

# Why Starting Up in Japan Makes Sense

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# Japan's investment environment is highly attractive



**Investors' Optimism  
on Economic Outlook**



**#1**

Optimism ranking on Market Outlook  
regarding Asia



**Innovation Eco-System  
Open to the World**



**#1**

Number of Foreign Oriented  
Patent Families



**Excellent  
Human Resources**



**#1**

Proportion of technicians and associate  
professionals to total workforce



**Excellent Business Environment,  
Reliable Infrastructure**



**#1**

Efficiency of  
transport and other utilities services



**Livable  
Society**



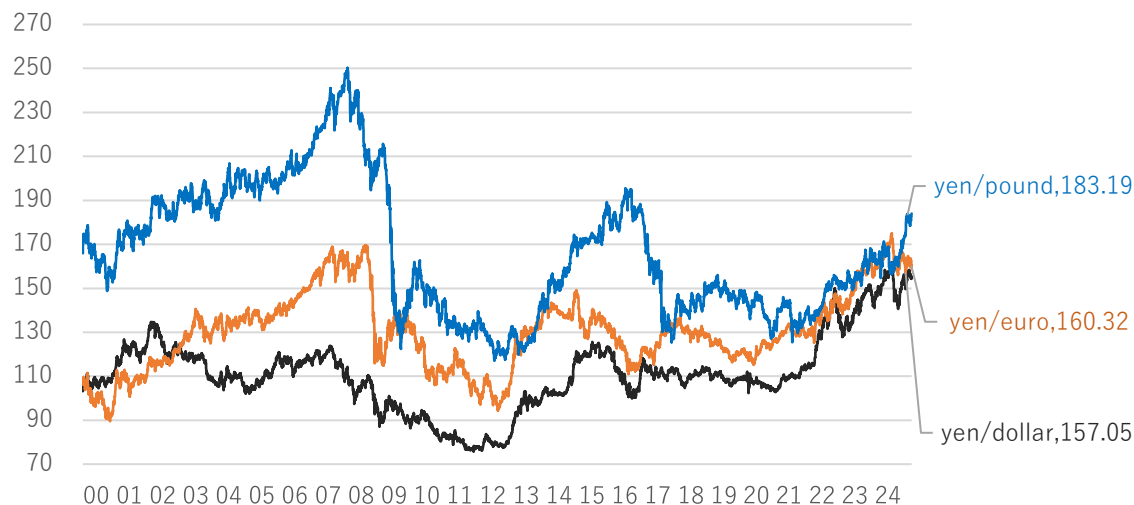
**#1**

City safety  
globally - Tokyo

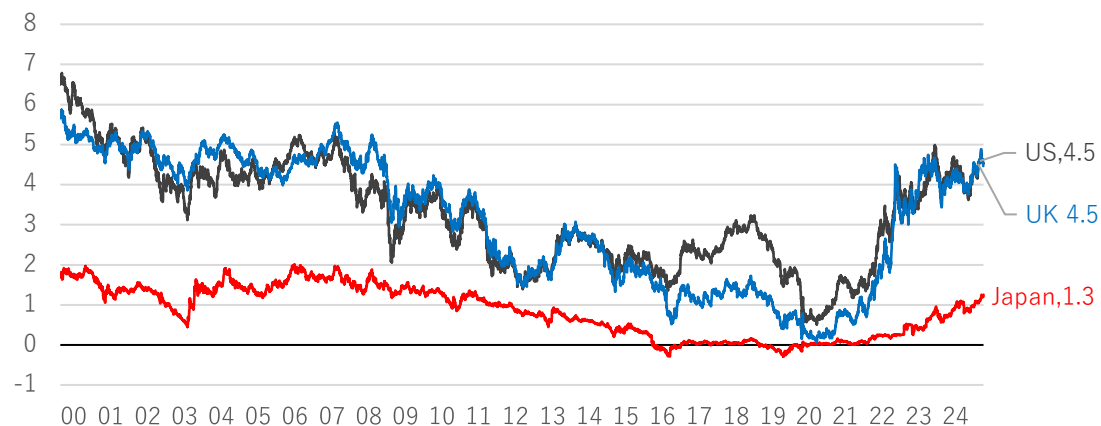
# Lower investment costs in Japan are advantageous for foreign investors

- **Interest rate gap between Japan and other major economies** induces significant Yen depreciation
- Historical level of depreciated Yen **lowers initial investment costs from abroad** and export price from Japan
- Low interest rate compared to other major countries lead **lower borrowing cost** for investment in Japan

Exchange Rate



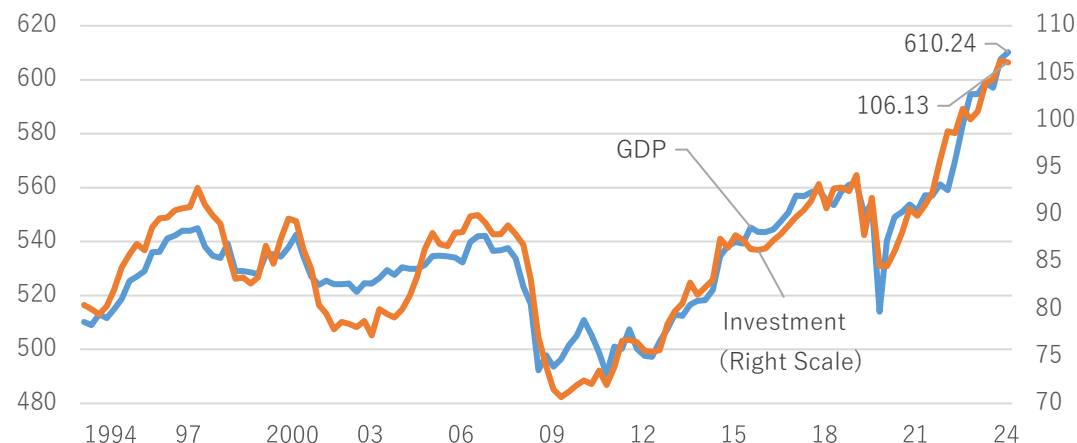
10 years government bond yield (%)



# Macroeconomic situation is favorable for investments in Japan

- After 30 years of stagnation, the **nominal GDP starts growing** again and approaching ¥ 600tr for the first time in history
- Domestic capital, software and R&D investments exceed **¥ 100tr for the first time** in record, which would support further growth
- In June 2024, Japanese firms announced **further investment plans for FY 2024**

Nominal GDP and Investment (tril yen)



Firm's Investment Plan in June (year on year growth, %)



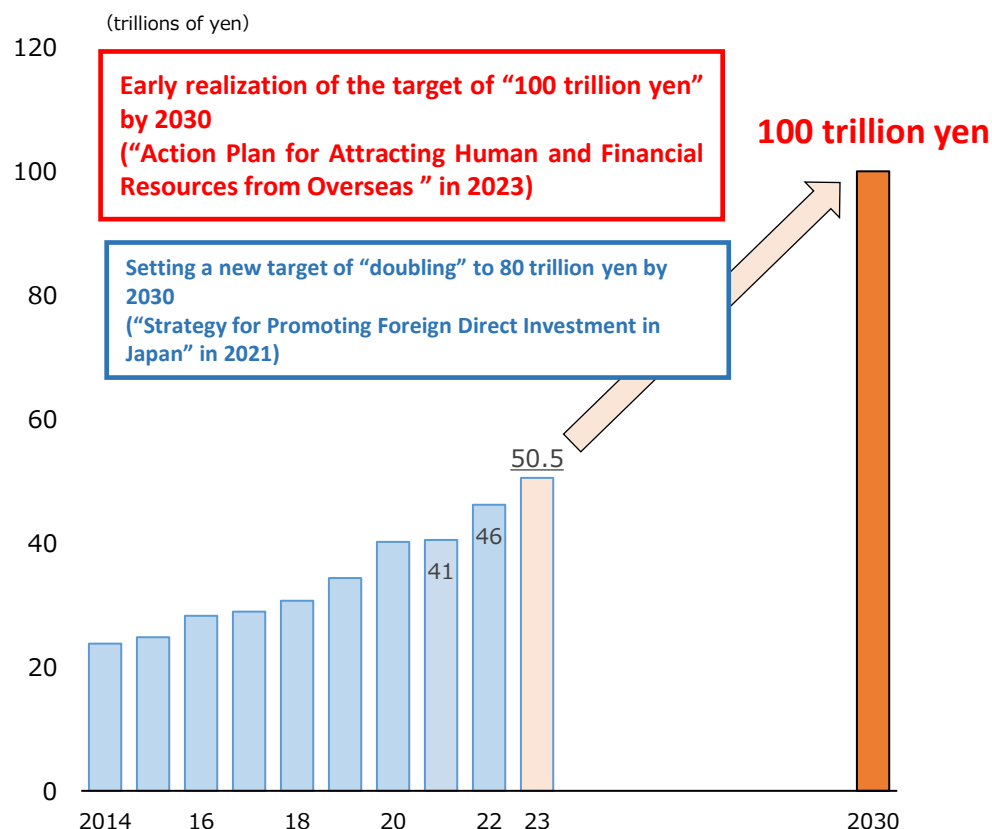
# Japan further enhances its efforts to promote FDI

## Consistent implementation of a new strategy to attract FDI

- **Strategy approved** by the Cabinet Office in 2023: “Action plan for attracting human and financial resources from overseas”
- Current FDI strategy aims to attract **¥100 tr** (~ £ 546bn\*) **by 2030**, replacing the former target of ¥80 tr.
- **Proactive approach** to bring in people, goods, money and ideas from abroad – key measures:
  - Focused support for **strategic areas** (semiconductor, GX, DX, bio/healthcare, start-up) with the aim to invest ¥ 150 (~ £ 820bn\*) tr in the public and private sector
  - Advantaged **VISA status** for highly skilled professionals
  - Improved **business and living environments**

## Strengthening of positive FDI trend with an ambitious goal

### Inward direct investment's stock\*\*



\* Exchange rate as of Jan. 31, 2025: ¥ 183.5 / £ 1

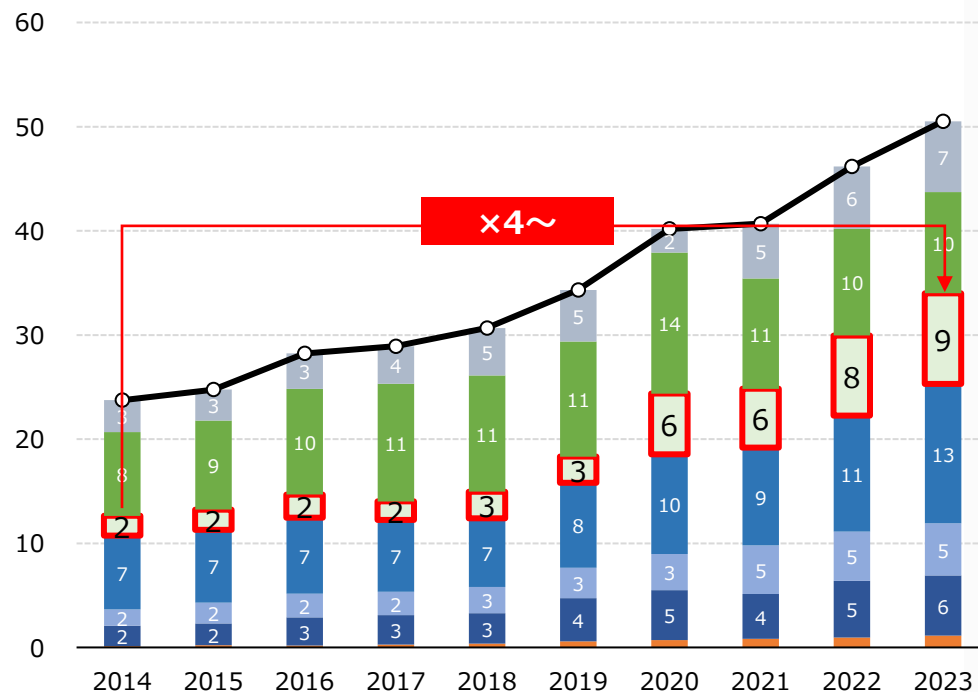
\*\* Ministry of Finance and the Bank of Japan (2024): “International Investment Position of Japan”



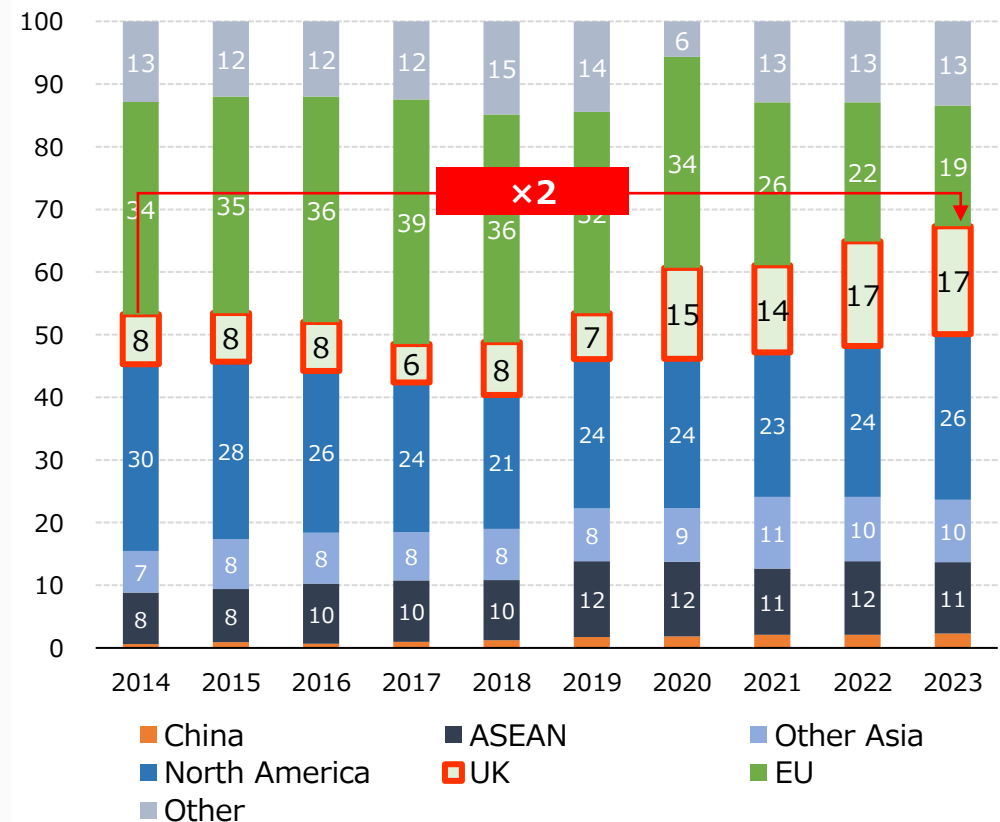
# Recent developments of FDI from United Kingdom

- In these 10 years, **United Kingdom** becomes drastically increased in inward FDI, which is the most increased country/region, and becomes second largest FDI country for Japan.
- In addition to Asia, the **United Kingdom** has significantly increased its FDI share in Japan

**FDI Stock by Region** (trillion yen)



**Share of FDI in Japan** (%)



\* Based on the "BOJ Time-Series Data" of the Bank of Japan

# Japan further leverages the growing interest in Japan with “Priority Program for Attracting Foreign Direct Investment”

By identifying priorities from among 100 measures of the Action Plan, as well as the results of interviews with stakeholders, the Priority Program for Attracting FDI composed of selected policy measures was adopted at the ministerial council on 13 May 2024.



## Attracting highly skilled and talented foreigners

- Exploring the ways to attract **highly skilled professionals** in important industrial fields, such as semiconductors
- Attracting **highly educated young foreigners** from Southeast Asia, India, etc.
- Conducting needs survey on **residential status** and exploring possible measures to respond to the result



## Strengthening partnerships and collaborations with overseas companies

- Promoting collaboration between foreign firms and **Japanese firms including SMEs in local areas**
- Matching **overseas companies and venture capitals** with Japanese companies including startups
- **Improving estimation method** of performance assessment in VC fund, and corporate value



## Improving administrative procedures related to business

- Promoting **English-language documentation** and **one-stop procedures** for establishing corporations
- Speeding up and facilitating procedures for **opening bank accounts**

- Concrete KPI and timeframe for each measure to monitor the progress
- Communication with stakeholders to accumulate suggestions and requests

➡ Review and update of the Program is incorporated

**By making the policies agile, investing in Japan is even more attractive**

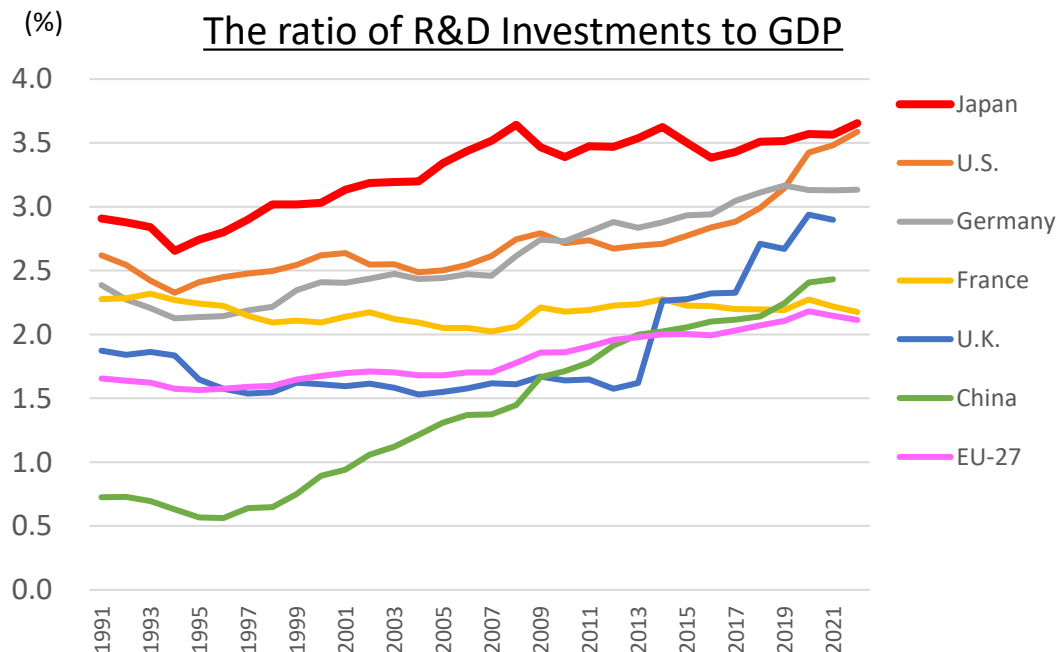
# Investment Nation Initiative

- To expand the positive momentum and transform Japan into a growth-oriented economy driven by increase of wage and investment, we are promoting the “investment nation” initiative.

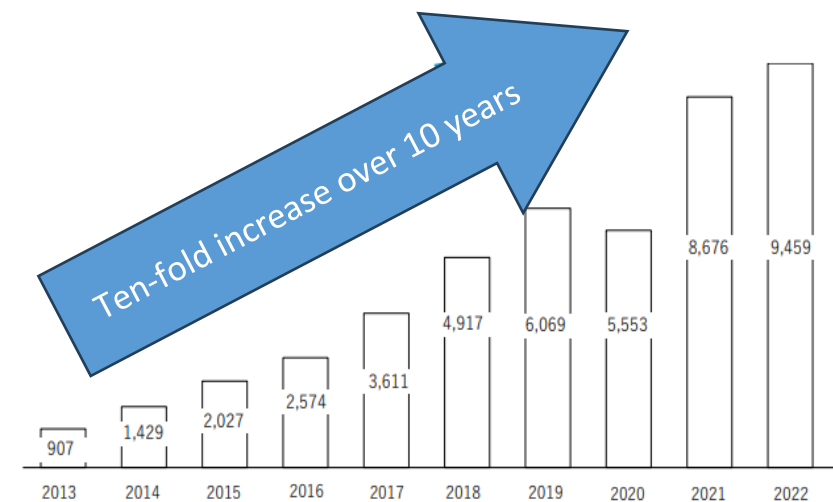
← Encouraging innovation through active R&D and startup investments.

<NOTE: “Startup Development Five-year Plan”, November 2022>

- We aim to increase investment in start-ups to 10 trillion (65 billion US dollars) yen by FY2027.
- We aim to create 100 unicorn companies and 100,000 start-ups, and to become one of the world's leading start-up clusters in the future.



The Amount of investment in domestic start-ups  
(100 million yen)





# Policy for Empowerment of Women and Business

## Major Directions from Cabinet office

- Focus on encouraging participants of women, the Government compile the policy of “**The Basic Policy on Gender Equality and Empowerment of Women 2024**”, “**The Fifth Basic Plan for Gender Equality**”.

## Example of activities; Support for female entrepreneurs

- Involve a range of stakeholders including financial institutions and core regional companies in building a network.
- Organizing Network Event and Business Plan presentation.
- Mentoring support for entrepreneurs.

The unit area of network



# For advice on investing in Japan

- **FDI Taskforces** are established in the embassies in France and the [UK\(London\)](#) as well as in the consulates general in Düsseldorf, New York and Sydney etc. to attract investments in Japan
- Most of the ministries in central government as well as the embassies all over the world have an **Office of Invest Japan**, which will **reply within 10 working days** after filing an inquiry
- **Invest Japan Business Support Center (IBSC) in JETRO** supports foreign affiliated companies to enter the Japanese market and establish bases after they have come to Japan

UK



France



Düsseldorf



New York



Sydney





An aerial night view of a city, likely Tokyo, with a strong blue color cast. The image shows a dense urban landscape with numerous buildings, many of which have brightly lit signs and billboards. A semi-transparent dark blue rectangular box is overlaid on the lower right portion of the image, containing white text. The overall scene is vibrant and captures the energy of a major metropolitan area at night.

# Thank you.

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