en/invest/setting_up.html

"Talk to JETRO First" pamphlet, which compactly compiles the appeal of Japan's business environment, is translated into 17 languages to enable introduction to overseas companies in their native language. A PR pamphlet "Attractive Sectors" is released and it conveys the appeal of the electricity/renewable energy, life science and ICT markets through market overview of the respective industry, and its contents were renewed in 2016. In order to promote investment in local regions, JETRO newly created "Why Invest in Japan's Local Regions? -Unlimited Business Opportunities Await-" introducing the attractiveness of investing across Japan (Chart 5-9).

The following information is provided on the website "Invest in Japan":

- 5 reasons to invest in JAPAN
- Why Invest in Japan's Local Regions?
- Speeches by the Chairman
- How to Set up Business in Japan/Initial Cost Estimation
- Regional Information
- Incentive Programs
- Invest Japan Business Support Center (IBSC)
- Support for foreign-affiliated companies
- Success Stories
- Industry Information/Report
- Email Newsletter "Success in Region"
- JETRO's Support
- Invest Japan Hotline

Chart 5-8 JETRO Invest Japan Website <https://www.jetro.go.jp/en/invest/>

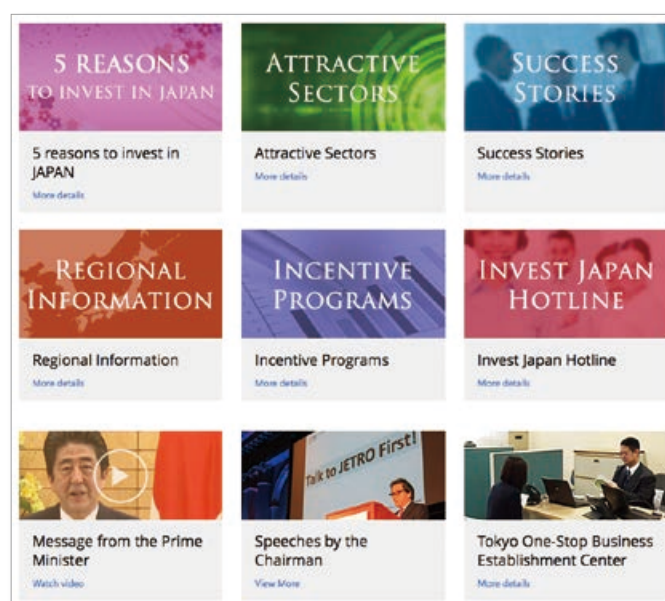


Chart 5-9 Invest Japan PR pamphlets



Talk to JETRO First
(in 17 languages)

Attractive Sectors



"Success Stories"– stories of foreign companies successfully entering the Japanese market



(2) Finding and supporting companies interested in investing in Japan and in subsequent investment

• Reinforcing the platform to find overseas projects to invest in Japan

Outside Japan, persons in charge of attracting investment at JETRO overseas offices and external specialists grasp information on promising companies and encourage them to start business in Japan. JETRO overseas offices and external specialists cooperate with diplomatic missions abroad and trade/investment promotion organizations of other countries by holding seminars and jointly visiting industry groups to provide information on the investment environment in Japan, identify prospective companies and provide support including information.

In order to enhance the platform to find possible projects abroad, JETRO started proactive attraction activities in 2015 by adding about 50 persons in charge of attracting investment at JETRO overseas offices while deploying about 30 Industrial Specialists for individual approach and follow-up of promising companies with a prospect of large-scale investment in Japan. Because investment from Asia is increasing in recent years, JETRO is increasing the number of staffs to reinforce activities to identify Asian companies interested in investment in Japan.

• Scaling up supports for foreign-affiliated companies in Japan

In April 2015, JETRO set up a new section, the Foreign Affiliate Support Division, to support subsequent investment by foreign-affiliated companies that already have presence in Japan. The division provides finely-tuned supports tailored to individual needs of foreign-affiliated companies considering business expansion including additional investment/employment and business development into local regions. The service includes provision of market and incentive information, introduction to local governments and PR supports.

[Networking events to support business expansion in Japan]

JETRO provides opportunities for business matching to help Japanese companies utilize sales channels and technologies of overseas companies, while at the same time helping overseas companies enter the Japanese market and expand investments in Japan by increasing business with Japanese companies.

In December 2015, a business networking event for the tourism sector in Fukuoka was held inviting five global tourism companies including Yelp Japan, Global Tax Free, Koraku Japan, Ctrip Japan and Square. A broad range of Japanese companies including hotels, hot spring resorts, travel agencies, food service, retail and transportation businesses participated in the event not only from Kyushu but from all over Japan.

In February 2016, the International Symposium on Medical Appliances in Osaka was held to facilitate the formation of business alliances and joint R&D by Japanese medical appliances manufacturers with four foreign-affiliated companies in the medical equipment field (GE Healthcare Japan, 3M Japan Limited, Philips Electronics Japan, Ltd., Medtronic Japan Co., Ltd.).

On April 12, 2016, JETRO held the first JETRO Invest Japan Networking Event, inviting foreign-affiliated companies located in Japan. This event was the first attempt to provide a networking opportunity for the foreign-affiliated companies which have already established a presence. The event received many participants: 190 people from international firms and a large number of people from foreign embassies in Japan, foreign governmental organizations,

Chart 5-10 The first JETRO Invest Japan Networking Event

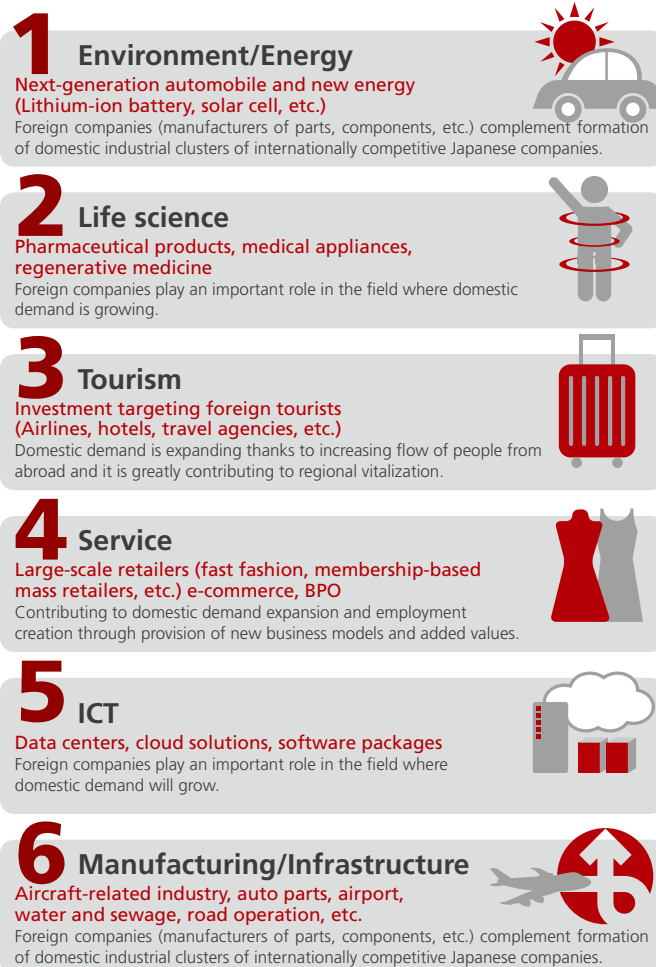


Japanese government ministries and agencies as well as local governments, who actively exchanged information (Chart 5-10). The event also served for these companies as an opportunity to deepen their understanding of the Invest Japan promotion initiatives conducted by the Japanese government and JETRO.

[Supporting "Investment Advisor Assignment System"]

"Investment Advisor Assignment System" through which State Ministers etc. will act as advisors to companies that have made important investments in Japan was established in order to prepare an environment in which these companies can easily consult with

Chart 5-11 JETRO's strategic fields in FDI



the Japanese government. JETRO is present at meetings of nine foreign companies solicited and selected by Cabinet Office with the responsible State Minister, etc. and supports response to their requests (See P16 of Chapter 2).

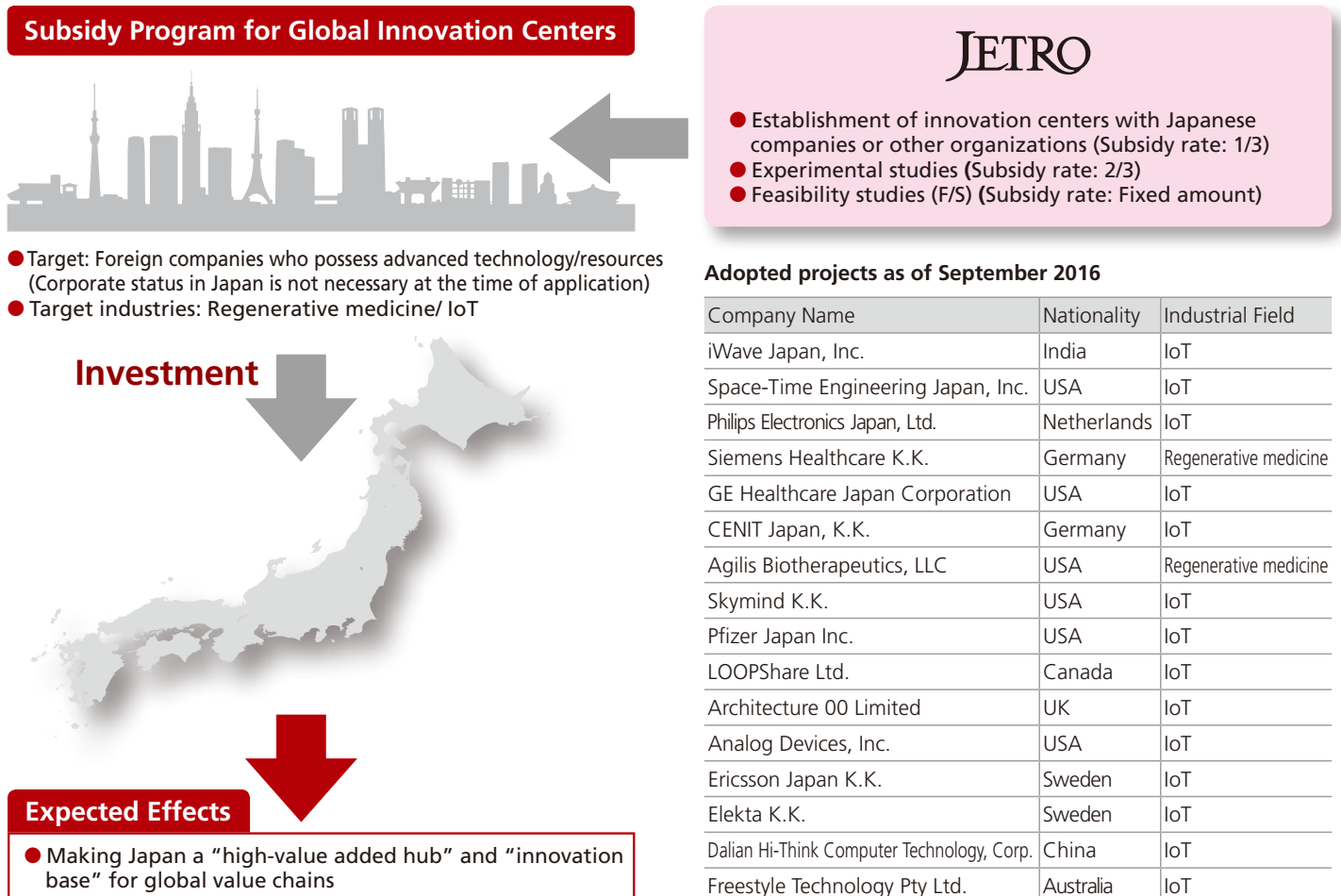
(3) Attraction of R&D centers and other high-value added sites

Positioning (1) Environment and Energy, (2) Life Science, (3) Tourism, (4) Service, (5) ICT and (6) Manufacturing and Infrastructure as target fields where foreign companies have a strong interest and growth is expected, JETRO is stepping up its efforts to attract R&D sites by calling attention to the large pool of researchers, technological strength and favorable business environment complying with rules for intellectual property rights in Japan (Chart 5-11).

[Subsidy Program for Global Innovation Centers]

The government launched the program that subsidizes the cost of setting up innovation centers, experimental studies and feasibility studies (F/S) by companies from overseas in collaboration with Japanese companies and other organizations in Japan. Public announcement started in February 2016. The aim of the program is to draw investments and excellent management resources from overseas by promoting location of high value-added sections of

Chart 5-12 Overview of the Subsidy Program for Global Innovation Centers



overseas companies such as R&D facilities, and making Japan a high value-added hub and innovation center in the global value chains.

This subsidy is offered to projects for establishment of R&D centers, experimental studies, or the like in Japan with respect to regenerative medicine or IoT (=Internet of Things) that is expected to grow in the future. Specifically, costs of the following three types of projects are eligible for the subsidy:

- ① **Establishment of global innovation centers** refers to establishment of R&D sites including the accompanied facilities such as manufacturing, sales or administration.
- ② **Experimental studies** refer to experiments being conducted by a foreign company in collaboration with Japanese companies or organizations, such as research and data collection in order to achieve practical application of technologies, products and services in Japan, which are already being put to practical use, or are expected to have practical application in foreign countries, such as the country where the foreign company's headquarters is located.
- ③ **Feasibility studies (F/S)** refer to activities such as market research conducted by a foreign company in collaboration with Japanese companies or organizations, in order to achieve practical application of technologies, products and services in Japan, which are already being put to practical use, or are expected to have practical application, in foreign countries, such as the country where the foreign company's headquarters is located.

JETRO

- Establishment of innovation centers with Japanese companies or other organizations (Subsidy rate: 1/3)
- Experimental studies (Subsidy rate: 2/3)
- Feasibility studies (F/S) (Subsidy rate: Fixed amount)

Adopted projects as of September 2016

Company Name	Nationality	Industrial Field
iWave Japan, Inc.	India	IoT
Space-Time Engineering Japan, Inc.	USA	IoT
Philips Electronics Japan, Ltd.	Netherlands	IoT
Siemens Healthcare K.K.	Germany	Regenerative medicine
GE Healthcare Japan Corporation	USA	IoT
CENIT Japan, K.K.	Germany	IoT
Agilis Biotherapeutics, LLC	USA	Regenerative medicine
Skymind K.K.	USA	IoT
Pfizer Japan Inc.	USA	IoT
LOOPShare Ltd.	Canada	IoT
Architecture 00 Limited	UK	IoT
Analog Devices, Inc.	USA	IoT
Ericsson Japan K.K.	Sweden	IoT
Elekta K.K.	Sweden	IoT
Dalian Hi-Think Computer Technology, Corp.	China	IoT
Freestyle Technology Pty Ltd.	Australia	IoT

As the implementing body of the Subsidy Program for Global Innovation Centers (Chart5-12) established in FY2015, JETRO performs acceptance, examination and selection of applications, delivery of subsidies and other services. Posting was made four times from February to September 2016, selecting 16 companies (2 projects in the area of regenerative medicine and 14 projects in the area of IoT).

Philips, the Netherlands (IoT)

The global leading manufacturer of electric equipment will develop a tele-medicine system incorporating big data in partnership with Showa University. The system is expected to derive effective approaches based on the analysis of the big data of over 3 million cases in combination with the patient's information fed through sensors and video cameras. This way, a system will be developed to enable a doctor in a control center to monitor patients who are in ICU beds of hospitals at remote location. The project cost is approximately 500 million yen, about half of which is paid by the subsidy.

Pfizer, US (IoT)

Leading pharmaceutical company Pfizer in cooperation with Kyoto and Okayama Universities will launch a project for early detection of diseases using IoT technology. Pfizer's data on drug discovery and clinical trials are combined with sensor technologies of the universities to analyze the tendency of initial symptoms using the vast amounts of data, which will enable diagnosis based on scant symptoms for prevention of serious conditions of the patients. Services using big data for disease detection have spread overseas and it is expected that similar services will be introduced also to Japan.

(4) Collaboration with local governments to attract foreign investment to local regions

With contribution to regional vitalization in mind, JETRO is working together with local governments actively attracting overseas and foreign-affiliated companies including subsequent investments. For example, JETRO proposed to include overseas companies in the local governments' industrial development strategy, provided support for formulation of strategies for attracting global enterprises, proposed effective approaches to target companies and suggested incentive programs for overseas companies. JETRO cooperates with local governments in top-level sales, seminars for subsequent investment, analysis of the attractiveness of each region, development of bases for regional support and other initiatives.

In fiscal 2016, JETRO in cooperation with regional Bureaus of Economy, Trade and Industry started a working-level training program (basics, application and practice) for local officials in charge of attraction of foreign companies, including officials of local governments and Chambers of Commerce and Industry, to gain better understanding of their job and learn skills and knowledge necessary for attracting investments.

(5) Support for foreign companies establishing business base in Japan

In Japan, JETRO provides overseas companies interested in doing business Japan with information on the market, industries and regulations through individual consultation by dedicated staff of JETRO and market specialists. JETRO also holds networking events for companies. In addition, six foreign staff members, most of them with experience working in JETRO's overseas offices, are continuously assigned to desks at JETRO headquarters dedicated to the US, China, South Korea, Singapore, Taiwan and India so that they can respond to inquiries from companies of these countries in their respective languages and based on the understanding of the business and culture of the country.

In fiscal 2016, JETRO newly set up the Invest Japan Division at JETRO Osaka, and deployed Invest Japan Coordinators at Kyoto, Osaka, Sendai, Yokohama and Nagoya. They work exclusively for attraction of enterprises to local regions and build a network with foreign-affiliated companies. JETRO plans to deploy Invest Japan Coordinators also at Hiroshima and Fukuoka.

[Invest Japan Business Support Center (IBSC)]

JETRO has set up Invest Japan Business Support Centers in six major cities (Tokyo, Yokohama, Nagoya, Osaka, Kobe and Fukuoka). There, experienced and dedicated staff and specialists provide one-stop service for investment in Japan, including providing information through a broad network covering the public and private sectors and free consultations on legal, labor, tax and other affairs and procedures for incorporation, which are tailored to individual companies. The centers also provide office space for preparation for establishing a company in Japan (free of charge for 50 business days) (Chart5-13, 5-14).

Chart 5-13 Invest Japan Business Support Center (IBSC)

Consulting Consultation for each company for free of charge

- Legal consulting
- Tax consulting
- Cost estimates
- Information on relevant legal systems
- Consultation on business customs
- Finding human resources
- Finding office and factory spaces
- Support on the application for subsidy programs

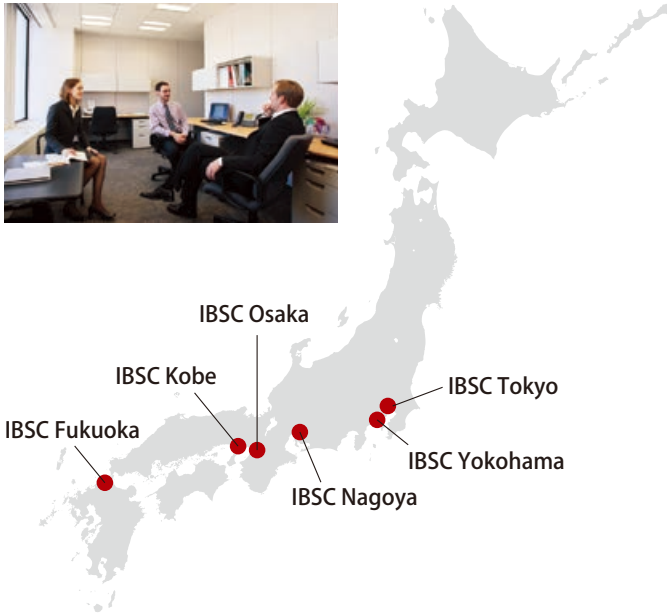
Facilities Temporary office space for free of charge

- Office space available for free for up to 50 business days
- Offices in 6 major cities in Japan
- Equipped desks, chairs, telephone and broadband
- Common reception available
- PC room equipped with printer and scanner
- Meeting rooms and conference hall available

Information Providing information that is necessary for business

- Market reports
- Business advisors
- Online database
- Information on service providers
- Supporting access to government agencies
- Accepting request for regulation reforms

Chart 5-14 Locations of Invest Japan Business Support Centers (IBSCs)



[Invest Japan Hotline]

JETRO has set up Invest Japan Hotline (Chart 5-15) to receive requests for regulatory reform and consultations from overseas companies, make recommendations to the government and arrange interviews, so that the requests and consultations are communicated to the government. The staff provides comprehensive support including language support for the process from arrangement of and presence at meetings with relevant ministries/agencies according to the content of the consultation, and follow-up on the request of regulatory reform and reporting back on the results.

Through the process, JETRO realized the abolishment of the requirement that at least one representative needs to be resident in Japan for registration of subsidiaries in Japan by foreigners.

[Investment support through Global Alliance Scheme]

The Global Alliance Scheme was launched in fiscal 2015 under the leadership of the Ministry of Economy, Trade and Industry (METI), with JETRO serving as a coordinator and in cooperation of JETRO, the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN ("SME Support, JAPAN"), the Central Bank for Commercial and Industrial Co-operatives ("Shoko Chukin Bank"), and the Small and Medium Business Investment & Consultation CO., LTD. ("SBIC"). The scheme is designed to promote expansion of sales channels and open innovation by Japanese mid-ranking companies and SMEs by encouraging foreign companies' investment in them, participation in their management and business tie-up with them. Direct/indirect investment by foreign companies as expansion of direct investment in Japan can contribute to the creation of domestic employment and the revitalization of regional economies. In order to expand the effect of the promotion of direct investment in Japan, JETRO will support matching of Japanese mid-ranking companies and SMEs with foreign companies in cooperation with local financial institutions, SME Support, Japan, and other relevant organizations.

Chart 5-15 Invest Japan Hotline
<https://www.jetro.go.jp/en/invest/hotline.html>

JETRO supports foreign companies by

- Giving consultation regarding administrative procedures required for FDI into Japan.
- Arranging meetings with officials of regulatory agencies if needed.
- Relaying requests for regulatory reforms to the Japanese government.

Consultation regarding investing in Japan and regulatory reform requests from foreign companies



Consultation regarding and investing in Japan
(Administrative procedures and information on regulations and systems)
Requests for regulatory reforms
Service available in languages other than Japanese

One stop service provided by JETRO

Invest Japan Hotline

Hours: 9:00 12:00/13:00 17:00

Days: Monday to Friday Closed on Saturday and Sunday, national holidays

03-3582-4684



Accepting inquiries
Collating content of inquiries
(translating into Japanese when necessary)
if able to answer the matter, JETRO will answer questions directly.

Consultation regarding investing in Japan
(within the same day)

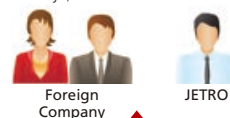
JETRO will arrange meetings with the relevant authorities.

Requests for regulatory reforms
(when necessary)

when necessary, JETRO will submit requests for regulatory reforms to the Cabinet Office and METI

JETRO will arrange meetings with the relevant authorities and provide comprehensive support including language support

1. After the relevant authorities receive the request, they will coordinate with JETRO on a date and time for consultation. within the same day
2. In principal, a Jetro staff will escort the foreign company, representative and provide language support during the consultation with the relevant authorities. within one week (excluding weekends and public holidays)



Official in charge

JETRO will follow up on each case from the time the request is received to the time the result is reported

1. After examining the request, the Cabinet Office will ask the relevant authorities to consider possibilities of reform.
2. Certain answers from the relevant authorities may be reported to the Regulatory Reform Council for discussion. As a general rule, the Cabinet Office report the result of the deliberation at the Council to JETRO prior to the official announcement.
3. The result of the deliberation at the Council will be reported to the foreign company through JETRO if it is to be released to the public.

