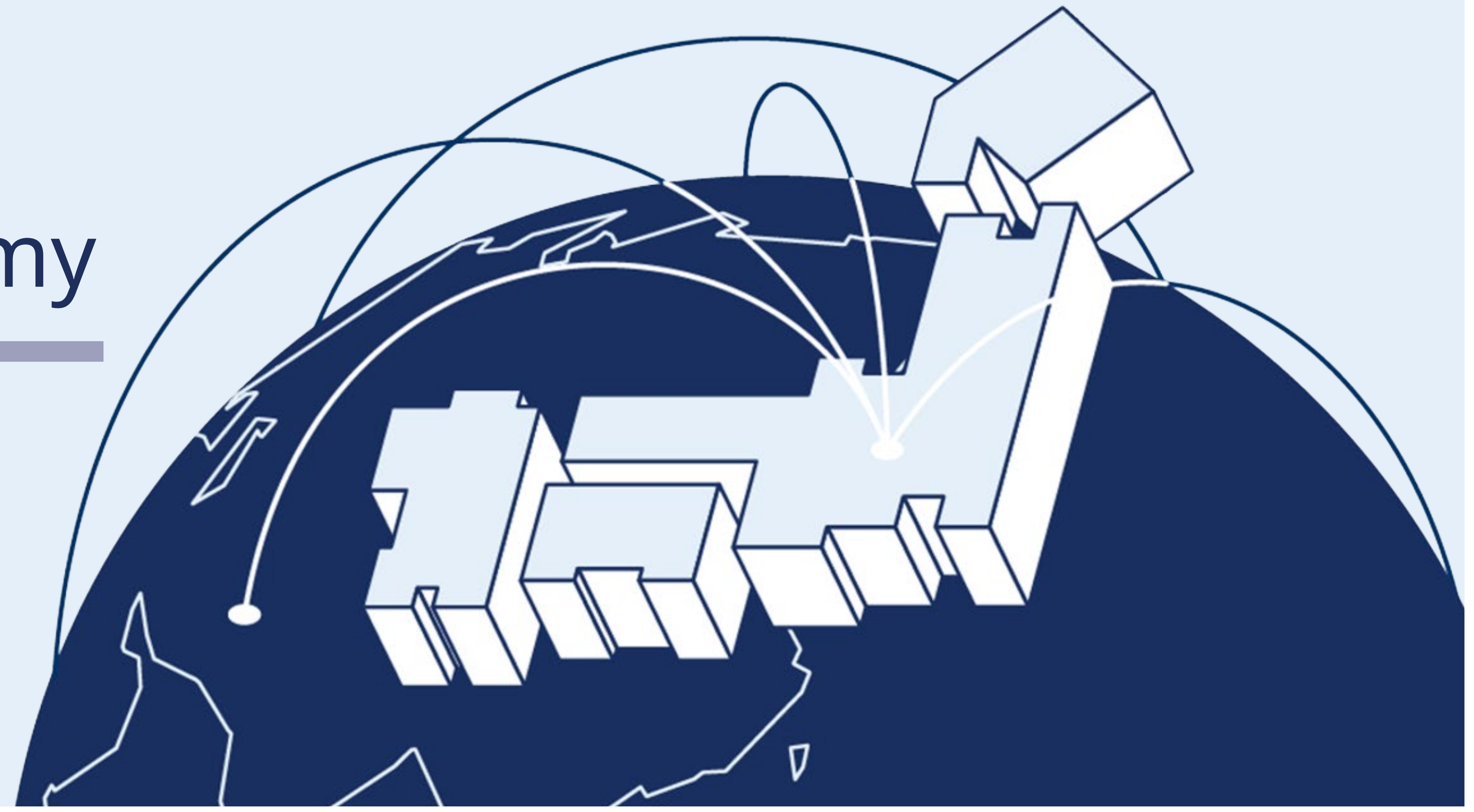
Reasons to Choose Japan

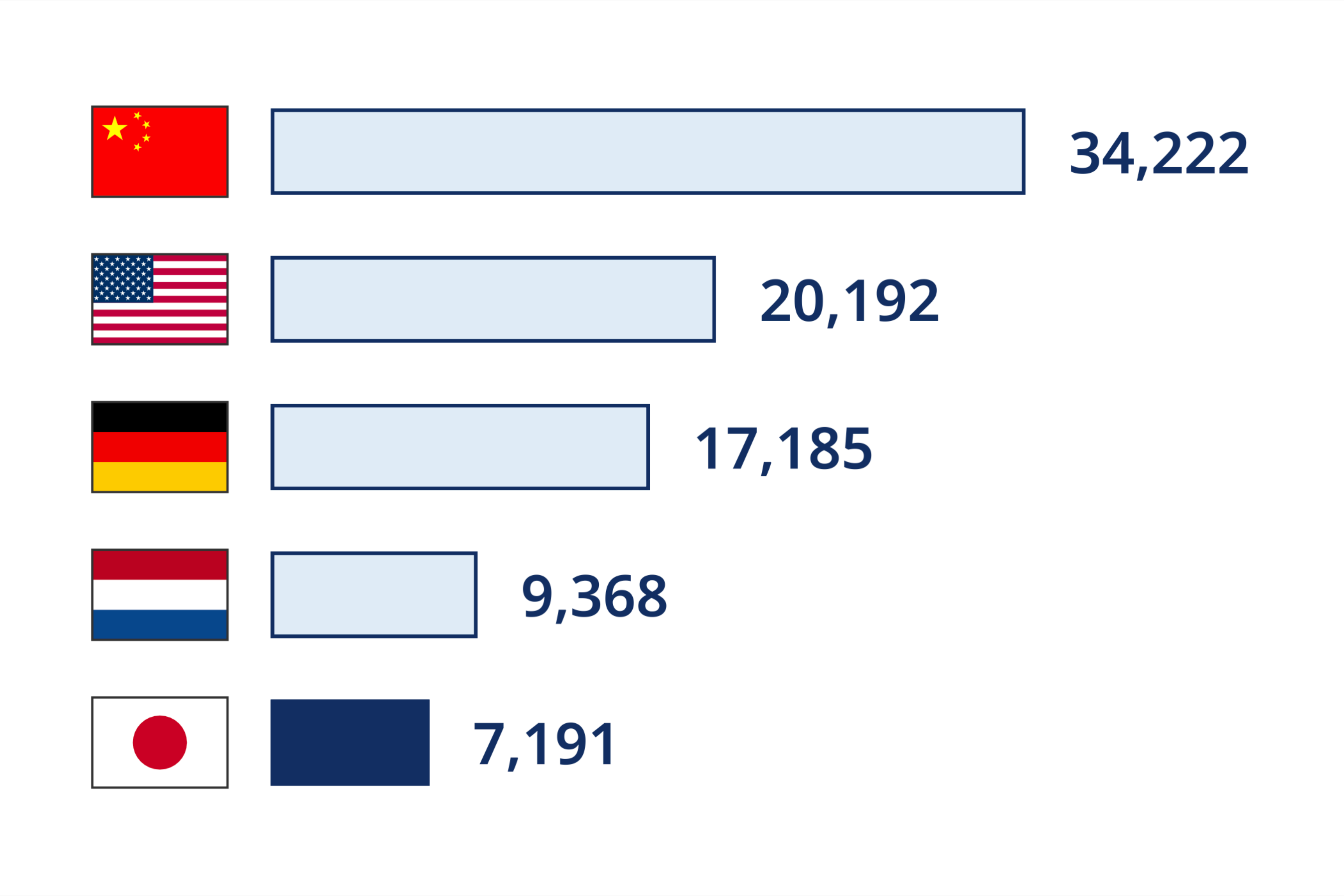
A world-class business environment, Japan provides fertile ground for innovation, and endless possibilities for business expansion. That's why global business leaders have chosen to invest here.
Work with JETRO to map out a path to success and launch your business in the Japanese market.

A Flexible, Expansive Market and Economy



Ranked 5th Worldwide in Trade Volume,
One of the World’s Largest Markets and Economies

Trade Volume Ranking（2023）

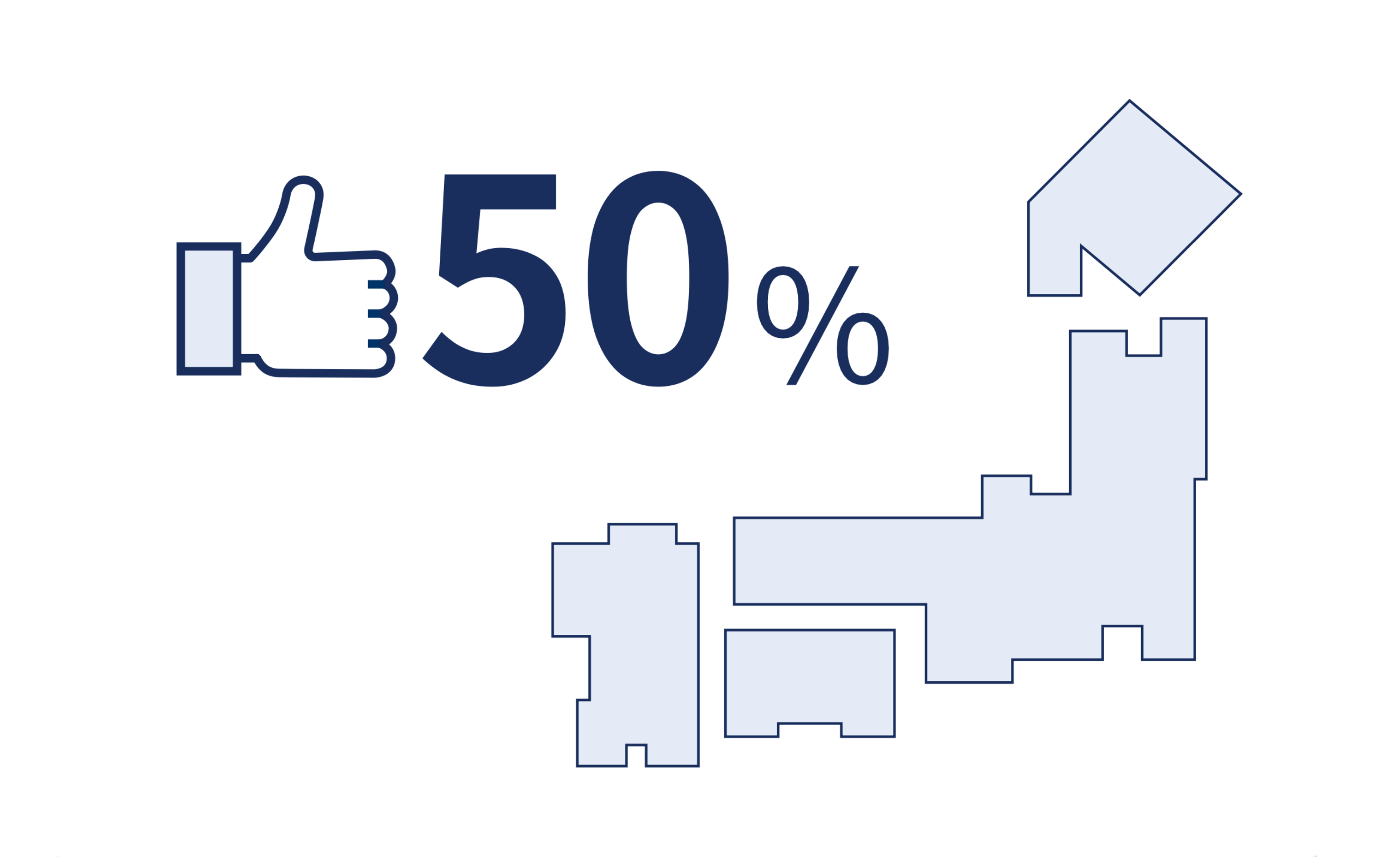


(Unit: 100 million US dollars)
Source: Created by JETRO based on JETRO "JETRO Global Trade Investment Report 2024"

Japan ranks 5th worldwide in trade volume. Surrounded by the sea, the nation has achieved economic growth through proactive importing and exporting. With a stable domestic economy and market underpinned by well-developed infrastructure, Japan is ideally placed to accelerate your business.

The Internationally Well-regarded Japanese Market as Confidence Booster

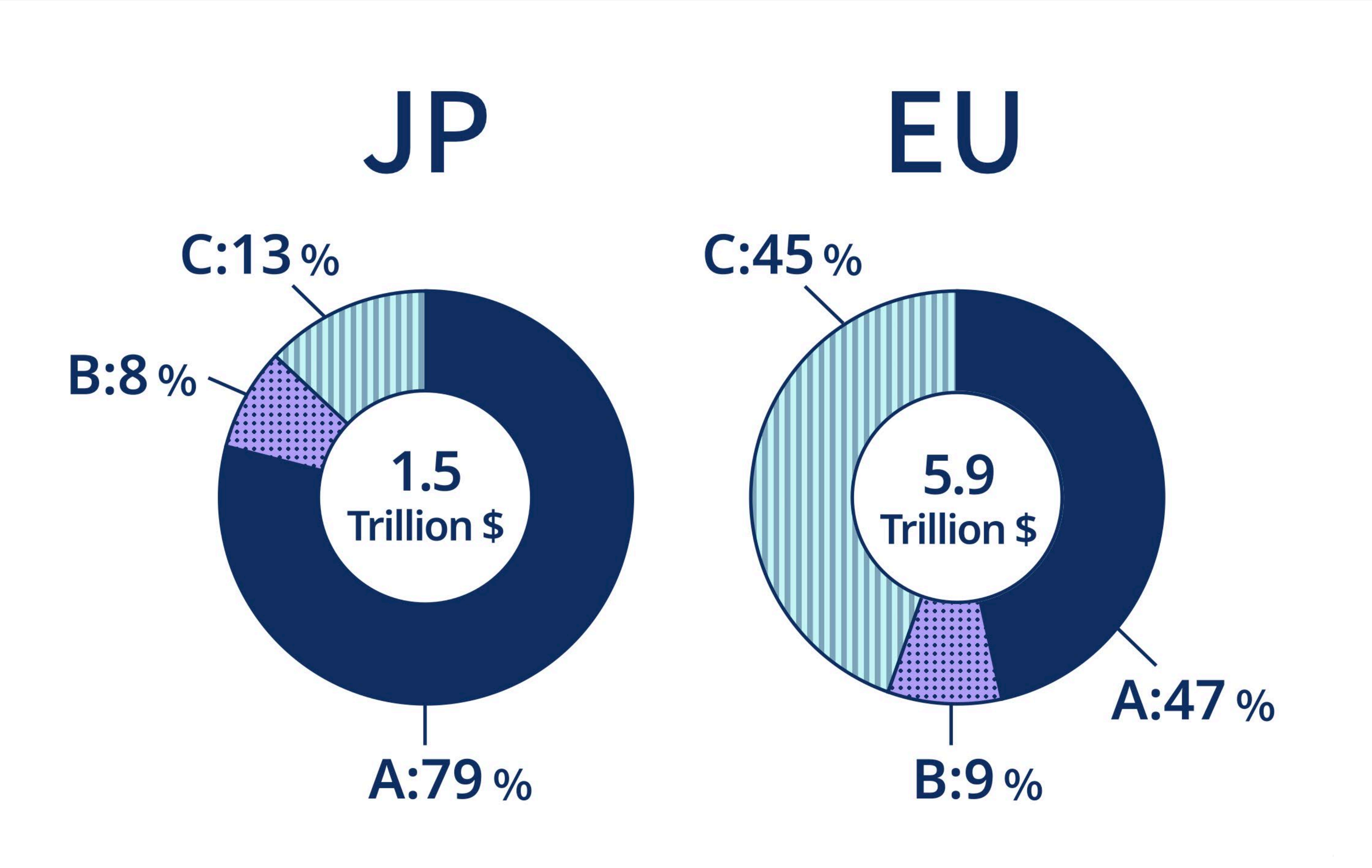
In addition to its stable socio-political landscape, Japan's other great appeal for foreign-capital firms is the sheer size of its domestic market. In this huge, stable market—underpinned by one of the world's largest economies and cited by about 50% of foreign-capital firms as the thing that attracted them to Japan—your business could truly blossom.



Source: JETRO "2023 Survey on the Business Operations of Foreign-affiliated Companies in Japan"

Japan as Your Gateway to the Asia-Pacific and the World

Comparison of FTA Coverage Rates (Total Trade, 2022)



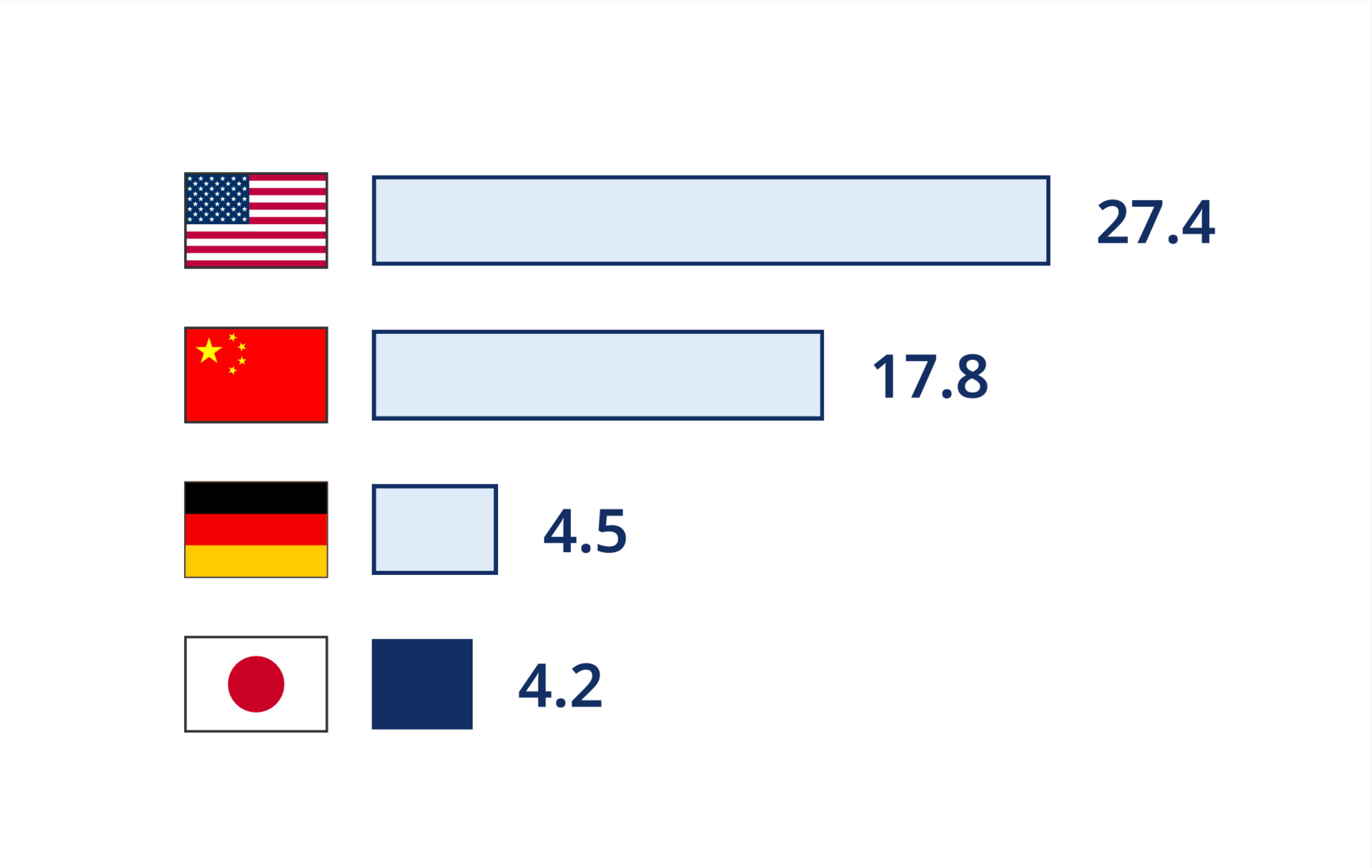
(A = In effect, B = Under negotiation, C = Others) (Unit：Trillion US dollars)
*The status of enforcement, signature, and negotiation is as of the end of March 2024. Quoted from JETRO's "World FTA Database."
*The figures for "including under negotiation" also include those for concluded negotiations.
*If both multilateral and bilateral FTAs are progressing with the same country, the trade amount is counted in order of progress (in effect → signed → under negotiation → others).
*Due to rounding to the nearest first decimal place, the total may not necessarily add up to 100%.
Source: Created by JETRO based on Ministry of Economy, Trade and Industry "White Paper on International Economy and Trade 2024"

Japan’s free trade agreements help eliminate or reduce tariffs, leading to easier access to global markets and economies. This is a key advantage for ambitious companies. A presence in Japan could be your stepping-stone to global expansion.

Still the World’s 4th Largest Economy

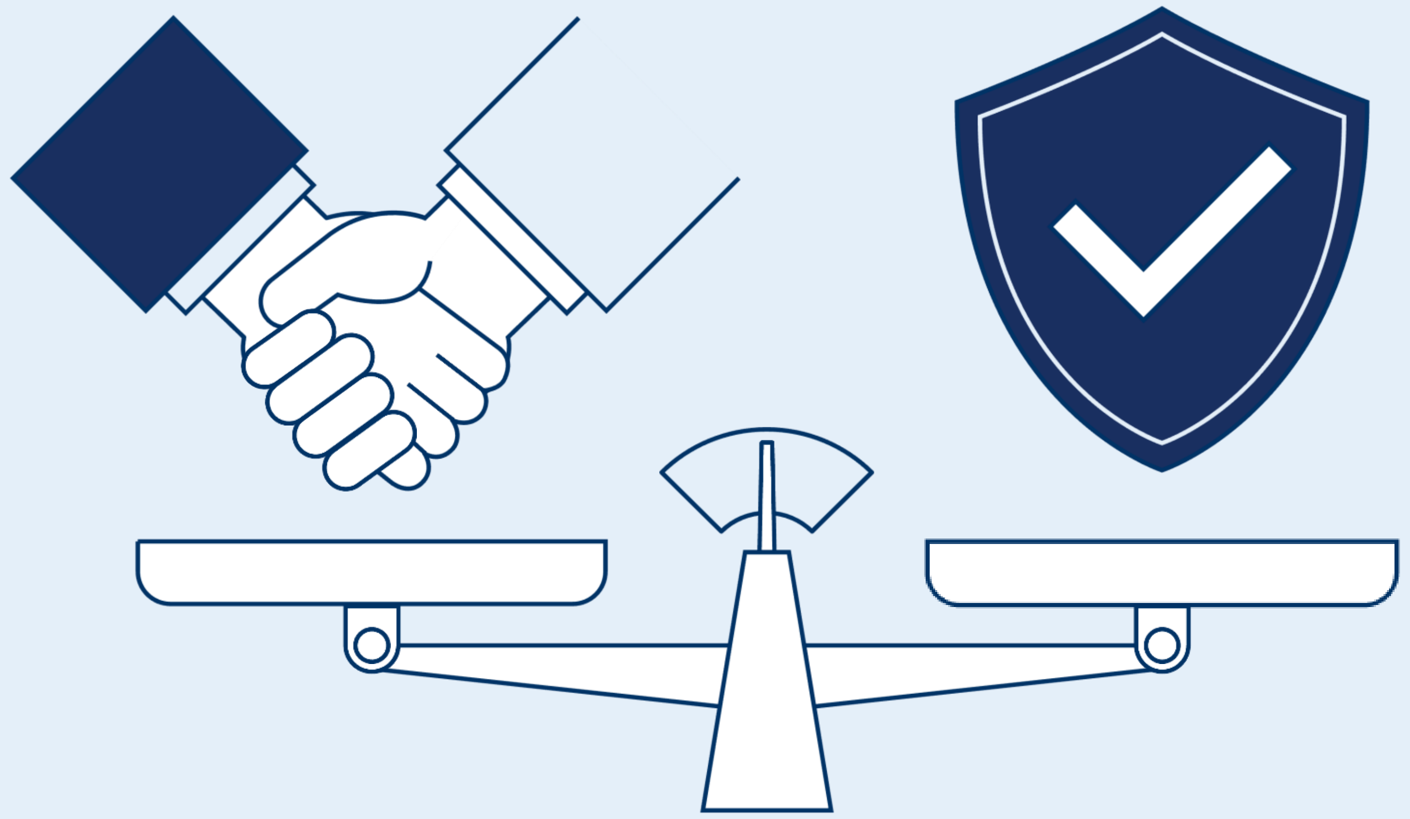
A long-standing global leader, Japan remains the world’s 4th-largest economy with a highly developed market. Success here could prime your business for expansion throughout the Asian region and beyond.

GDP Ranking (2023)



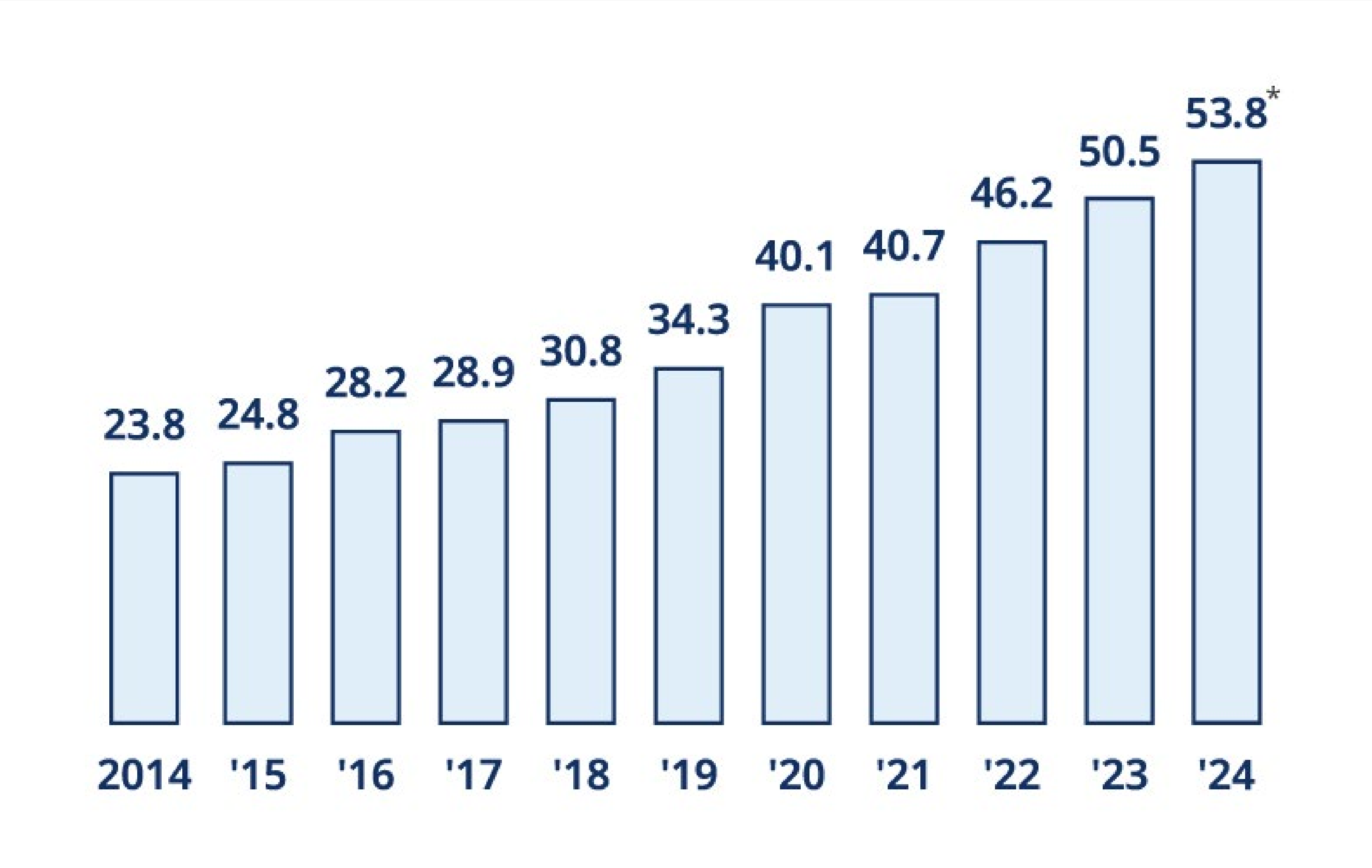
(Unit: Trillion US dollars)
Source: Created by JETRO based on ©World Bank, "World Development Indicators Database"

A Foundation of Trust and Stability for Investment



Japan Has the World's Attention, Make It Your Next Investment Destination

Trends in FDI Stock in Japan



(Unit：Trillion yen)
Source: Created by JETRO based on JETRO "JETRO Invest Japan Report 2024" and MOF "International Investment Position of Japan"
*The data is a preliminary figure.

Japan continues to attract a healthy flow of inward foreign direct investment (FDI). Increasing investment attests to the trust and confidence inspired by the Japanese market and points to its stability as an investment destination. For overseas businesses, Japan offers a unique investment opportunity to achieve long-term success.

On the FDI Confidence Index, Japan Ranks 1st in Asia

Japan ranks first in Asia and fourth worldwide in the Foreign Direct Investment Confidence Index. This rating reflects the stability and growth potential of the Japanese economy, as well as low investment risk. Japan is a country you can invest in with peace of mind and trust.

Asia Ranking for FDI Confidence Index (2025)

Rank	Country and Region	Score
1	Japan	2.02
2	China (including Hong Kong)	1.97
3	South Korea	1.75
4	Singapore	1.73
5	Taiwan	1.54

Source: Created by JETRO based on data from Kearney "2025 Kearney Foreign Direct Investment Confidence Index (R)"

Japan Leads the G20 in Political Stability and Governance

Among the G20 nations, Japan ranks 1st in both political stability and government effectiveness, and 2nd in rule of law. This is an environment where businesses can operate with confidence and trust and thrive over the long term.

Government Effectiveness (2022)

Rank	Country	Score
1	Japan	1.62
2	Canada	1.57
3	Australia	1.53
4	Germany	1.29
5	United States	1.26

Political Stability and Absence of Violence (2022)

Rank	Country	Score
1	Japan	1.07
2	Australia	0.93
3	Canada	0.77
4	Germany	0.61
5	Korea	0.56

Rule of Law (2022)

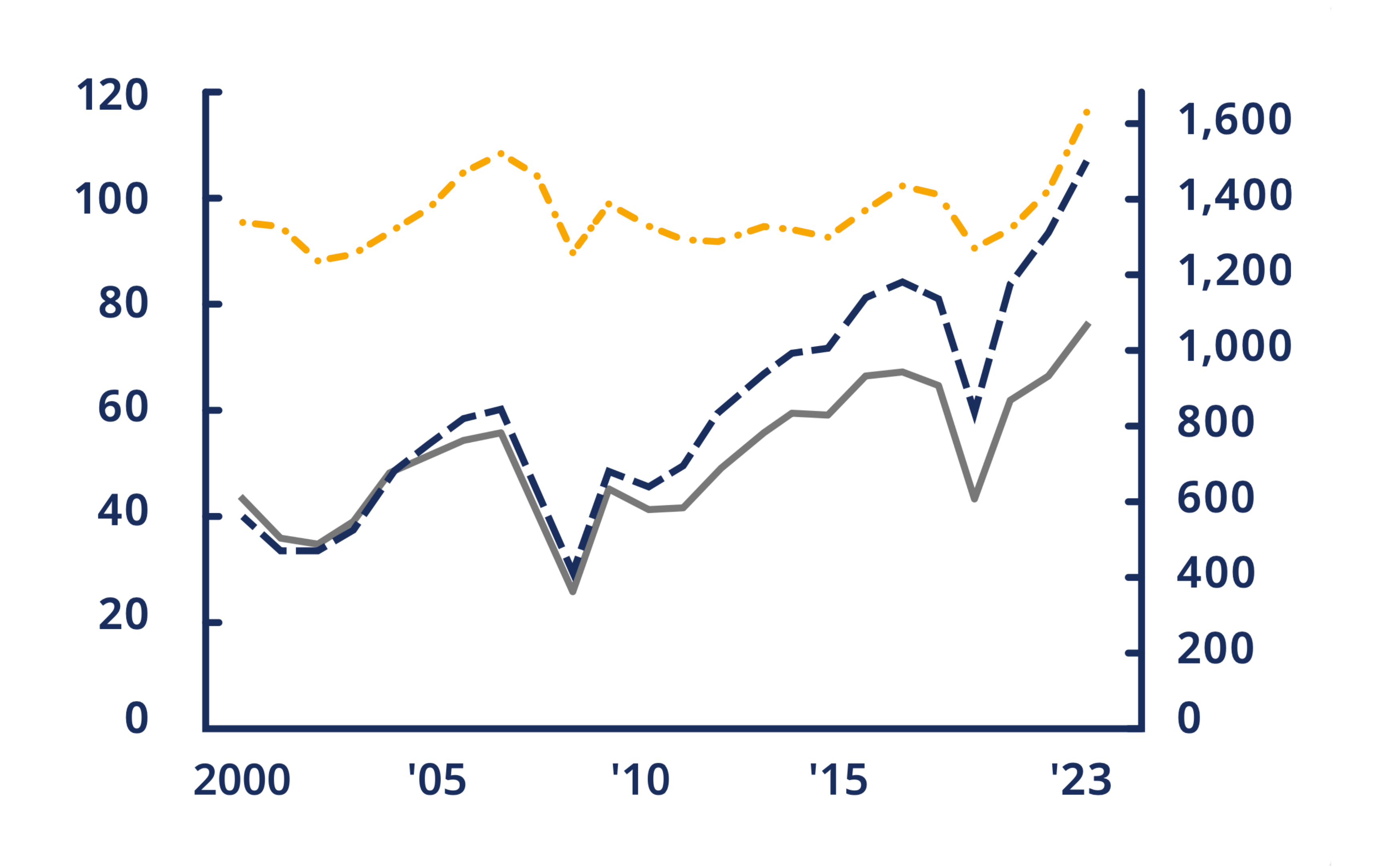
Rank	Country	Score
1	Canada	1.57
2	Japan	1.56
3	Germany	1.53
4	Australia	1.51
5	United Kingdom	1.42

Source: ©World Bank "World Development Indicators Database" Creative Commons License (Attribution 4.0 International)

A Promising Economy for Growth

Act Now to Ride the Wave of Soaring Corporate Profits

Trends in Ordinary Profit Across All Sectors and Industries



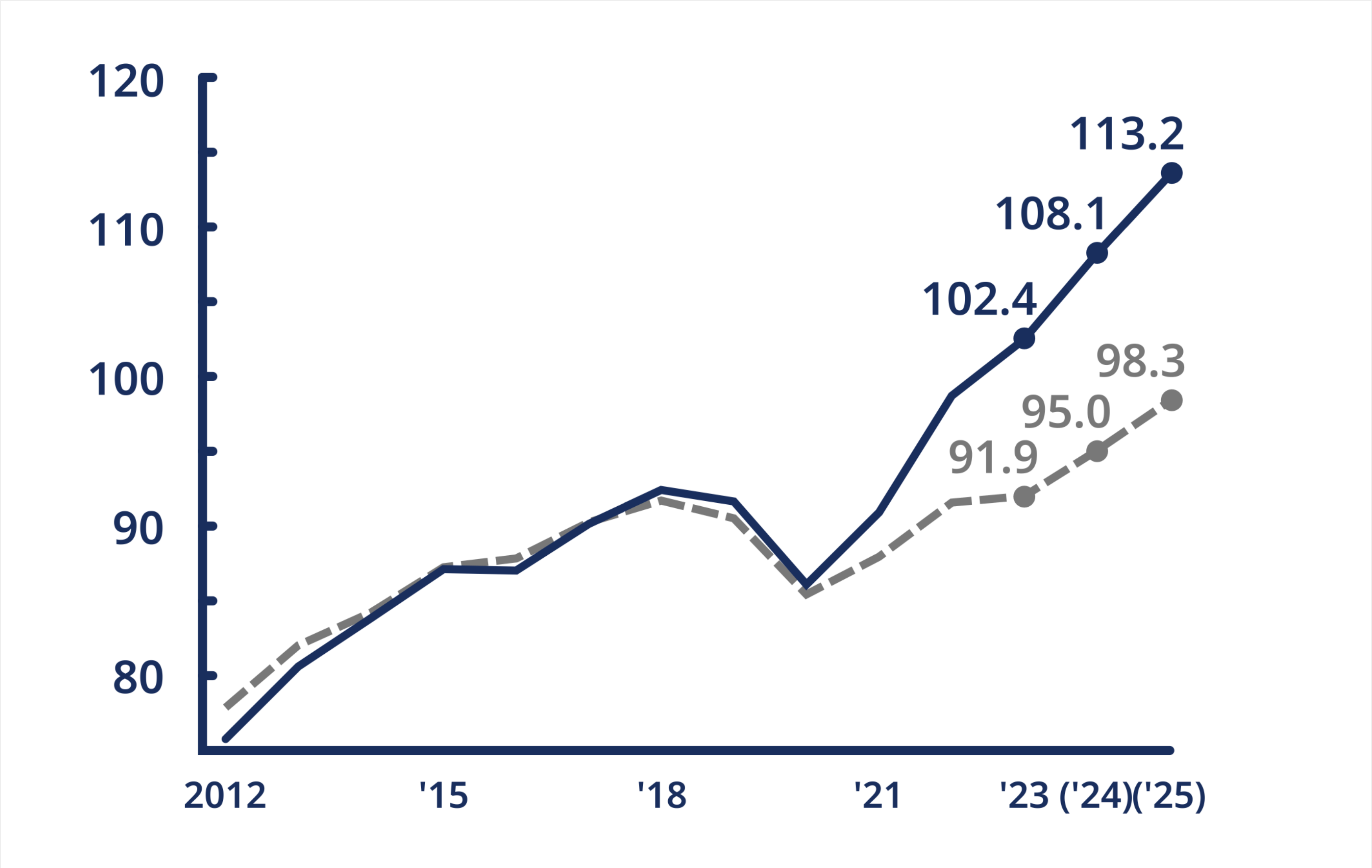
(Unit：Trillion yen)
*Dashed line (blue): ordinary profit, dashed line (yellow): sales revenue, solid line: operating profit
*Ordinary profit and operating profit refer to the left axis scale, while sales revenue refers to the right axis scale.
Source: Created by JETRO based on Ministry of Finance "Quarterly Business Statics Report"

Corporate profits in Japan soared in 2023, with both the manufacturing and non-manufacturing sectors seeing record growth. Ordinary profit is at the highest level ever recorded, highlighting the increasing stability and resilience of the Japanese economy. There's never been a better time to bring your business to Japan.

Japan’s Market Stability Means You Can Invest with Confidence

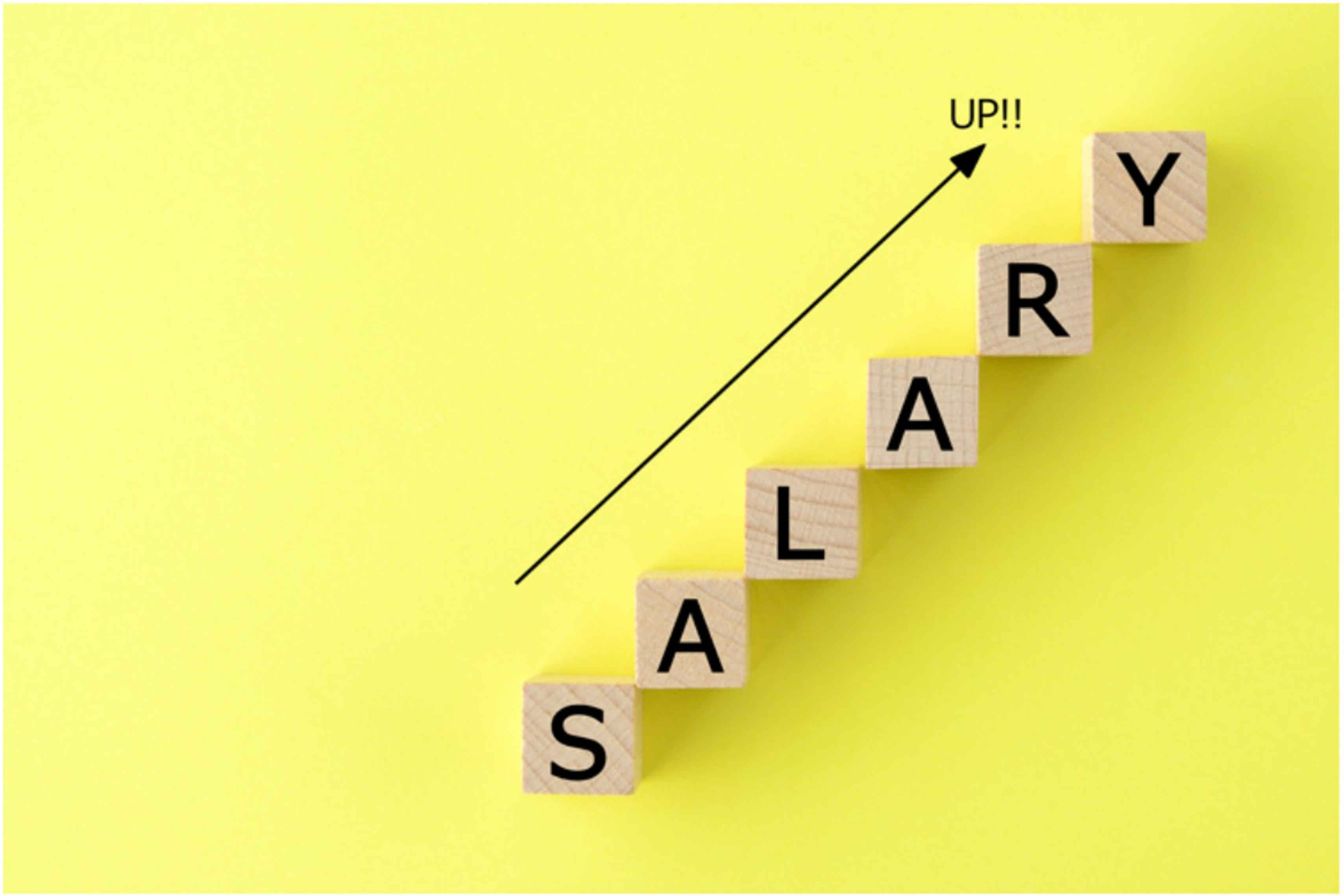
In FY2023 capital investment by Japanese companies exceeded 100 trillion yen, reaching a historic high and showing just how firmly investors were reassured by the swift recovery from the pandemic. Right now, with increased investment in infrastructure ushering in higher productivity and economic growth, the business environment in Japan could hardly be more desirable from the viewpoint of an overseas companies.

Corporate Capital Investment



(Unit：Trillion yen)
*Solid line: nominal capital investment, dashed line: real capital investment
Source: Created by JETRO based on Cabinet Office "Mid-Year Estimates for Fiscal Year 2024"

A Society Ready to Attract Top Talent with Rising Wages



Source: Japan Business Federation "Spring 2024 Labor-Management Negotiations: Response Status by Major Industry (First Compilation)"

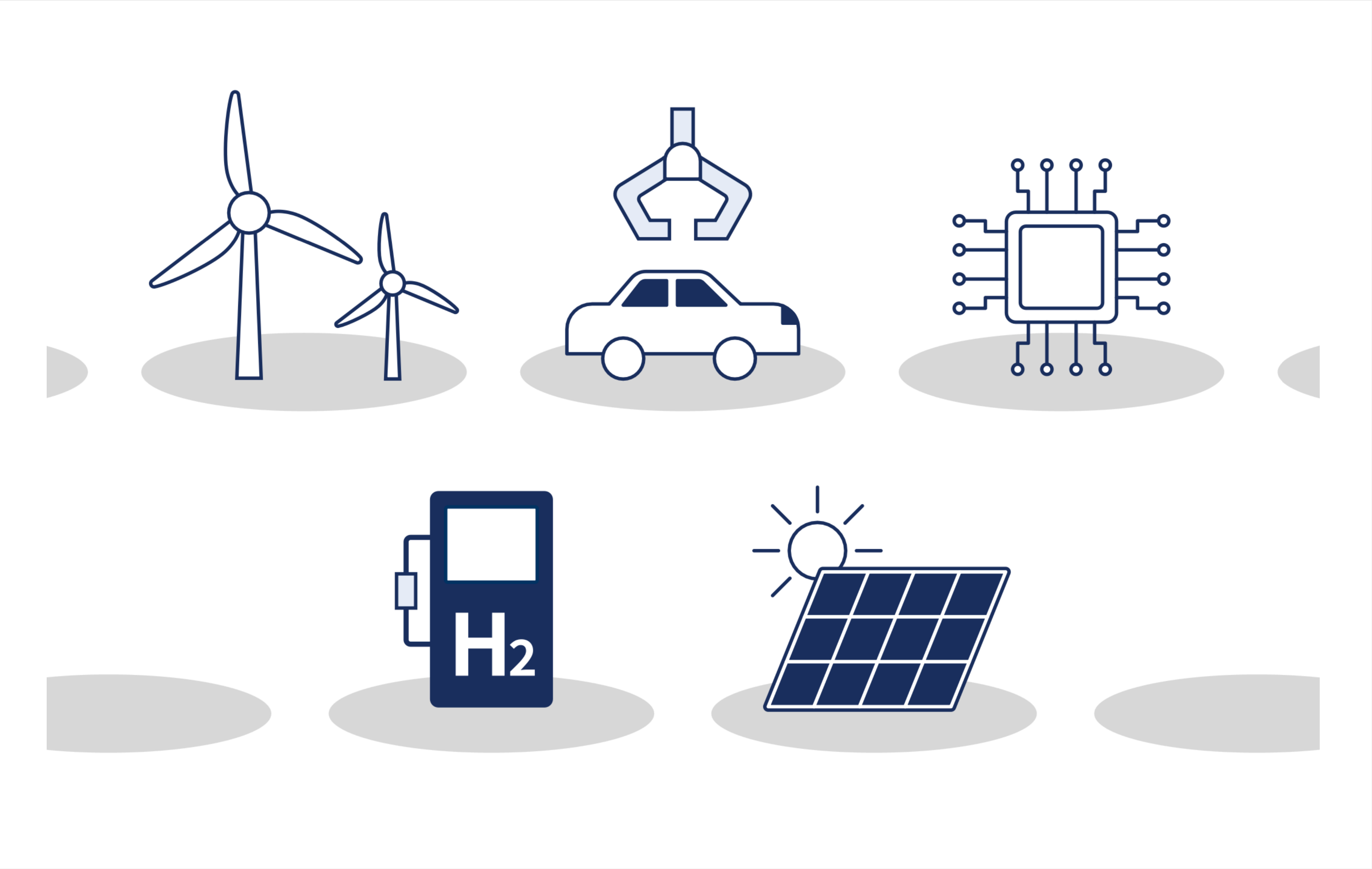
In 2024 labor-management negotiations, Japan's major companies agreed on an average wage increase of 5.58%.

This long-awaited rise in wages brings Japan closer to global standards and enhances its ability to attract highly-skilled talent.

Hiring top-quality personnel in Japan could significantly speed up the growth of your business, giving you a competitive edge in Japan's thriving economy.

The Drive for Carbon Neutrality by 2050 Is Expanding Business Opportunities Across Sectors

In its mission to achieve carbon neutrality by 2050,
Japan is focusing on 14 key sectors, including energy, transportation, manufacturing, and household/office-related industries.
For businesses entering the Japanese market, this is creating growth opportunities too good to miss.



Source: Ministry of Economy, Trade and Industry "Green Growth Strategy Through Achieving Carbon Neutrality in 2050"

The Ideal Environment for Innovation

Japan’s R&D Push Could Help Your Business to Innovate

G7 Countries Ranked by R&D (2023)

Rank	Country	Score
1	United States of America	77.2
2	Japan	71.5
3	United Kingdom	71.3
4	Germany	69.6
5	France	62.5
6	Canada	56.0
7	Italy	43.4

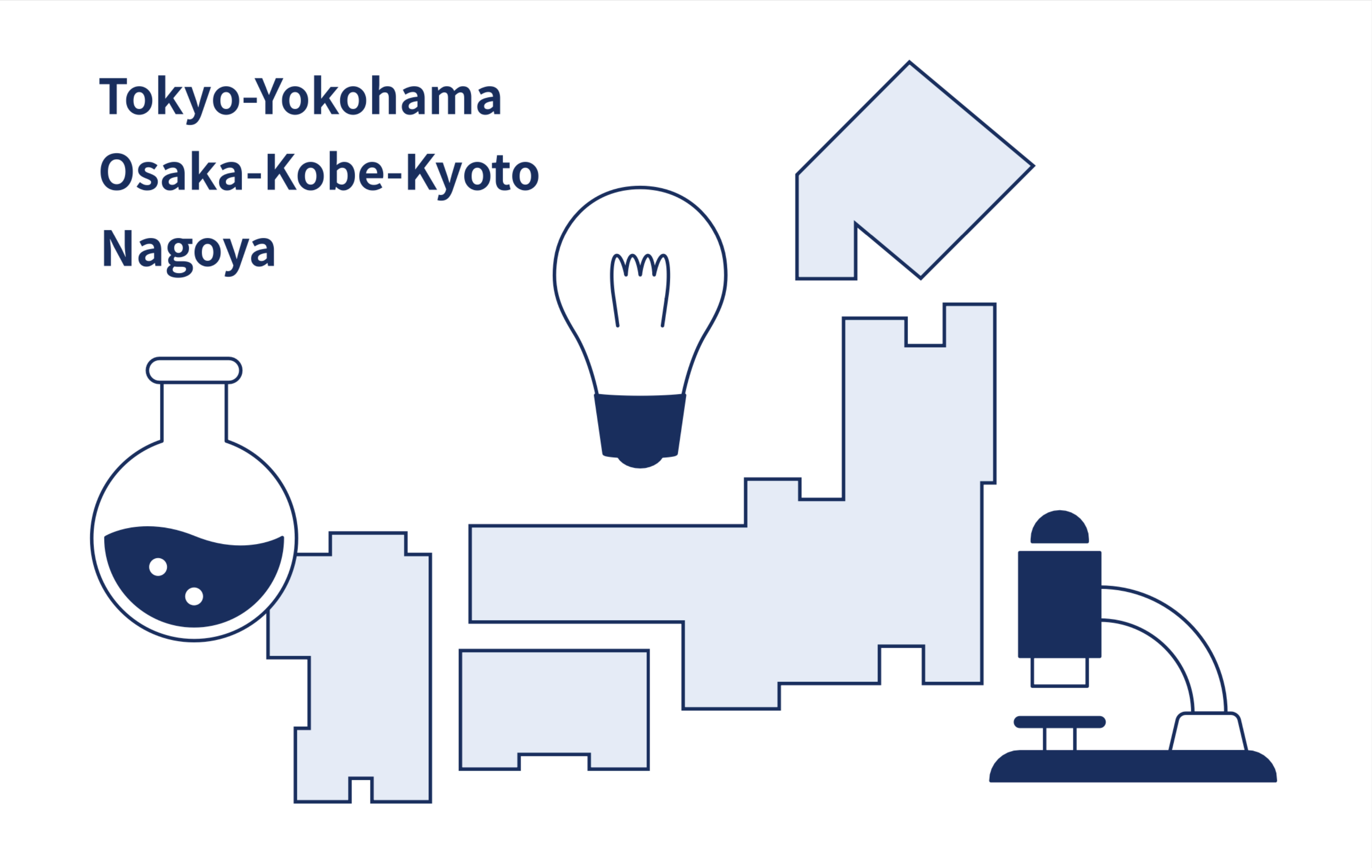
Source: World Intellectual Property Organization (WIPO) (2023). Global Innovation Index 2023: Innovation in the face of uncertainty. Geneva: WIPO. DOI:10.34667/tind.48220

Japan ranks second among the G7 countries in a comprehensive research and development ranking, evaluated based on indicators such as the number of researchers and R&D expenditure. Combined with its wealth of intellectual resources, this powerful commitment to innovation fosters an environment that presents a prime opportunity for your business to create new value in Japan.

Seize Opportunities in Japan's Technology Cluster Cities

Japan's technology cluster cities are drawing interest worldwide. Bringing tech companies into proximity with research institutions, these buzzing urban hubs are fostering the kind of collaboration and competition that sparks technological innovation.

With a business presence in one of these cities, you'll be right where the magic happens, able to tap into up-to-the-minute R&D development, and primed to create cutting-edge products and services. Many global companies have already leveraged these vibrant environments of innovation to generate new value.



Source: World Intellectual Property Organization (WIPO) (2023). Global Innovation Index 2023: Innovation in the face of uncertainty. Geneva: WIPO. DOI:10.34667/tind.48220

Open Innovation Initiatives with Japanese Companies and Universities, Conducted or of Interest to Foreign-affiliated Companies

Source: JETRO "2023 Survey on Business Operations of Foreign-affiliated Companies in Japan”

Collaboration and partnerships with domestic companies and institutions in Japan can be a key strategy for expanding your business in the country.
A JETRO survey of foreign-affiliated companies based in Japan revealed that 80% of companies considering collaboration and over 70% of those already engaged in it are motivated by a desire to strengthen and expand their business.
By combining your business strengths with the unique advantages of Japanese companies, you can energize your business and enhance your competitiveness.

Japanese Government Incentives and Grants Could Take Your Startup to the Next Level

Global startups in Japan now enjoy a supportive environment in terms of funding , with plenty of government incentives and grants available. This environment has opened up a host of new possibilities on the Japanese market, and over the past decade, startup investment in Japan has actually grown tenfold approximately.

Domestic Startup Funding Amount in Japan

(Unit: 100 million yen) (Value: Total amount raised)
*1 The values for each year are based on observations made up to the time of aggregation.
*2 Due to the nature of the data, the figures, including those in the past, fluctuate depending on the progress of the survey. The smaller the value of a project, the more likely it is to be affected by the progress of the survey, and the number of procuring companies is particularly susceptible to change.
Source: Created by JETRO based on SPEEDA "Speeder Startup Information Research (as of January 19, 2023)"

Tokyo Ranks in the World's Top 10 Startup Cities

Global Startup Ecosystem Ranking (2024)

Rank	City
1	Silicon Valley
2	New York City
2	London
4	Tel Aviv
4	Los Angeles
6	Boston
7	Singapore
8	Beijing
9	Seoul
10	Tokyo

Source: Startup Genome LLC "The Global Startup Ecosystem Report 2024 (GSER 2024)"

Tokyo is ranked in the top 10 globally for startup ecosystems. High R&D spending, a large number of patent applications and robust government support have put Tokyo firmly among the world's top startup locations, attracting the attention of overseas companies.
The world is watching as Tokyo the startup city takes off.
Now is the time to get on board.

Scale Up with Japan's Unique Startup Support Ecosystem

Japan's startup ecosystem offers an array of unique initiatives designed to promote innovation. As well as delivering startup support, it provides help with attracting venture capital, education for entrepreneurs, and matchmaking for R&D collaborations between industry, government, and academia. Offering comprehensive support at every stage from founding to growth and eventual success, this ecosystem is open to global startups and investors, cultivating an environment that fosters long-term success.

Global City

1. Hokkaido
2. Tohoku
3. Tokyo
4. Central
5. Kansai
6. Hiroshima
7. Kitakyushu
8. Fukuoka

Next Global City

1. Hokuriku
2. Nagano/Niigata
3. Setouchi
4. Kumamoto
5. Okinawa

Startup Ecosystem Cities

Startup Ecosystem Cities
*1-8: Global startup cities, 1-5: Next Global cities
Source: Created by JETRO based on the Office for Science and Technology Innovation Promotion, Cabinet Office "The Open Call and Selection of Second-Phase Startup Ecosystem Hub Cities"

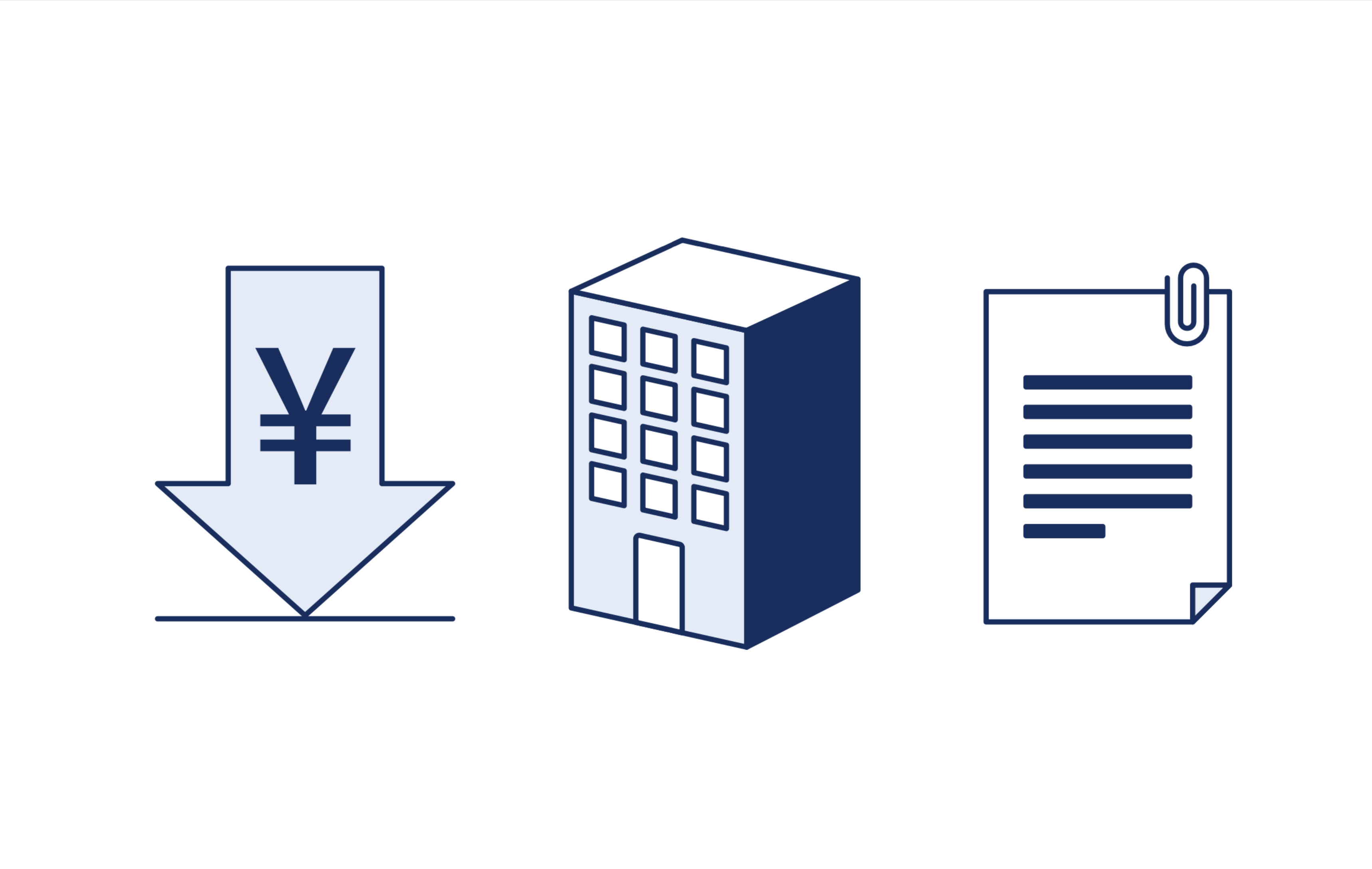
Streamlined Visa Support Helps Overseas Companies Focus on Business

Explore more: Setting Up Business

The Highly Skilled Professional residency status may be offered to employees of global companies, provided they meet certain criteria in areas such as education, work experience, and income level. Having obtained this status, your team will be able to focus on your business without worrying about immigration issues. Additionally, international entrepreneurs can apply for a Startup Visa enabling the holder to stay in Japan for one year while preparing to start a business. With comprehensive, one-stop support available for everything from immigration to company registration, you can confidently launch your business in Japan.

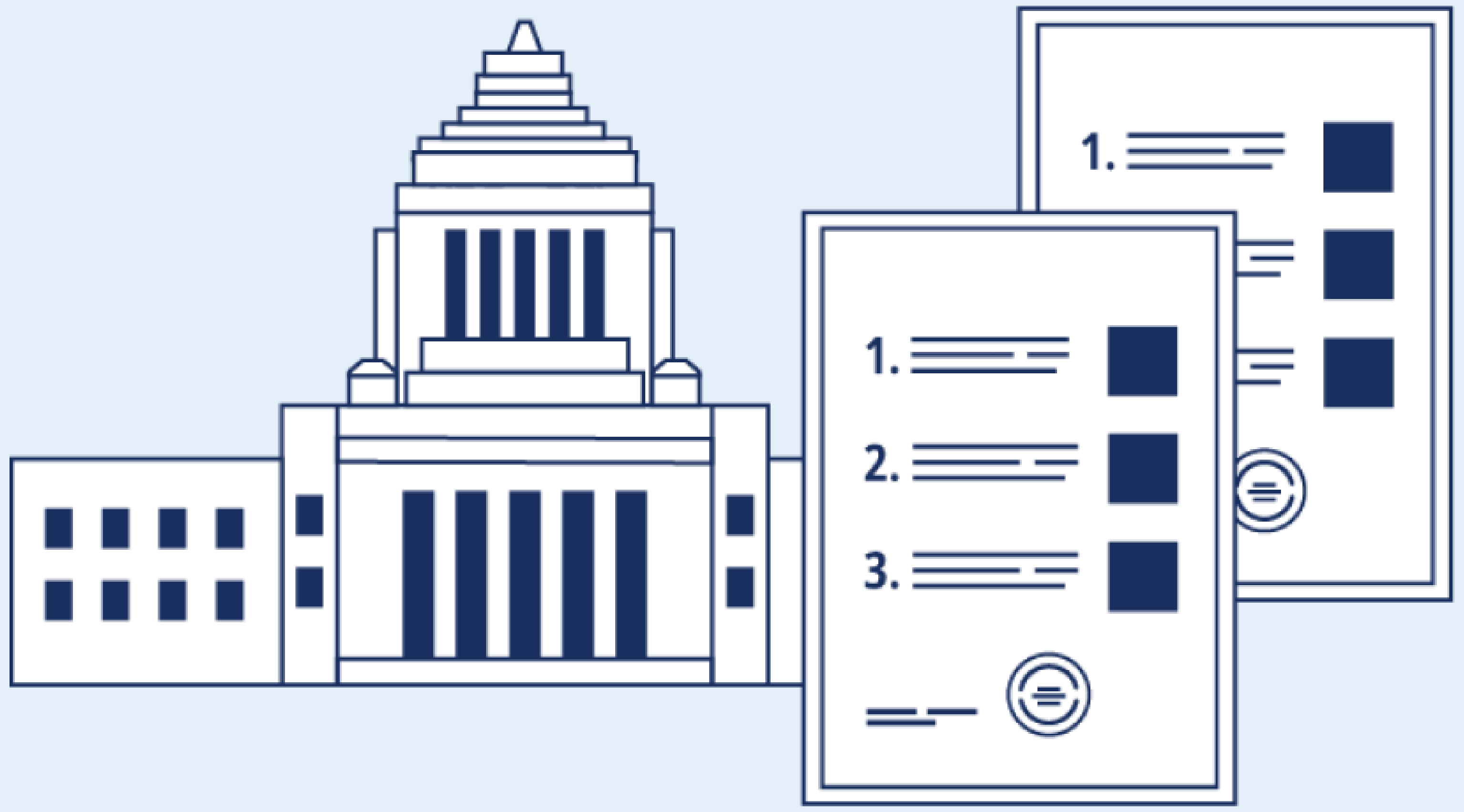
Setting Up a Company in Japan is Easier Than You Think

In Japan, the system for establishing a company has been made simple and straightforward. A business can be registered with as little as 1 yen in capital, and minimum setup costs can be kept at around 15 million yen, so setting up is more accessible than you might expect. The procedures involved can be carried out online, and plenty of support is available for visa applications. You'll be surprised by how easy it is to get started in Japan.



Explore more: Setting Up Business

Business-Friendly Government Policies



The Japanese Government is Preparing a New Stage for Business

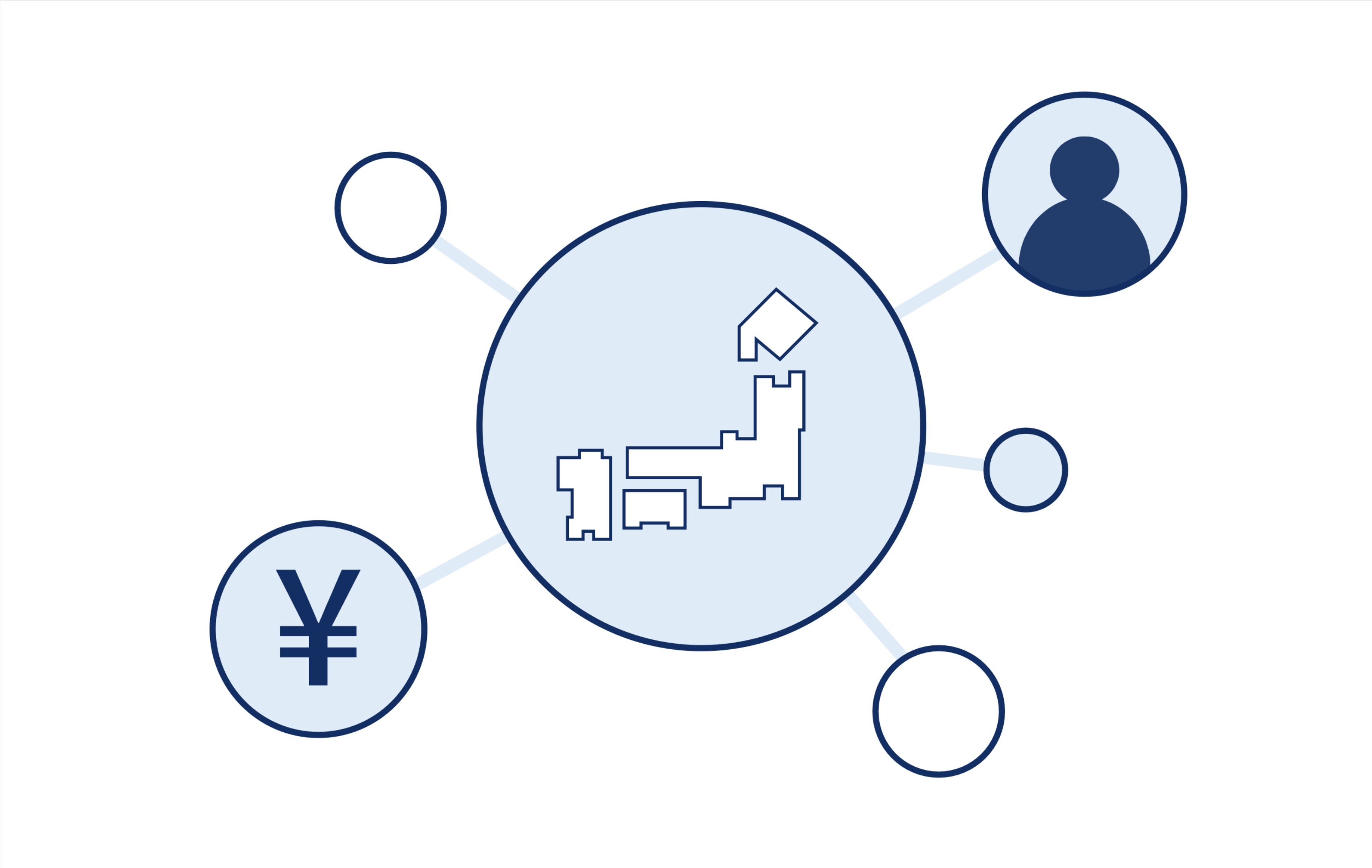
Source: Cabinet Office "The Action Plan for Attracting Human and Financial Resources from Overseas (Summary)"

Having set a goal of achieving a foreign direct investment stock of 100 trillion yen by 2030, Japan offers a highly attractive business destination and is pulling out all the stops to further improve the environment. The rapidly growing investment environment features robust infrastructure, streamlined procedures, tax incentives, and research and development in cutting-edge fields.

The Japanese government is fully supporting foreign companies to enter Japan through progressive policies that foster global business growth.

Japan as an Open International Financial Center

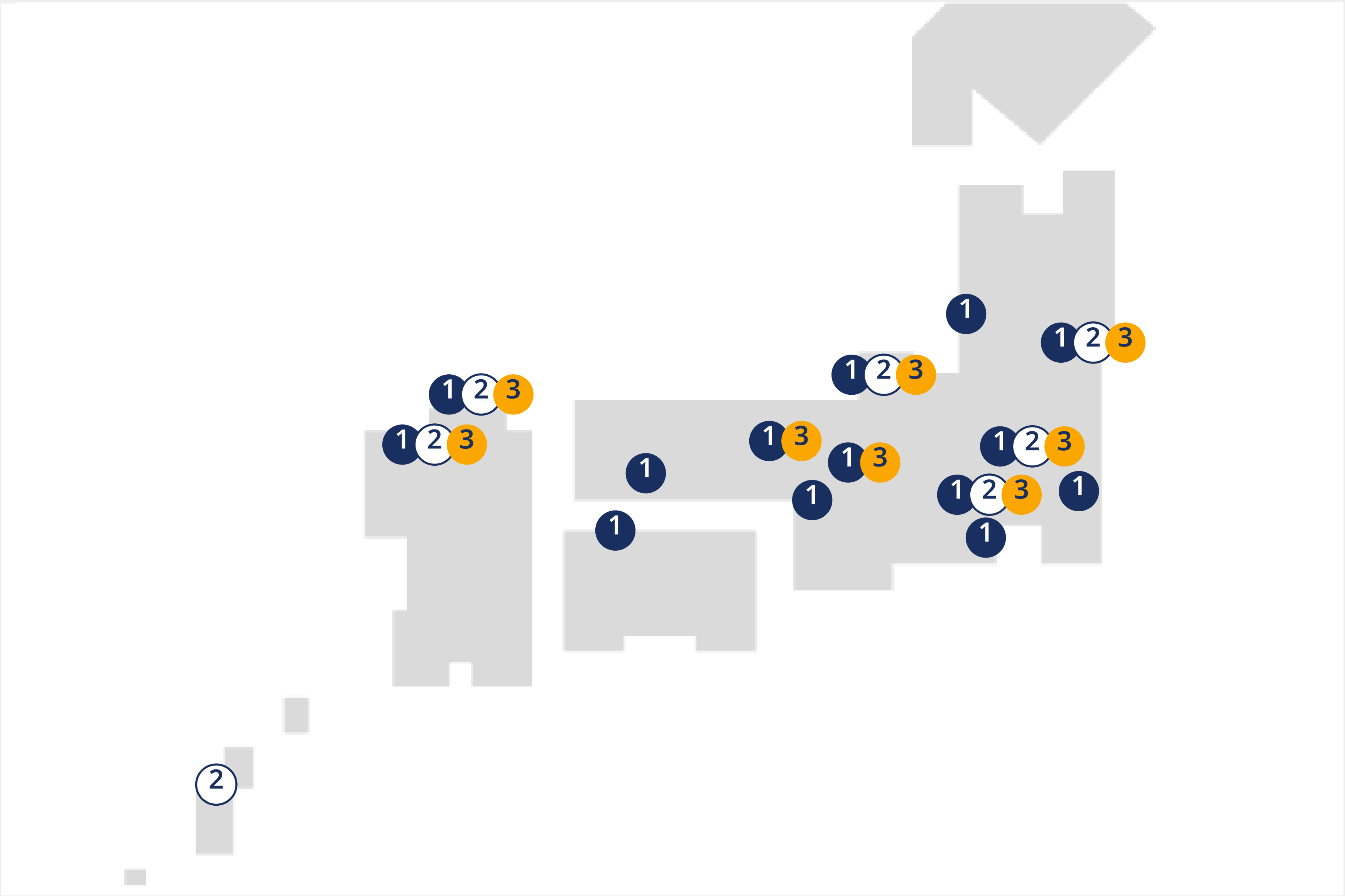
In 2022, Japan set forth its vision for becoming an open international financial center and has since implemented various initiatives to achieve this goal. As part of this strategy, Japan established the Financial Market Entry Office, a one-stop center offering English-language support dedicated to helping financial institutions establish operations in Japan. Tax reforms and regulatory adjustments have also been made, reducing costs and providing economic benefits for businesses. Japan is proactively working to enhance its business environment and strengthen its positions as a global financial hub. This can only be good news for your business.



Source: Financial Services Agency "Japan as an International Financial Center"

Regional Support for Foreign-capital Companies Could Accelerate Your Business

Special Zones Offering Support for International Entrepreneurs



Source: Created by JETRO based on the website of the Cabinet Office, Regional Revitalization Promotion Office

All over Japan, there are National Strategic Special Zones offering support for international entrepreneurs. This means you can choose the city that best suits your business needs, expanding your horizons beyond Tokyo. These Zones offer various forms of assistance, including fast-tracked visa processes and specialized advice designed to smooth your path to starting up your business in Japan.

(1)Promotion of the acceptance of diverse foreign entrepreneurs and other talents
Tokyo*, Kanagawa Prefecture, Narita City, Kyoto Prefecture, Hyogo Prefecture, Niigata City, Fukuoka City*, Kitakyushu City, Sendai City, Aichi Prefecture, Hiroshima Prefecture, Imabari City, Tsukuba City, Osaka Prefecture / Osaka City (Super City), Kaga City.

(2)Relaxation of office space requirements for foreign entrepreneurs
Tokyo, Kyoto Prefecture, Hyogo Prefecture, Fukuoka City*, Kitakyushu City, Sendai City*, Aichi Prefecture, Tsukuba City, Kaga City.

(3)Establishment of one-stop centers for various applications to promote entrepreneurship and business startups, including for foreigners
Tokyo*, Fukuoka City, Kitakyushu City, Okinawa Prefecture, Sendai City, Aichi Prefecture, Tsukuba City, Kaga City.

*Pioneer municipality

Japan’s Unique Regulatory and Tax Incentives Accelerate New Technologies and Business Models

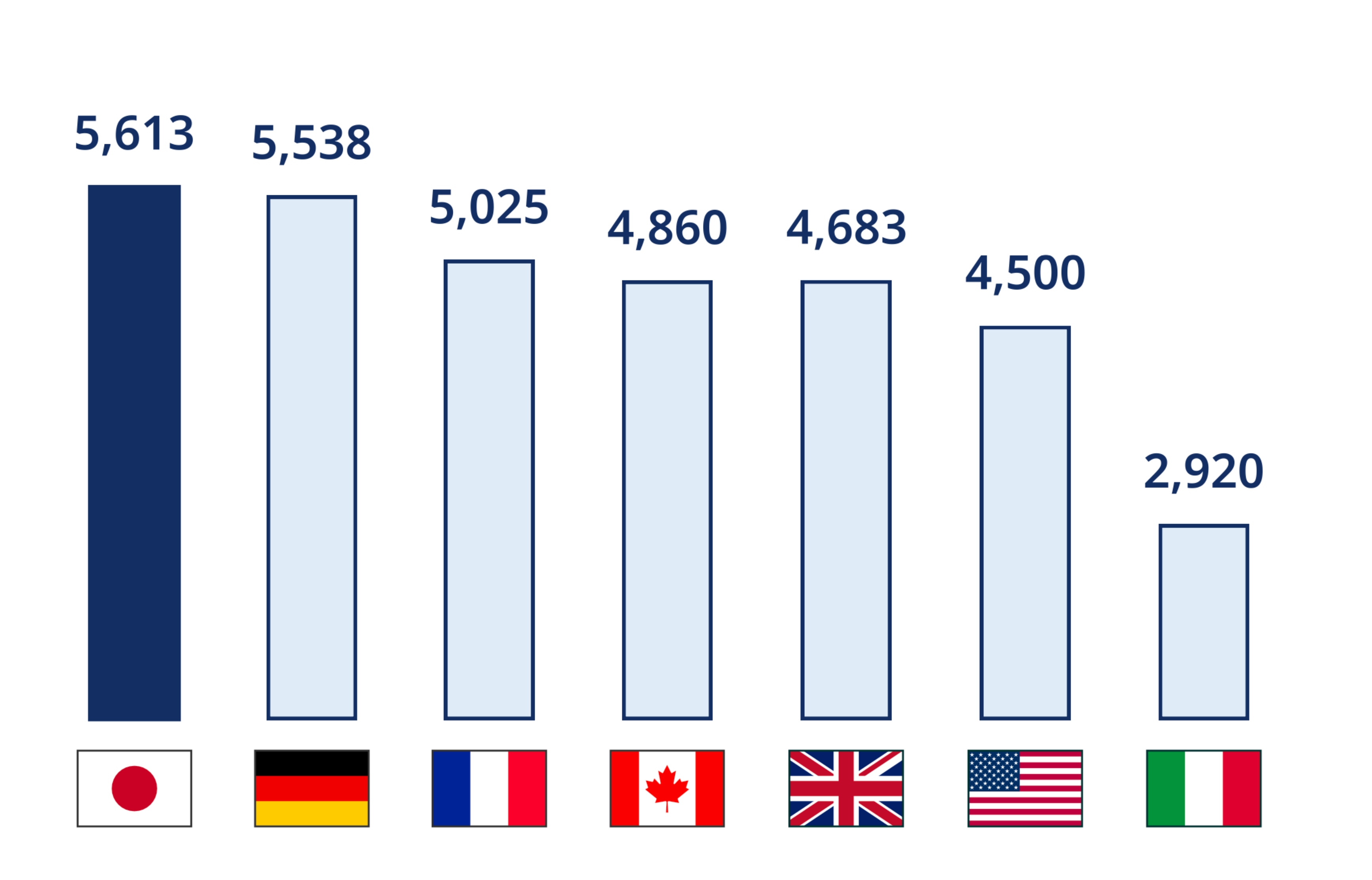
Japan is a fertile ground for those looking to create new technologies and business models, thanks to regulatory and tax systems designed to accelerate innovation. Japan’s Regulatory Sandbox System allows you to conduct proof-of-concept tests for new technologies and business models without being subject to existing regulations. Depending on the results of these trials, the government may further revise policies or regulations, making it easier to implement the business in society. Furthermore, Japan will soon introduce the Innovation Box Tax System, offering tax benefits for acquiring patents and intellectual property licenses related to R&D. Leverage these systems to reduce risks while accelerating your business.

Sources: Cabinet Office "Regulatory Sandbox," and Ministry of Economy, Trade, and Industry "Outline of the Innovation Box Taxation System"

A Highly-educated Workforce and Advanced Technology

Boost Your Business with the Brainpower of Japan’s Top Researchers

G7 Ranked by Number of Researchers per Million Inhabitants（2023）



*The figures represent scores.
Source: Created by JETRO based on World Intellectual Property Organization (WIPO) (2023). Global Innovation Index 2023: Innovation in the face of uncertainty. Geneva: WIPO. DOI:10.34667/tind.48220

Japan has the highest number of researchers per capita in the G7.
You can find advanced technology and talent needed to drive innovation for your business here.

Exceptional Talent and Strong Labor Relations Will Fuel Your Business

Japan boasts a highly-educated workforce with advanced skills and a collaborative labor culture, both of which will enhance your business productivity.

Labour-employer Cooperation （2022）

Rank	Country	Score
1	Switzerland	100
2	Denmark	99.5
3	Singapore	92.7
4	Netherlands	90.9
5	Japan	87.2

Technicians and Associate Professional （2022）

Rank	Country	Score
1	Japan	100
2	Mauritania	89.8
3	Singapore	85.7
4	Germany	82.2
5	Finland	78.3

Source: The Global Talent Competitiveness Index (GTCI) 2023 report published by INSEAD, Descartes Institute for the Future, and the Human Capital Leadership Institute.

Leverage Japan’s Diverse Value-Adding Potential for Your Business

Known for its diverse, value-added products, Japan has a long history of leading global manufacturing. In 2021, it was ranked 1st in the world for the Economic Complexity Index, while 2022 saw it ranked 4th in Asia for industrial competitiveness. Establishing your business in Japan will give you access to cutting-edge technologies and innovative products well before they go mainstream.

Competitive Industrial Performance (CIP) Index（2022）

Rank	Country and Region	CIP
1	China	0.36
2	Republic of Korea	0.30
3	China, Taiwan Province	0.29
4	Japan	0.28
5	Singapore	0.24

Country & Product Complexity Rankings（2021）

Rank	Country	ECI
1	Japan	2.3
2	Switzerland	2.1
3	South Korea	2.0
4	Germany	1.9
5	Singpaore	1.8

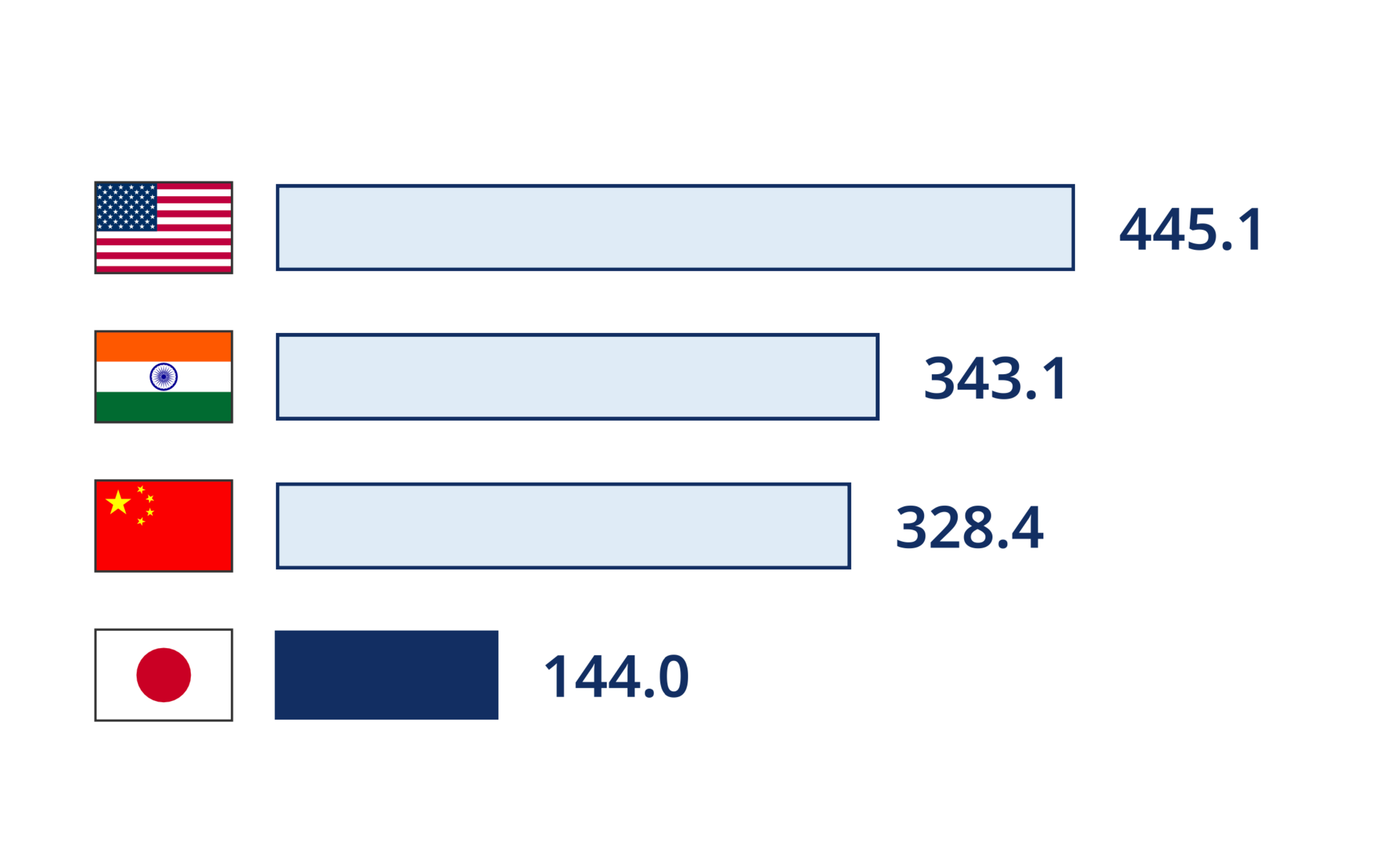
Source: ©United Nations Industrial Development Oraganization "Data Browser" CC BY 4.0 , and Growth Lab "Country & Product Complexity Rankings"

Boost Your Business: Hire From the World's 4th Largest Pool of IT Engineers

Home to one of the world's largest pools of IT engineers, Japan is brimming with technical talent, making it fertile ground for technological innovation.

Japan's technology and talent could turbo-charge your business.

Number of IT Engineers by Country（2023）



(Unit: 10,000 People)

*1 Survey year: United States (2022), India (2021 estimate), China (2021 estimate), Japan (2022)

*2 India: The number of IT engineers in the latest year is estimated assuming that the percentage of IT engineers in the information and communication industry workforce remains unchanged from the previous year.

*3 China: Estimated from the average percentage of IT engineers in the information and communication industry workforce in the Asian regions exluding China.

Source: Created by JETRO based on Human Resocia Co., Ltd "Global IT Engineer Trends Survey 2023 Edition: IT Engineer Report Vol. 9 with Data from 109 Countries"

Cultivation of Global Talent in Japan is Making the Workforce More International and Diverse

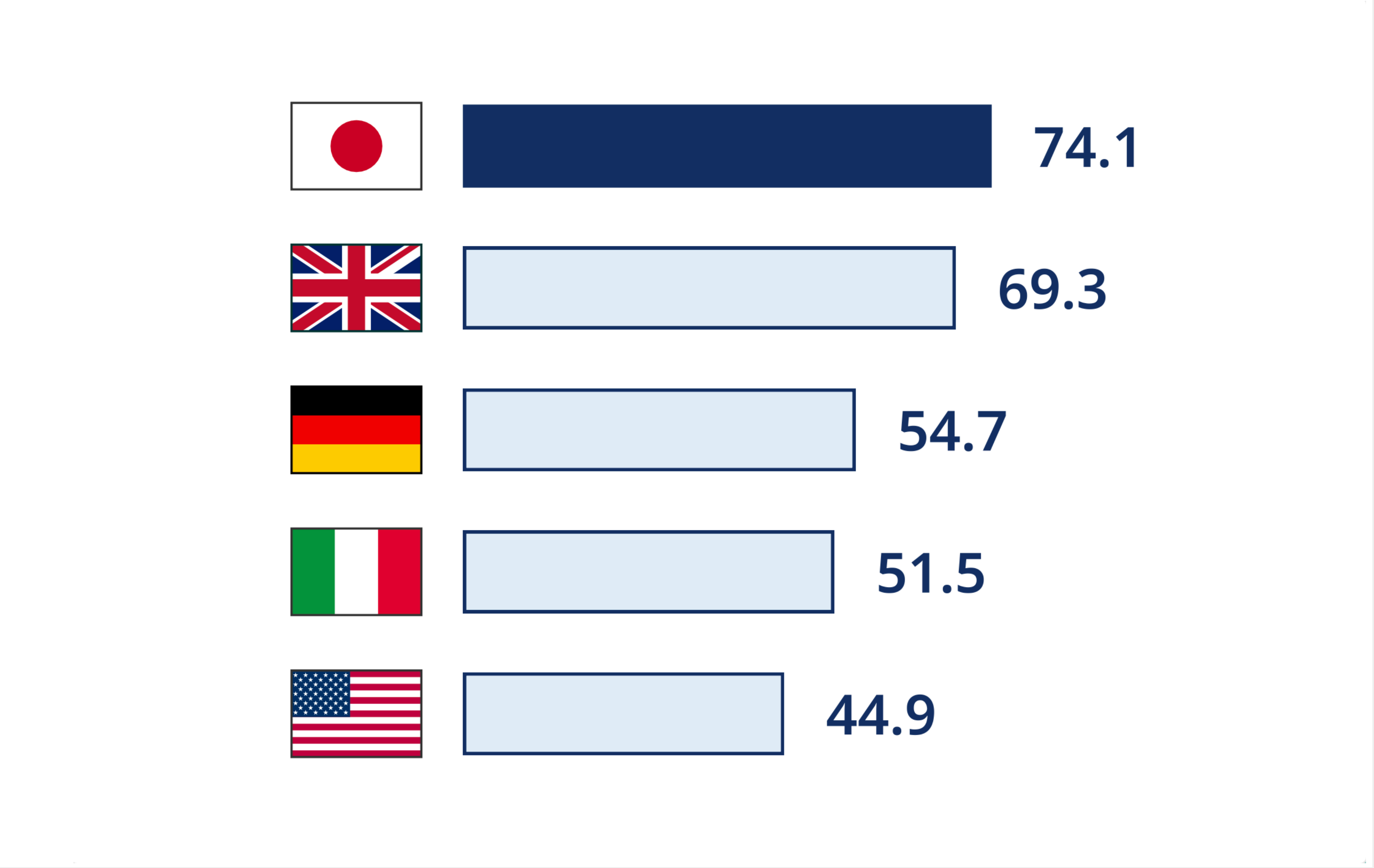
*The number is as of June 2024.
*The above counts the number of IB accredited schools and others by program unit, and differs from the number of schools as published by the IB organization.
Source: Ministry of Education, Culture, Sports, Science and Technology (MEXT) IB Education Promotion Consortium

When it comes to identifying investment opportunities in Japan, it makes sense to use a local expert. These days, it's easier than ever to find an English-speaking Japanese professional who fits the bill. Meanwhile, with the number of International Baccalaureate (IB) schools in Japan growing to 249, the country is also cultivating future generations of globally-minded talent with the skills and capabilities to help you succeed.

Japan Ranks Among the Top in the G7 in Terms of Tertiary Education Enrollment Rate

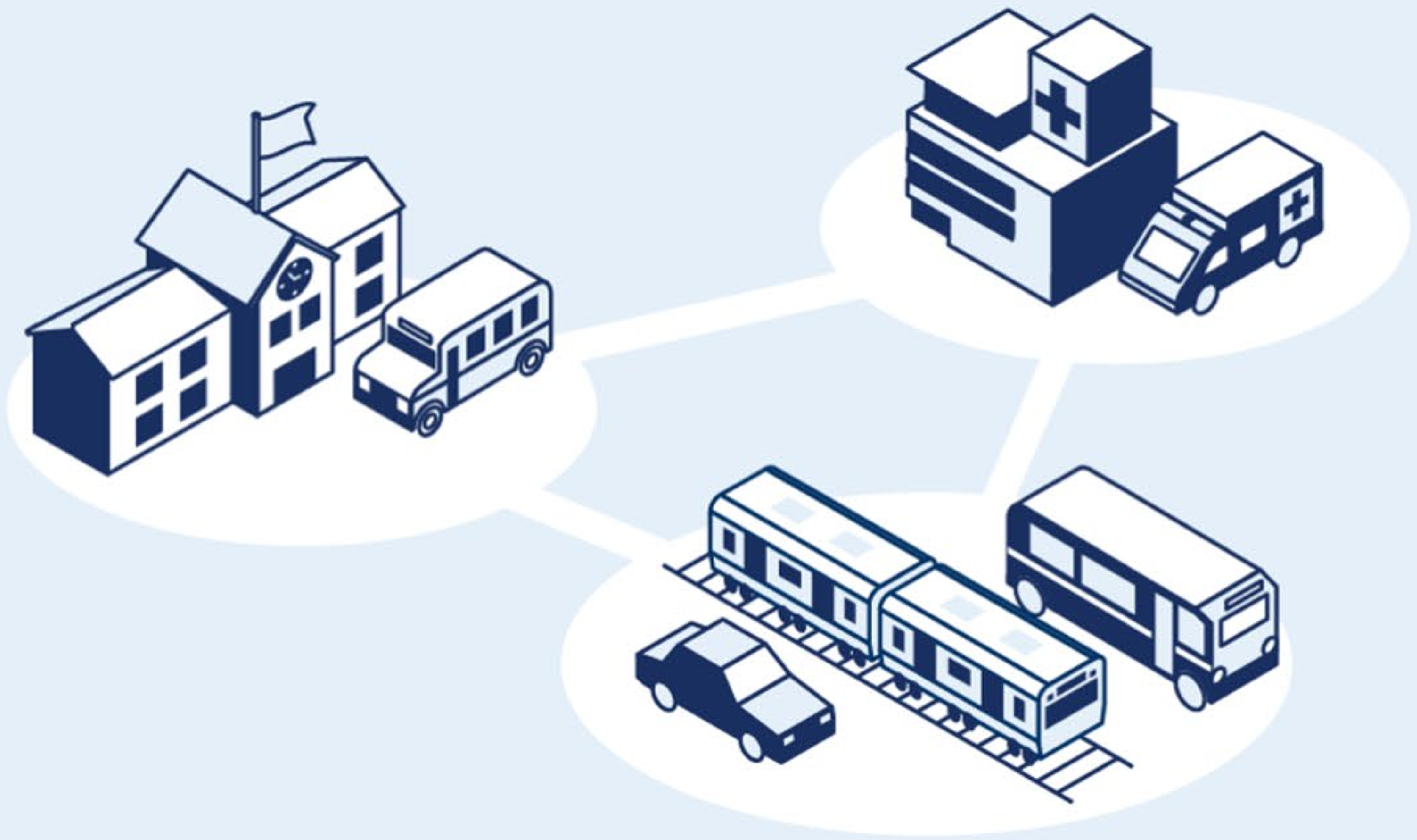
With Japan ranking among the top in tertiary education enrollment rate, the country offers a wealth of exceptional talent supported by its high educational standards. Japan is home to numerous individuals ready to drive your business towards success, particularly in advanced technology fields, providing the human capital you need to power your business forward.

Tertiary Education Enrollment Rate



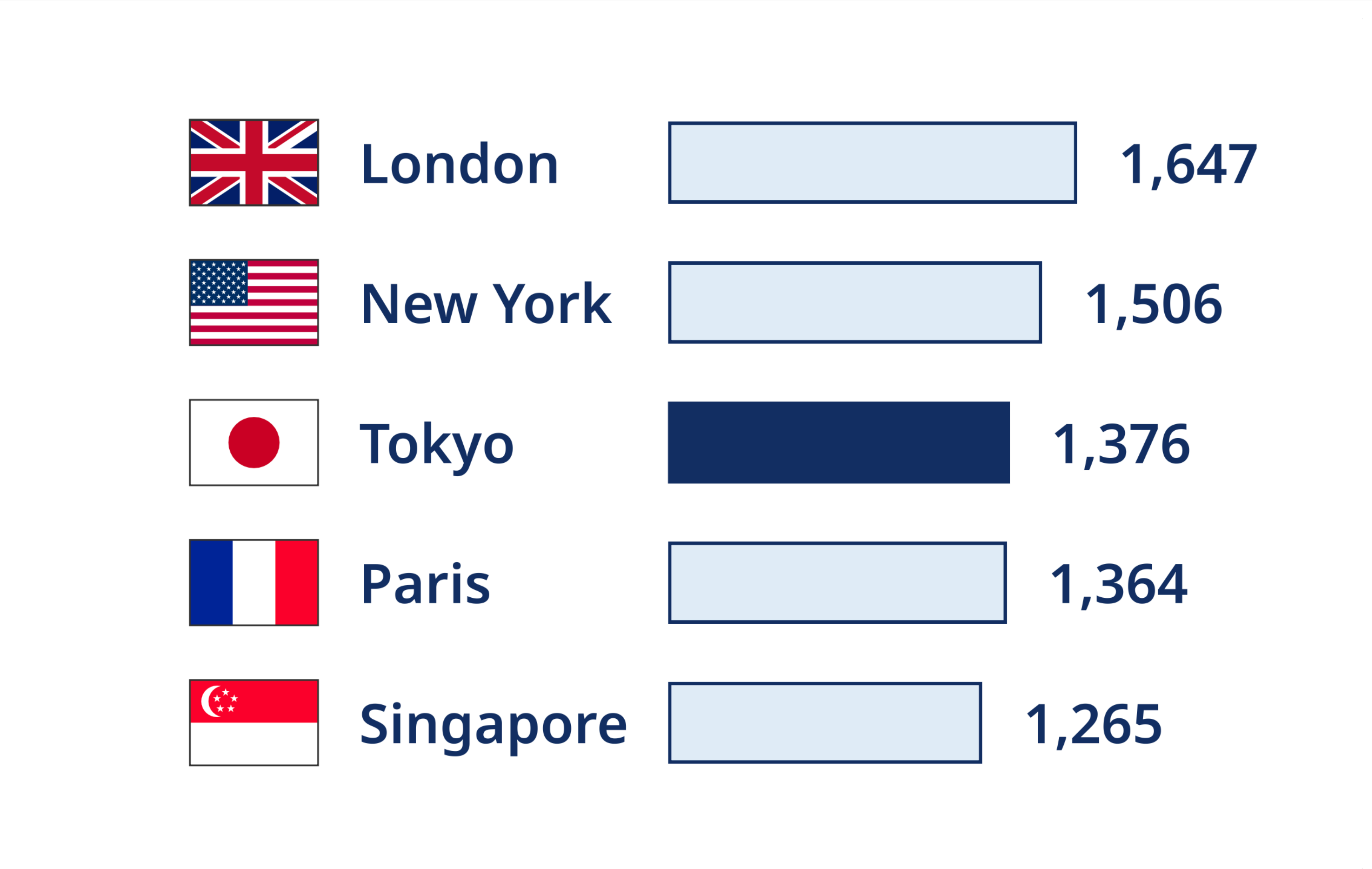
(Unit：%)
Source: Created by JETRO based on Japan Institute for Labour Policy and Training "Databook of International Labour Statistics 2024"

A Reliably High Standard of Living



Start a New Business and a New Life in a High-Quality Environment

Major Cities Ranked by “Magnetism”



Source: Created by JETRO based on Mori Memorial Foundation, Institute for Urban Strategies "Global Power City Index 2023 Summary Edition"

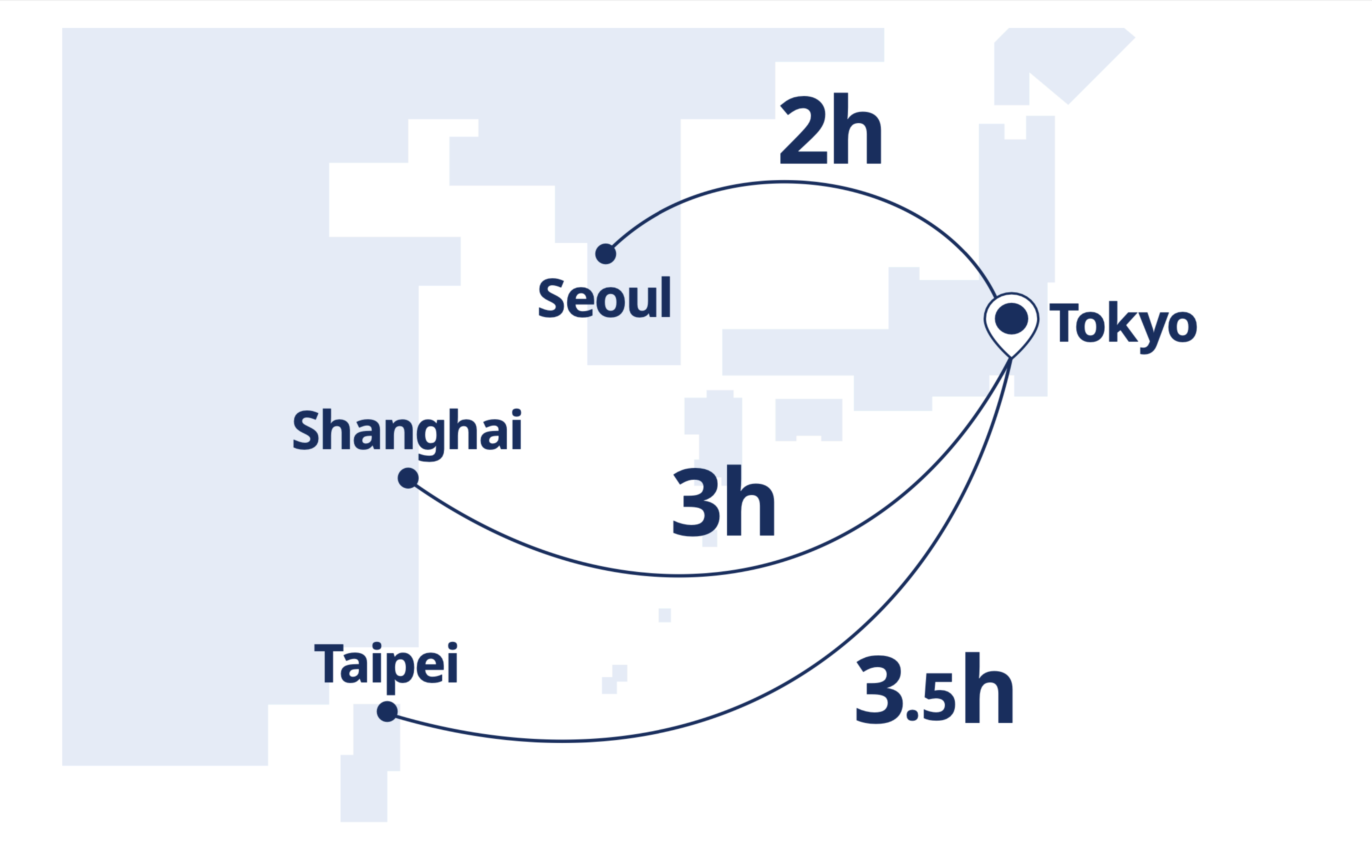
In terms of a high standard of living, three Japanese cities—Tokyo, Osaka, and Fukuoka—rank among the top 50 cities in the Asia-Pacific region. Tokyo, in particular, ranks 3rd among the world’s major cities in terms of “magnetism”—the power to attract people, capital, and enterprises from around the world, according to the Global Power City Index (GPCI). Highly regarded for its low housing costs and affordable living expenses, Japan is an attractive option for you and your family looking to enjoy high living standards while keeping business and living costs in check.

A Home Base with World-class Education and Living Standards

Japan has 130 international schools across the country, providing a global educational environment. For employees of global companies and accompanying family members seeking a high standard of living and education, Japan is an ideal option.

Source: Compiled from WASC, CIS, ACSI, NEASC, International Baccalaureate websites

A Stable Transportation Network, Ideal for Global Businesses



Source: ©World Bank, "Logistics Performance Index" Creative Commons License (Attribution 4.0 International)

If you're looking to go global with your business, Japan is one of the top choices. In the 2023 Logistics Performance Index ranking, Japan ranked high in Asia. Another point in its favor is that many other major Asian cities are reachable from Japan in under four hours. Japan's stable infrastructure and excellent public transport accessibility create ideal conditions for smooth business operation and growth. Make Japan the first step on your path to success.

Advanced Communication Infrastructure Supports Your Business

Japan is undergoing a remarkable digital transformation, ranking 3rd in Asia in the 2023 Global IT Competitiveness Ranking. Moreover, Japan's ICT level is ranked 3rd globally, influencing both the economy and the quality of life. Japan's advanced communication infrastructure powers new business opportunities as well as supports a quality of life.

Technology Score (Asia)

Rank	Country and Region	Score
1	Hong Kong	72.5
2	Singapore	70.6
3	Japan	60.6
4	Republic of Korea	60.1
5	China	57.9

People Score (World)

Rank	Country	Score
1	Republic of Korea	84.1
2	Israel	74.8
3	Japan	72.6
4	United States of America	72.5
5	China	70.5

Source: Portuland Institute "The Network Readiness Index 2023"

A Safe Place to Live and Work

With its well-established legal system and law-abiding populace, Japan is an ideal choice for global companies. Measured by the International Crime Victim Survey, it boasts the lowest crime rate in the G7, and remains one of the safest countries in the world. Offering safety for your employees and security for your corporate assets, Japan is a country where you can grow your business with confidence and peace of mind.

Source: NUMBEO "Crime Index by Country 2024 Mid-Year”

Contact Us

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JETRO Worldwide

Japan External Trade Organization (JETRO)

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