

# 4 JETRO's Efforts to Promote Investment in Japan

## (1) JETRO's Track Record of Supporting Foreign Companies

### ■ In fiscal 2019, 95 foreign companies successfully completed investment project with JETRO's support

The "Basic Policy on Economic and Fiscal Management and Reform 2020" released by the Japanese government in July 2020 states that Japan will work to further expand foreign direct investment in Japan in order to "further promote the vitality of overseas economies to local communities." The Japanese government will continue to place importance on supporting foreign companies' expansion into Japan.

JETRO supported 943 projects in fiscal 2019 (April 2019 to March 2020) and led 95<sup>1</sup> investment projects to successfully enter or expand

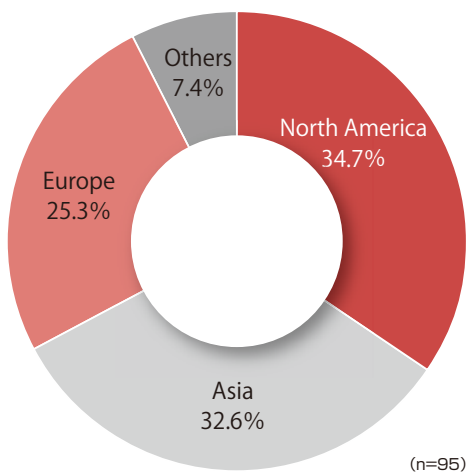
business in the Japanese market (Chart 4-1). By region of origin, North America is the largest with 34.7%, followed by Asia (32.6% of the total) and Europe (25.3%) (Chart 4-2). By country, the United States accounted for 31.6%, which made it the only country that exceeded 30% and by far the largest, with China as the next largest at 11.6%

**Chart4-1: Investment Projects Supported and Successfully Attracted by JETRO**

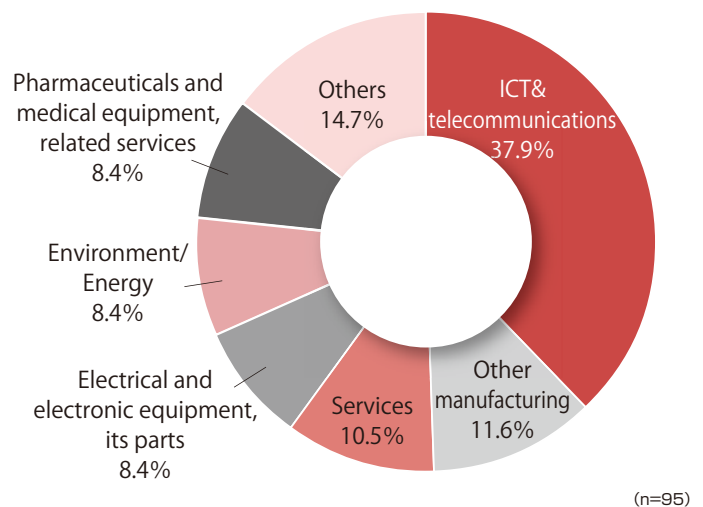
	FY 2019
Successful Investment	95
Projects Supported	943

Note: "Successful Investment" indicates the number of investment cases where a foreign company successfully sets up new business or expands their business in Japan.

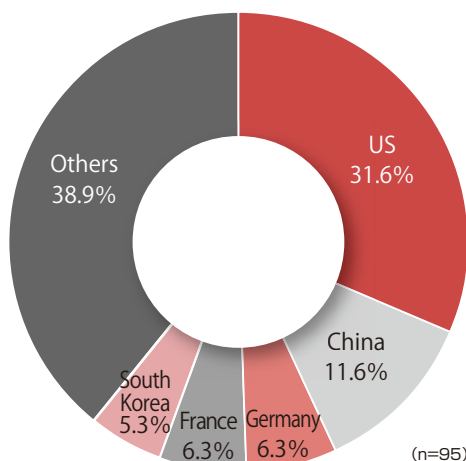
**Chart 4-2: JETRO-attracted Investments by Region**



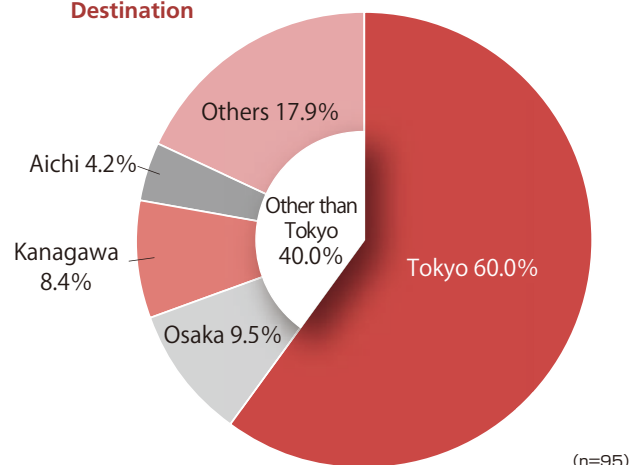
**Chart 4-4: JETRO-attracted Investments by Industry**



**Chart 4-3: JETRO-attracted Investments by Country**



**Chart 4-5: JETRO-attracted Investments by Investment Destination**



<sup>1</sup> Since fiscal 2019, JETRO has focused its support on companies that are expected to generate innovation, and therefore, the number of successful projects cannot be compared with those before fiscal 2018.


(Chart 4-3). By industry, ICT and telecommunications accounted for the largest share at 37.9% (Chart 4-4). By investment destination within Japan, while Tokyo was the largest with 60.0%, around 40.0% continued to expand outside of Tokyo, the trend of which has been observed in previous years, and some companies established bases in Osaka Prefecture (9.5% of the total) and Kanagawa Prefecture (8.4%) (Chart 4-5).

The Japanese government expects the revitalization and increase in efficiency of the domestic economy and society through innovative technologies, products and services brought to Japan by foreign companies. Since fiscal 2019, JETRO has been particularly focusing on supporting foreign companies in industries that contribute to the creation of innovation (Chart 4-6). Among 95 investment projects


JETRO led to success in the fiscal 2019, as many as about 70% projects were by companies that utilize digital technologies. In addition, two thirds of the investment projects were by companies that engage in business-to-business transactions while a certain number of companies were those that engage in business-to-consumer business. Looking at the enterprises established in Japan with JETRO's support in fiscal 2019, there are examples of enterprises that provide new products and services utilizing digital technology, such as IMAGR, a New Zealand company providing smart carts to retail stores, and Tellus You Care, a US company enabling contactless human health checks. Furthermore, there are companies like Naskeo Environment, which established its base in Hokkaido after the company was attracted by resources unique to the area (Chart 4-7).

Chart 4-6: Target Industries Expected to Generate Innovation


① **Tech**  
(AI, FinTech, etc.)



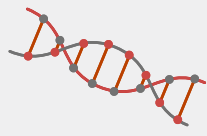
② **Manufacturing Industry**  
(IoT, IR 4.0, drone, Space, etc.)



⑤ **Sectors included in Japan's Growth Strategy**



③ **Life Science**



④ **Renewable Energy, Infrastructure, etc.**




Chart 4-7: Foreign Companies that Expanded into Japan with JETRO's Support

Corporate Name: <b>IMAGR</b>
Nationality: New Zealand
IMAGR, founded in New Zealand in 2016, develops smart shopping carts equipped with four small cameras that enhance customer shopping experience and cost-efficiency of retail stores, with its world-class quality AI image identification system. Its carts automatically identify goods put into and enable auto-payments through a designated app. With the carts, customers are free from stresses of waiting on clerks scanning each item or other customers paying at cashier, which would result in more smooth shopping experience without having to entirely change their shopping behavior. Retail stores can significantly save initial costs, compared to a system that requires numerous cameras on the ceiling or a system with which stores need install sensors on the shelf. In Japan, the company won the Asian Entrepreneurship Award 2018 held in Kashiwa, Chiba Prefecture, in November 2018. In January 2020, the company received a \$5 million investment from Toshiba Tec Corporation. To expand its business in Japan, the company established a Japanese subsidiary, IMAGR KK in Osaka City in August 2019. When IMAGR establishing its first overseas base, JETRO provided consultations on corporate registration, labor, tax, and visa acquisition, as well as introductions to accounting firms and real estate companies.

Corporate Name: <b>Tellus You Care</b>
Nationality: U.S.
Established in the U.S. in 2017, Tellus You Care is a startup that enables remotely check up the elderly and people in the need of nursing care by collecting and processing information on indoor human behavior and health conditions through radar wave generated from a dedicated small device. Because the method does not require devices attached the body or surveillance by cameras as required with the conventional wearable device, the burden on the elderly and persons targeted for care can be reduced. In Japan, NTT DoCoMo Ventures invested in the company in November 2018, and in August 2020, a group of investors, including NTT DoCoMo Ventures and a venture capital of the University of Tokyo, invested a total of 730 million yen. In addition, as part of the business collaboration agreement between NTT DoCoMo and Kobe City, demonstrations at nursing homes in Kobe City were conducted over a period of approximately one month from the end of July to the end of August 2019, which illustrated a possibility that the service could lead to the resolution of the problem of labor shortages. To expand its business in Japan, the company established Tellus You Care G.K. in Tokyo in February 2020. JETRO provided support such as providing domestic market information, introducing lawyers and tax accountants, and business matching.

Corporate Name: <b>Royole</b>
Nationality: China
Established in Shenzhen, China in 2012, Royole is a startup that develops its own technology for the world's thinnest screens that can be fully flexible displays and touch-operated flexible surface screens. It holds more than 3000 intellectual property rights worldwide and provides tailored solutions to customer demand, building on its own technologies. In Japan, it sells its own brand products, such as the world's first foldable smartphone and digital hand-written pads. In addition, its technology is expected to be applied in a variety of industries. One example is the adoption of the Company's surface displays in the glass of vehicles exhibited by Toyota at the Tokyo Motor Show in 2019. In order to further expand its sales channels in Japan, the company established a Japanese subsidiary, Royole Japan KK in January, 2020. with support from JETRO on the rental of the temporary office at IBSC, business matching opportunities in Japan, and PR support.

Corporate Name: <b>Naskeo Environnement</b>
Nationality: France
Naskeo Environnement is a French company established in 2005 that ferments waste materials such as food and agricultural residues and livestock manure and uses the methane gas produced for power generation and gas purification. Using its wide range of biogas-related technologies from waste treatment to utilization, the company offers the full spectrum of service, from research and development to design and operation of biogas plants. In Japan, the company collaborates with a local company to provide power generation services using biogas in Tsurui Village, Hokkaido. The company's business will likely contribute to Tsurui Village's goal of reducing the environmental impact of dairy farm waste and developing the biomass industry. The company established Naskeo Kankyo KK in Hokkaido in April 2019 to further expand its business. Upon establishing the company in Japan, JETRO provided consultation (registration and construction-related matters), information about relevant regulations and markets, and introduced local governments and industry groups.

Source: Prepared from business websites, JETRO-related materials, etc.

## (2) JETRO's Support for FDI in Japan

### ① Contents of JETRO's Support

#### ■ Comprehensive support for market entry and business expansion in Japan.

JETRO, as Japan's only public organization promoting foreign investment to Japan, provides a full range of services, from the dissemination of information on Japan's business environment to the discovery of companies interested in investing in Japan, support for establishing bases, and support for expanding business in the country (Chart 4-8). In addition, JETRO also provides support to local

governments to attract foreign companies to their communities and urge the Japanese government to further improve its business environment. In fiscal 2020, information on the impacts of COVID-19 has been additionally provided, and supports to foreign companies and local governments have been further strengthened to meet their needs in the difficult time.

#### 1) Dissemination of information by JETRO

JETRO provides information on foreign investment in Japan to foreign companies and foreign-affiliated companies in the country through websites and seminars. JETRO's website for foreign investment in Japan

Chart 4-8: Overview of JETRO's Efforts to Promote Investment in Japan

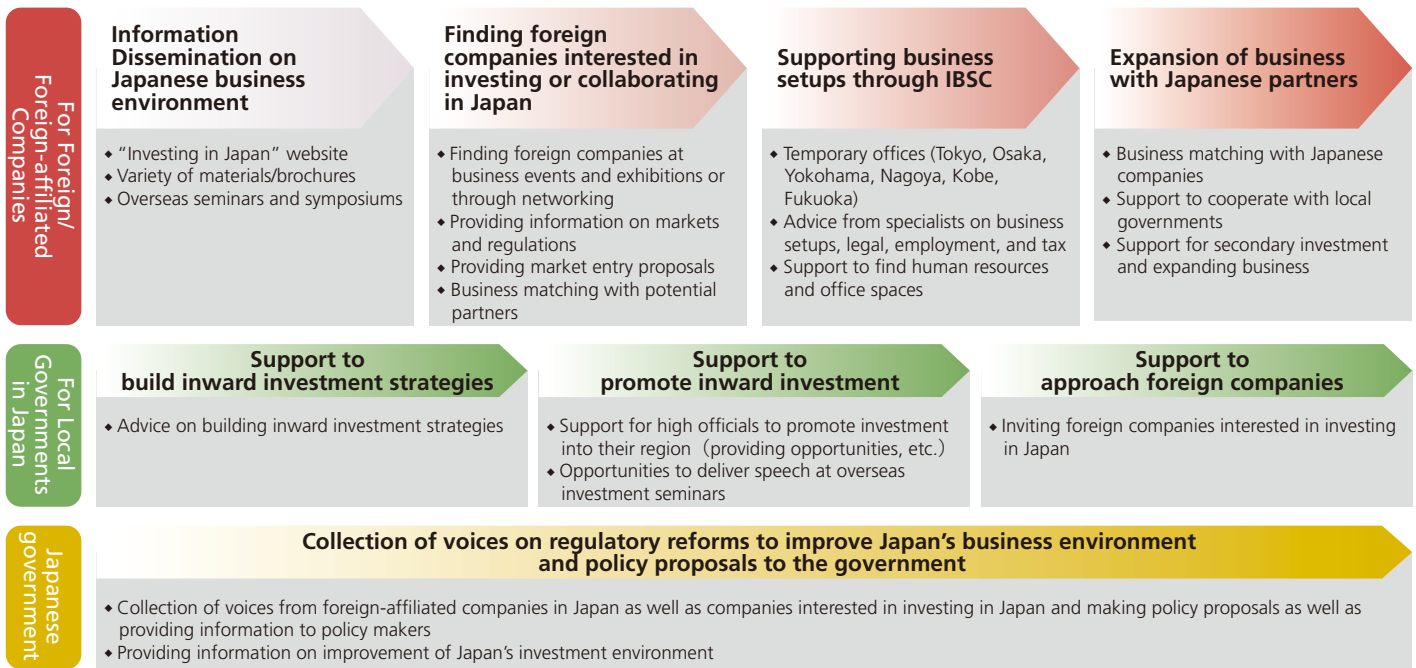
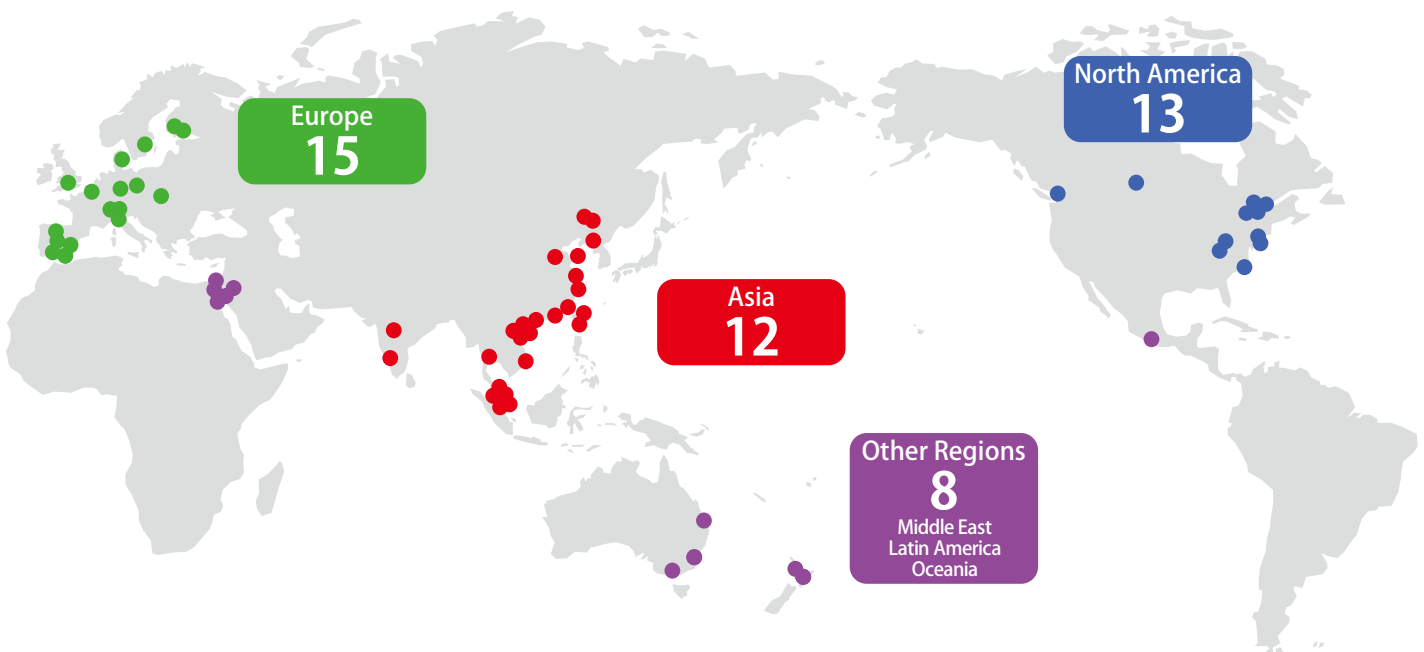


Chart 4-9: JETRO's Seminar on Investment in Japan in Fiscal 2019



disseminates a variety of information in seven languages, including Japanese. In addition to the market overview and attractiveness in Japan, "How to Set Up Business in Japan" provides a wide range of information required for incorporation, including company registration, visas, taxation systems, and labor management. "Navigation system for investing in Japan's local regions" is an information portal where visitors can acquire various information from basic economic and social data to that on industries, infrastructure, and incentives of prefectures and major cities. "Businesses Expanding" and "Success Stories" present case studies of companies that have entered the Japanese market, attracting many visitors including foreign companies that are interested in Japan.

In addition to disseminating information on its website, JETRO provides information to foreign and foreign-affiliated companies through a variety of seminars. To raise interest in Japan among foreign companies, JETRO held 48 seminars on foreign investment in Japan worldwide in fiscal 2019 (Chart 4-9). Based upon demand in each country and region, a range of topics of seminars, including those on Japan's growing markets and those specializing in foreign startups, were held.

## 2) Hands-on support for foreign companies

JETRO's Personal Advisor (PA) System for Foreign Companies is a core service of JETRO's support for foreign companies. Under the PA system, JETRO staff will provide fine-tuned support by facing the regulations and administrative procedures necessary for establishing corporations and conducting business activities in Japan, together with foreign companies. It also provides support tailored to each company's needs, including consulting on tax, labor, and legal matters, providing market and regulatory information, and participating in business events.

JETRO provides temporary offices (up to 50 business days free)

available to foreign companies to prepare for their establishment in Japan at its Invest Japan Business Support Center (IBSC), which operate at six JETRO offices (Tokyo, Yokohama, Nagoya, Osaka, Kobe, and Fukuoka) and other locations. Various supports by staff and experts are provided to tenant companies at IBSC of JETRO domestic offices. IBSC within JETRO Tokyo Headquarters is adjacent to Tokyo One-Stop Business Establishment Center (TOSBEC), which consolidates the contact points for procedures required at the time of establishment of a corporation in Tokyo in one place (operator: Tokyo Metropolitan government and the Japanese government).

## 3) Support for attracting investment in Japan to local communities

JETRO provides support to local governments in order to strengthen their capacities and promote their activities to attract investment to local communities of Japan. In addition to compiling information on each region and delivering it to foreign companies through the above-mentioned "Navigation system for investing in Japan's local regions," various types of supports are provided to participating municipalities through the "Support Program for Regional Foreign Direct Investment in Japan" (hereinafter, "Support Program") launched in fiscal 2018. Some of the supports are to provide know-how to attract investment, invite foreign companies to the local communities, and provide promotion opportunities targeting foreign companies (Chart 4-10). Until fiscal 2019, seminars were held offline by JETRO staff and experts to assist local governments in strengthening the capacity for attracting enterprises. In addition, foreign companies were invited to host regions at Regional Business Conference (RBC).

Chart 4-10: Major Assistances in Support Programs

Item	Support items	Outline of support
Provision of know-how	Training for attracting foreign companies (Basic training)	Training sessions by JETRO staff and consultants on the basics of attracting foreign companies for local government officials
	Training for attracting foreign companies (Theme-specific training)	Industry-specific workshops by experts and consultants in specific fields. English-language training for working with foreign companies.
	Dispatch of experts and consultants	JETRO staff, consultants, and others visit local governments to hold training and study meetings by request on various topics, such as the formulation of strategies to attract foreign companies.
Inviting foreign companies	Regional Business Conference (RBC)	Regional Business Conference (RBC) to widely disseminate business opportunities in multiple local governments to foreign companies. In fiscal 2020, JETRO opens applications for RBC projects in four areas: ① disaster prevention and mitigation; ② innovation; ③ productivity improvement; and ④ tourism. JETRO will cover some expenses for selected projects.
	Targeted recruiting	Provide local governments with opportunities to promote business opportunities targeting foreign companies with a particularly strong desire to expand into Japan. JETRO is inviting local governments, regardless of the sector they promote, and covers some expenses for the adopted project.
Other opportunities for promotion	Opportunities for local government officials to promote their communities to foreign companies	JETRO opens up limited space at foreign company-related events held by JETRO for local government officials, for publicity to foreign companies. During local government officials' overseas trips, JETRO's local offices set up meetings to exchange opinions.

#### 4) Efforts toward improvement of the business environment

In order to improve the business environment in Japan, JETRO listens to requests for improvements in regulations from foreign and foreign-affiliated companies and work with the government and related ministries and agencies. JETRO also serves as a bridge between the Japanese government and foreign companies. It acts as a contact point for foreign and foreign-affiliated companies under the "Invest Japan Hotline<sup>2</sup>," which accepts requests from companies and holds interviews with relevant ministries and agencies, and the "Regulatory Sandbox System<sup>3</sup>" launched by the Japanese government in 2018. Furthermore, in the "Investment Advisor Assignment System<sup>4</sup>" launched by the Japanese government in 2016, JETRO supports the business development of foreign-affiliated companies in Japan through arranging interviews with state ministers of concerned ministries. JETRO is a member of the Council for Promotion of Foreign Direct Investment in Japan, which is organized by relevant ministries and agencies to realize institutional reforms, and is working to improve the business environment in cooperation with them.

#### ② JETRO's Support during the COVID-19 Crisis

In response to the impacts of COVID-19, JETRO is enhancing its functions of the provision of information, hands-on support to foreign and foreign-affiliated companies, support to local governments, and efforts for improvement of the business environment in fiscal 2020.

In light of the economic and social uncertainties raised by COVID-19, JETRO not only ascertained the trends of foreign-affiliated companies amid the COVID-19 crisis but also globally disseminated information on the Japanese market and the responses of the Japanese government. JETRO conducted out-of-cycle surveys, primarily targeting its client companies, in April, in which the number of the new infections rapidly increased in Japan, and July, to understand the impact of the virus on foreign-affiliated companies. In addition, as part of the efforts to strengthen the information dissemination functions, JETRO introduced an information portal in April 2020, which compiles English information

on support measures of the Japanese government. In order to disseminate information on a new Japanese society, JETRO worked on videos that capture the Japanese market, which is being transformed through the time of COVID-19 (Chart 4-11). Also, six online seminars were held between May and July 2020 for companies overseas that were interested in Japan, mainly in North America, Asia, and Europe (Chart 4-12). At the seminar, besides basic information on the Japanese economy with the latest statistics and policy measures imposed by the Japanese government, experts provided information on the Japanese growing markets such as AI, automobiles, and biotechnology, to foster interests in future business development in Japan.

Chart 4-12: Online Seminars on COVID-19

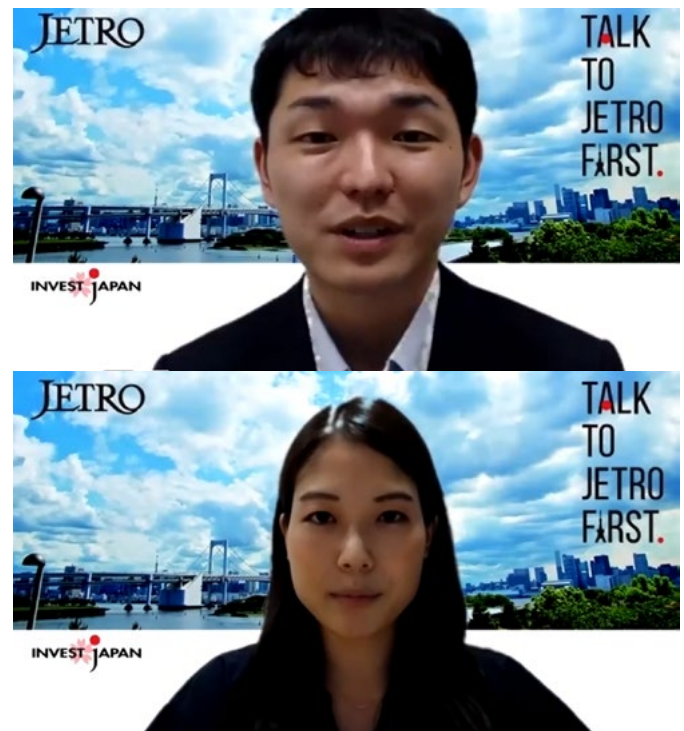


Chart 4-11: Video to Convey the Changes in the Japanese Market due to COVID-19



As support for individual companies during the COVID-19 crisis, JETRO worked with its client companies to address any issues they faced by conducting follow-up on individual companies based on the results of the above-mentioned questionnaire surveys. In particular, efforts were made to resolve issues that could pose extremely serious damages to the domestic business operations of foreign-affiliated companies, such as the use of subsidies formulated by the Japanese government and inquiries regarding visas for foreign workers. In addition, in light of the results of the April survey and the content of inquiries, JETRO established the COVID-19 Helpline in June to strengthen the support system. The Helpline responds to inquiries from companies in Japanese, English, and Chinese by telephone and e-mail.

<sup>2</sup> Invest Japan Hotline: <https://www.jetro.go.jp/en/invest/hotline.html>

<sup>3</sup> Regulatory Sandbox System (in Japanese): <https://www.kantei.go.jp/jp/singi/keizaisaisei/regulatorysandbox.html>

<sup>4</sup> Investment Advisor Assignment System: [http://www.invest-japan.go.jp/policy/investment\\_advisor\\_assignment\\_system/en\\_index.html](http://www.invest-japan.go.jp/policy/investment_advisor_assignment_system/en_index.html)

As people have also been avoiding domestic travel, much of the support for local governments since 2020 has been provided online. For municipalities participating in the Support Program, JETRO held online seminars to provide information on the impact of the virus on FDI and the economy and on capacity building. In addition, by holding the RBC online, which were held offline in fiscal 2019, JETRO continues to support activities of local governments to attract foreign companies to their communities. In February 2021, local governments of Sendai City, Miyagi Prefecture, and Fukushima Prefecture are to hold online events with the theme of disaster prevention/mitigation and innovation, and those of Kyoto, Osaka and Hyogo will be holding another online event to promote and strengthen their startup ecosystems (Chart 4-13).

As a bridge between foreign/foreign-affiliated companies and the Japanese government, JETRO sought to improve the business environment by listening to issues related to administrative procedures and international movement of people through the surveys and support to address issues faced by supporting companies and communicating them to relevant ministries and agencies.

In an increasingly uncertain global economy, there continues to be a strong interest in the Japanese market, which has large, well-capitalized companies and consumers. JETRO will contribute to the further growth of the Japanese economy and society that is about to transform through COVID-19 by supporting entries of foreign companies into Japan or their business expansion.

**Chart 4-13: Online RBC on Bosai-tech**

