

JETRO's activities for promoting inward Foreign Direct Investment



Established in **1958**

Japanese **Government** agency,
under the jurisdiction of
the Ministry of Economy, Trade and Industry (METI)

JETRO works to promote **Mutual** trade
and investment between Japan and the world



HEAD OFFICE in **Tokyo**

74 Offices in **54** Countries

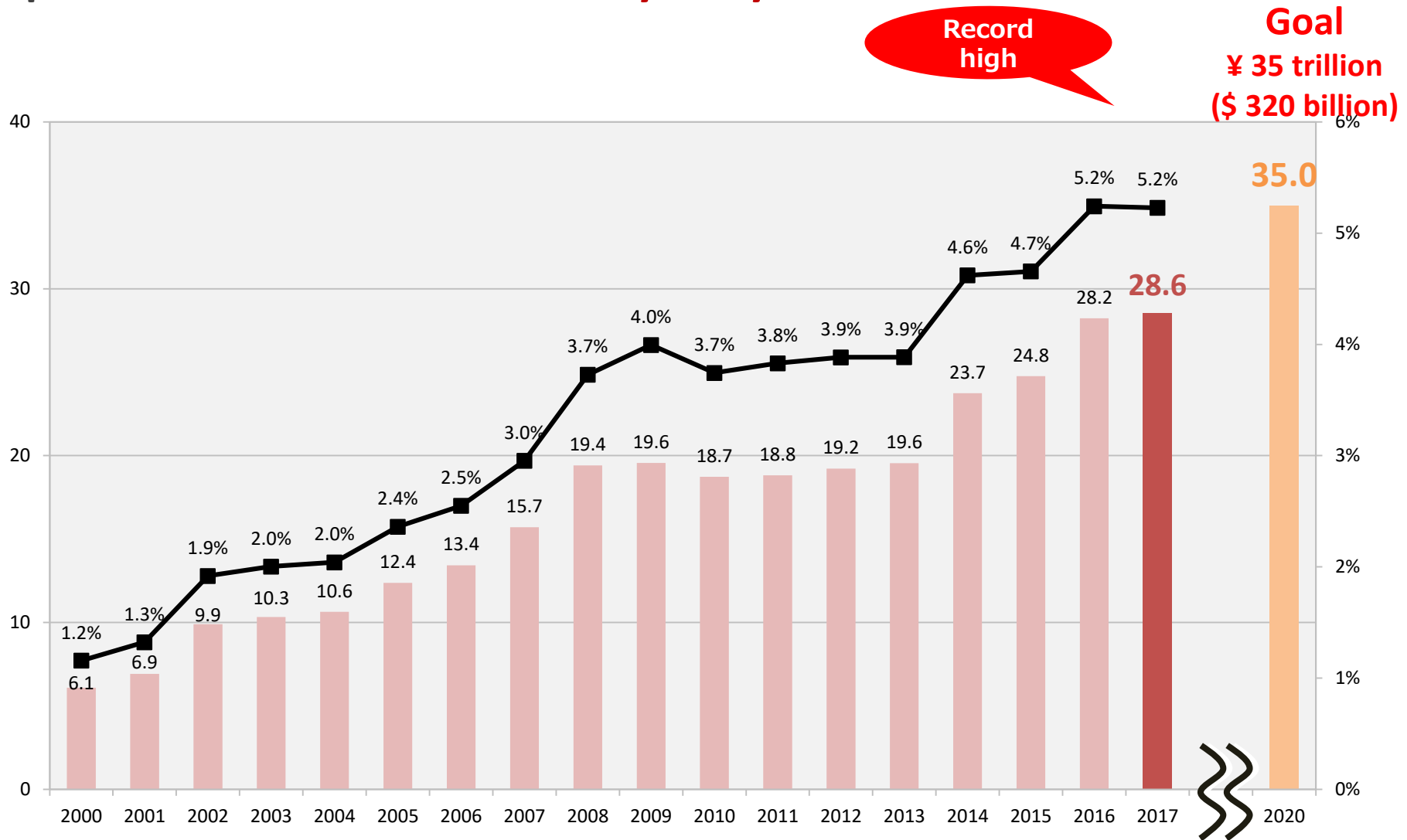
48 Local Offices in Japan



Activities

- **Promoting foreign direct investment (FDI) into Japan**
- **Promoting export of Japanese agricultural and fishery products**
- **Assisting Japanese firms business expansion of foreign countries**
- **Contributing to trade policies and economic partnerships**

Japanese Government is committed to expand inward FDI to **35 trillion yen by 2020**



WHY JAPAN?

"5 Reasons to Invest in JAPAN"

Reason 1 An Ever-growing Economy

Reason 2 A Sophisticated Market

Reason 3 An Innovation Hub

Reason 4 Business-Friendly Infrastructure

Reason 5 A Comfortable Living Environment

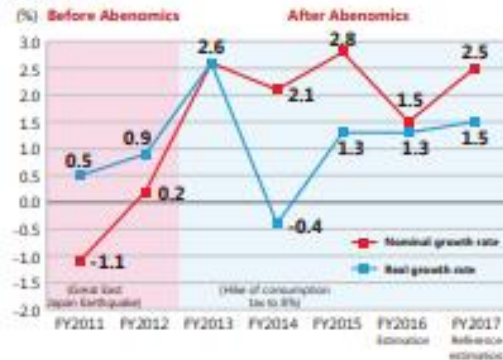
Reason 1

An Ever-growing Economy

Japan's investment environment is improving due to government efforts.
The Japanese economy is growing.

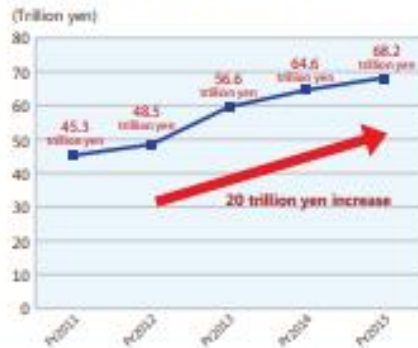
Japanese economy steadily recovering from deflation

Improving GDP growth rate

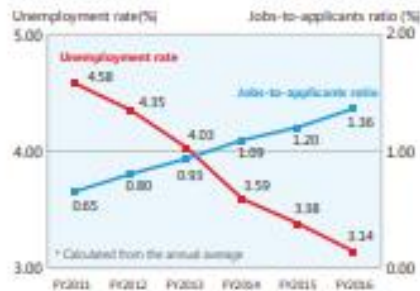


Business performance showing significant improvement

Corporate ordinary profits (all industries)



Unemployment rate and jobs-to-applicants ratio



Effective corporate tax rate declining

Effective corporate tax rate reduced to 20% level



Corporate governance enhanced

"Earning power" of companies increasing through corporate governance reform

- "Japanese Stewardship Code" introduced
 - Accepted by 201 institutional investors since February 2014
- "Corporate Governance Code" introduced
 - Applied to more than 2000 companies on June 1, 2015

Deregulation/structural reform

Progress in reform of bedrock regulations is attracting new investment into Japan.

Reform of fundamental regulations in the sectors of agriculture, medical care and energy is bringing new entries into the Japanese market.

Healthcare system

- Speedy and efficient approval review of advanced medical products (regenerative medicine, medical devices)
- Promoting practical use of regenerative medicine for medical care

Energy market

- Implementing a drastic reform of electric power and gas system for the first time in 60 years
 - Full liberalization of retail market of electricity (April 2016)
 - Full liberalization of retail market of gas (April 2017)



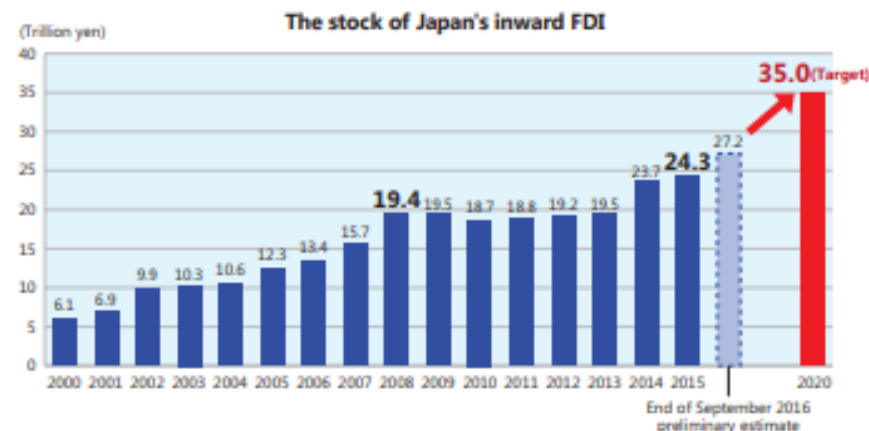
Reason 1

An Ever-growing Economy

The government is making greater efforts to attract companies and visitors from overseas, while creating a more open market and facilitating business expansion.

Promotion of inward FDI

Government target: Increase Japan's inward investment stock to 35 trillion yen by 2020.



Source: Created from "Balance of Payments," Ministry of Finance

Five Promises for Attracting Foreign Businesses to Japan (March 2015)

Improving business and living environment for foreign companies and expats

- 1. Removing language barriers**
(Display of information in foreign languages at shops and public spaces)
- 2. Improvement of Internet access** (Installment of free public wireless LAN [Wi-Fi])
- 3. Acceptance of business jets at local airports**
- 4. Enhancement of educational environment for expatriate children** (international schools)
- 5. Strengthening consultation services to support foreign businesses**
(Investment Advisor Assignment System)

Government actively promoting inward FDI

Designation of the National Strategic Special Zones

To promote a wide range of international business and leading-edge industries, **12 National Strategic Special Zones** have been designated to bring significant deregulation and reform.

Simplifying regulations and administrative procedures

- Fundamentally simplifying regulations and administrative procedures associated with FDI in Japan.
- The **"Tokyo One-Stop Business Establishment Center"** provides one-stop services for necessary procedures for starting up in Tokyo. (March 2015)

Attracting global talent

- The period of residence required for Highly Skilled Professionals to apply for a permanent residence permit will be significantly shortened from the current five years. (**"The Japanese Green Card for Highly Skilled Foreign Professionals"**: One of the world's most quickly obtainable green cards)
- An **online application system** related to status of residence is scheduled to begin in FY2018.

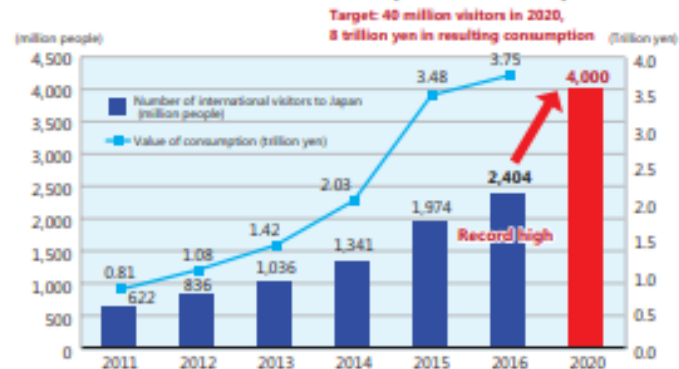
Source: Created from Cabinet office website page "Invest Japan"

Attracting visitors to Japan

Business expansion in area related to inbound tourism

- Relaxation of visa requirements (Starting from July 2013)
- Expansion of exemption of consumption tax for foreign tourists to cover consumables (May 2016)
- 2020 Tokyo Olympic & Paralympic Games

Number of international visitors to Japan and consumption created



Source: Created by JETRO from Japan Tourism Agency "Consumption Trend Survey for Foreigners Visiting Japan"

Reason 2

A Sophisticated Market

A huge and sophisticated market exists in Japan.

World's 3rd ranking GDP



Source: "World Statistics 2016," Statistics Bureau, Ministry of Internal Affairs and Communications

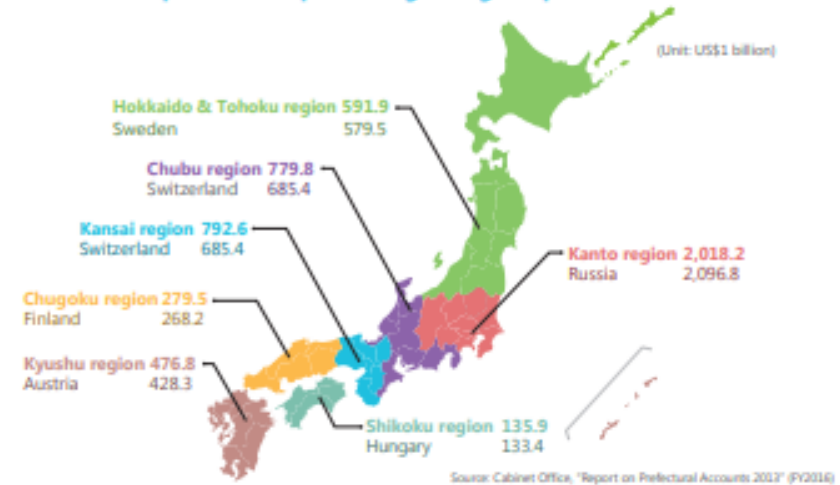
Attractive market for foreign companies

About 86% of 197 foreign companies see **the massive size of the market** as an advantage of Japan.

Source: JETRO Invest Japan Report 2016

Japan's regional economies have GDPs equal to those of entire countries

International comparison of Japanese regional gross production (nominal, FY2013)



Tokyo: City with world's largest population

World ranking of megalopolis populations: "Tokyo ranks 1st, Kansai area 7th"

City	Country	Population (1,000 people)			Rank		
		1990	2014	2030	1990	2014	2030
Tokyo	Japan	32,530	37,833	37,190	1	1	1
Delhi	India	9,726	24,953	36,060	12	2	2
Shanghai	China	7,823	22,991	30,751	20	3	3
Mexico City	Mexico	15,642	20,843	23,865	4	4	10
São Paulo	Brazil	14,776	20,831	23,444	5	5	11
Mumbai (Bombay)	India	12,436	20,741	27,797	6	6	4
Kansai (Osaka)	Japan	18,389	20,123	19,976	2	7	13
Beijing	China	6,788	19,520	27,706	23	8	5
New York & Newark	US	16,086	18,591	19,885	3	9	14
Cairo	Egypt	9,892	18,419	24,502	11	10	8

Tokyo has maintained 1st place in surveys since before 2014 and will likely still be 1st by 2030.

Source: Created from "World Urbanization Prospects, the 2014 Revision," United Nations

Reason 3

An Innovation Hub

Japan's intellectual accumulation generates innovation.

World-class research funding and number of researchers

Science and technology-related research is very active in Japan.

RANK
among
G7 countries

1st

Research funding by country and percentage compared to GDP (G7 comparison)

Rank	Country	Research funding (\$100 million)	Percentage of research funding to GDP (%)
1	Japan	1,786	3.56
2	Germany	1,088	2.90
3	US	4,570	2.74
4	France	588	2.26
5	UK	442	1.70
6	Canada	258	1.61
7	Italy	277	1.29

Source: Created from "Survey Result on Science and Technology Research 2016," Ministry of Internal Affairs and Communication
Data source: "Main Science and Technology Indicators," OECD, among others



Number of researchers per 10,000 people (G7 comparison)

Rank	Country	Number of researchers (unit: 10,000)	Number of researchers per 10,000 people
1	Japan	66.2	52.1
2	Canada	15.9	45.3
3	Germany	35.1	43.4
4	UK	27.4	42.3
5	USA	130.8	41.3
6	France	26.9	40.7
7	Italy	12.0	19.7

An environment that generates innovation

Japan is very active in R&D and innovation, and has filed a large number of patents, many of which have high universal validity.

Japan's patent track record

Number of international patent applications per 1 million people

RANK

1st in the world

*Based on Patent Cooperation Treaty (PCT)

Source: "The Global Information Technology Report 2016,"
World Economic Forum

Number of filed patents by country of residence of applicant

RANK

1st in the world

Japan ranks 1st among OECD members with 297,000 applications followed by the US and China. (PCT international application and direct application)

Source: Japan Patent Office Annual Report 2016
Data source: WPO (World Intellectual Property Organization)

Japan's patent system is internationally praised.

*Indication of appropriate reporting of the number of patents with high universal validity filed among the Triadic Patent Families (patent offices of the US, Europe and Japan)

RANK

2nd within OECD

Source: "OECD Factbook 2015-2016"

Comments from foreign companies on...

Acquiring highly skilled human resources (specialists)

- We were very impressed by the Japanese talent with their high level of expertise in technology development when we worked together in Japan. (North America, energy and environment technology-related company)

Accessing R&D partners

- The process of industry-academia cooperation has been solidified and is paving the way for joint research. (North American pharmaceuticals, medical devices)

- We have access to loyal and important customers and product analysis of a high standard here. (Europe, chemical company)

Source: "Trade, and Industry (METI), Survey on Attitudes of Foreign-Affiliated Companies toward Direct Investment in Japan Report 2016," Ministry of Economy

Better environment for development and patent application of drugs and medical devices

- An environment to support sustainable development of innovative drugs by pharmaceutical companies, including a preferential pricing system for designated new drugs and the prioritized review for early authorization
- Deregulation to promote practical use of medical devices, reduction of development costs and expedition of approval procedures
- The world's most advanced early approval system for regenerative medicine which halves the necessary time frame from R&D to approval for marketing

Source: Created from "Pharmaceutical Industry Vision 2012," Ministry of Health, Labor, and Welfare

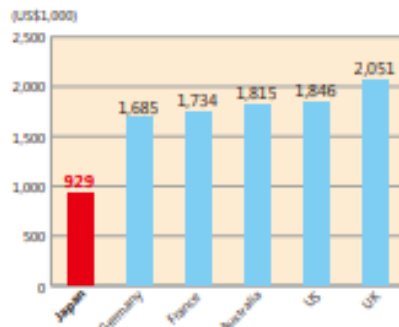
Reason 4

Business-Friendly Infrastructure

Low infrastructure fees

Transportation fees
(including land transportation and air freight)

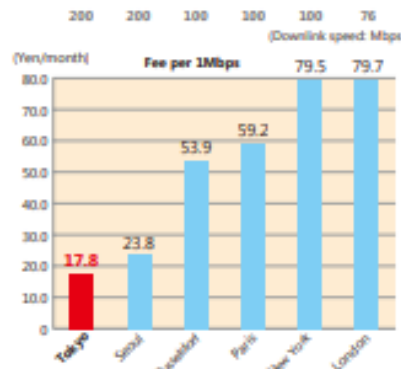
Simulated annual costs based on scheduled deliveries from the factory



Source: "Competitive Alternatives 2016," KPMG

High-speed internet fees

Average monthly internet fees (residential)



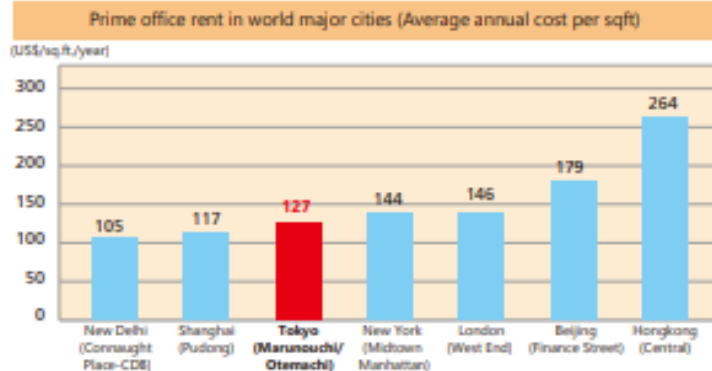
Source: "Report on Internal and External Price Difference Related to Telecommunication Service 2015 (June 2016)," Ministry of Internal Affairs and Communications

Japan's convenient transportation infrastructure



Source: Created by JETRO based on the websites of the Ministry of Land, Infrastructure, Transport, and Tourism, and railway companies.

Japan's reasonable real estate cost compared to the world major cities



As of Q4 2016

Source: "Global Prime Office Rents, March 2017," CBRE

World-class transportation infrastructure

Airports

- Airports with international flights in service: **51**
- Number of arrivals/ departures in 2015: **3rd in the world** for international flights with nearly 750,000 arrivals/ departures (Combined total of Haneda and Tokyo Narita Airports)

Railways

- Annual passengers: **24.3 billion**

Shinkansen

- Number of departures from Tokyo station per hour: **15**
- Accidents resulting in injury or death during the past 52 years since the start of service in 1964: **0**
- Average delay time: **36 seconds** (annual operation of 120,000 trains)



Source: "Tokyo/Osaka Civil Aviation Bureau Outlook Summary Sheet of Airport Utilization Situation 2015," Ministry of Land, Infrastructure and Tourism; Source: Created from "Tokyo Metropolitan Airport Functional Enhancement" (2014) (provisional translation), Ministry of Land, Infrastructure and Tourism; and "World Airports-Related Information," ANA

Source: "Railway/Railroad Passenger Transport Summary Chart Passenger Volume 2016," Ministry of Land, Infrastructure and Tourism

Source: JR Tokai website; Source: "White Paper on Land, Infrastructure, Transport and Tourism in Japan, 2016," Ministry of Land, Infrastructure and Tourism; Source: Nikkei Business Online, January 2017

Reason 5

A Comfortable Living Environment

JETRO INVEST IN JAPAN 11

Most livable Japanese cities chosen by the world

The "25 Most Livable Cities Index" (2016) published by UK magazine *Monocle*

* An index ranking which indicates not only economic, social, and functional aspects, but also the city's livability and level of happiness of its residents.

Source: Monocle, UK



Comments from foreign company on Japan's excellent living environment

Many foreign companies made reference to the high quality of Japan's living environment.

Security and social stability



- Japan is stable socially and politically, and the safest country to live. (Asia investment bank/securities firm)
- The crime rate is very low and employees can enjoy a stable life in Japan. (North America, information/communication/high-technology)

Leisure facilities



- There are many leisure spots near by and it enriches personal life. Japan is one of the most livable countries.

Medical environment



- There is a solid financial assistance system to cover costs of health insurance and medical care, especially of families and children. (Asia, information/communication/high technology)
- You can expect medical care of significantly high quality in Japan. (Asia, investment bank/securities firm)

Quality of life (residential environment)



- There is highly solid and well-controlled life-related infrastructure in place which can assure your quality of life. (Asia, service/retail)
- There are solid fundamental social systems, such as the health insurance system and pension system, which are of higher standards compared to other countries. (North America, pharmaceuticals/medical devices)

Source: "Survey on Attitudes of Foreign-Affiliated Companies toward Direct Investment in Japan Report 2016, Ministry of Economy, Trade, and Industry (METI)"

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JETRO's Activities - Accomplishments & Successful Cases

Share of successful start ups by countries

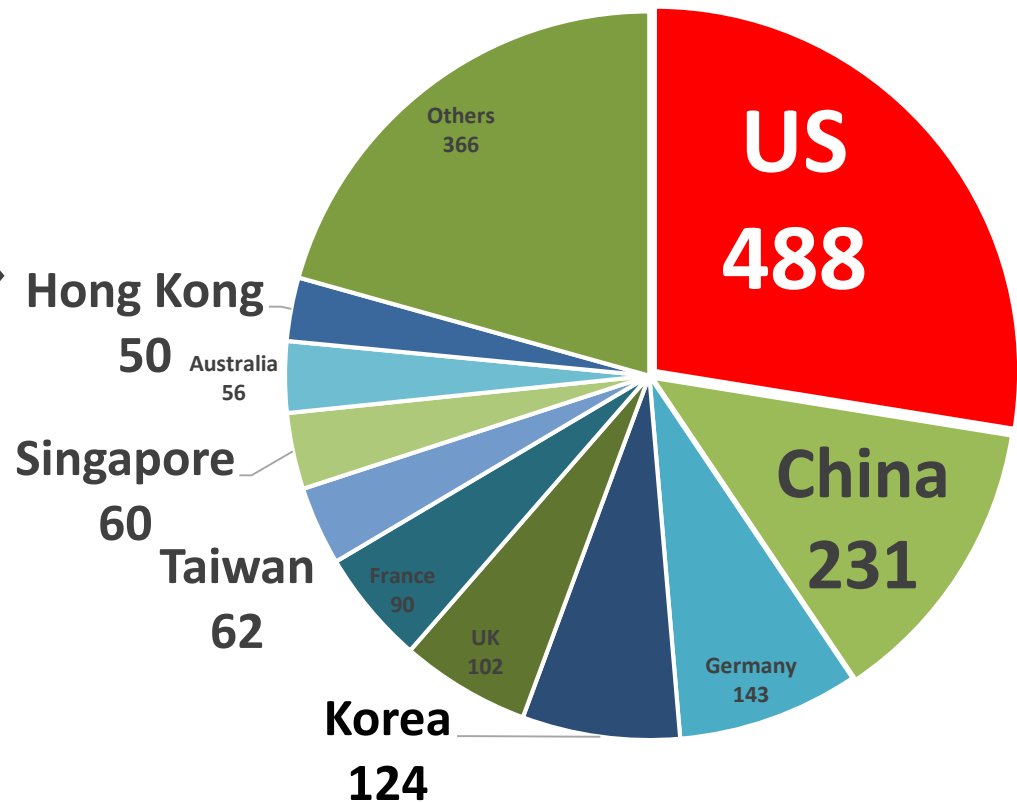
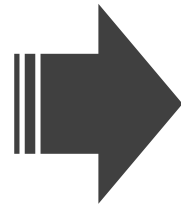
<FY2003~FY2017>

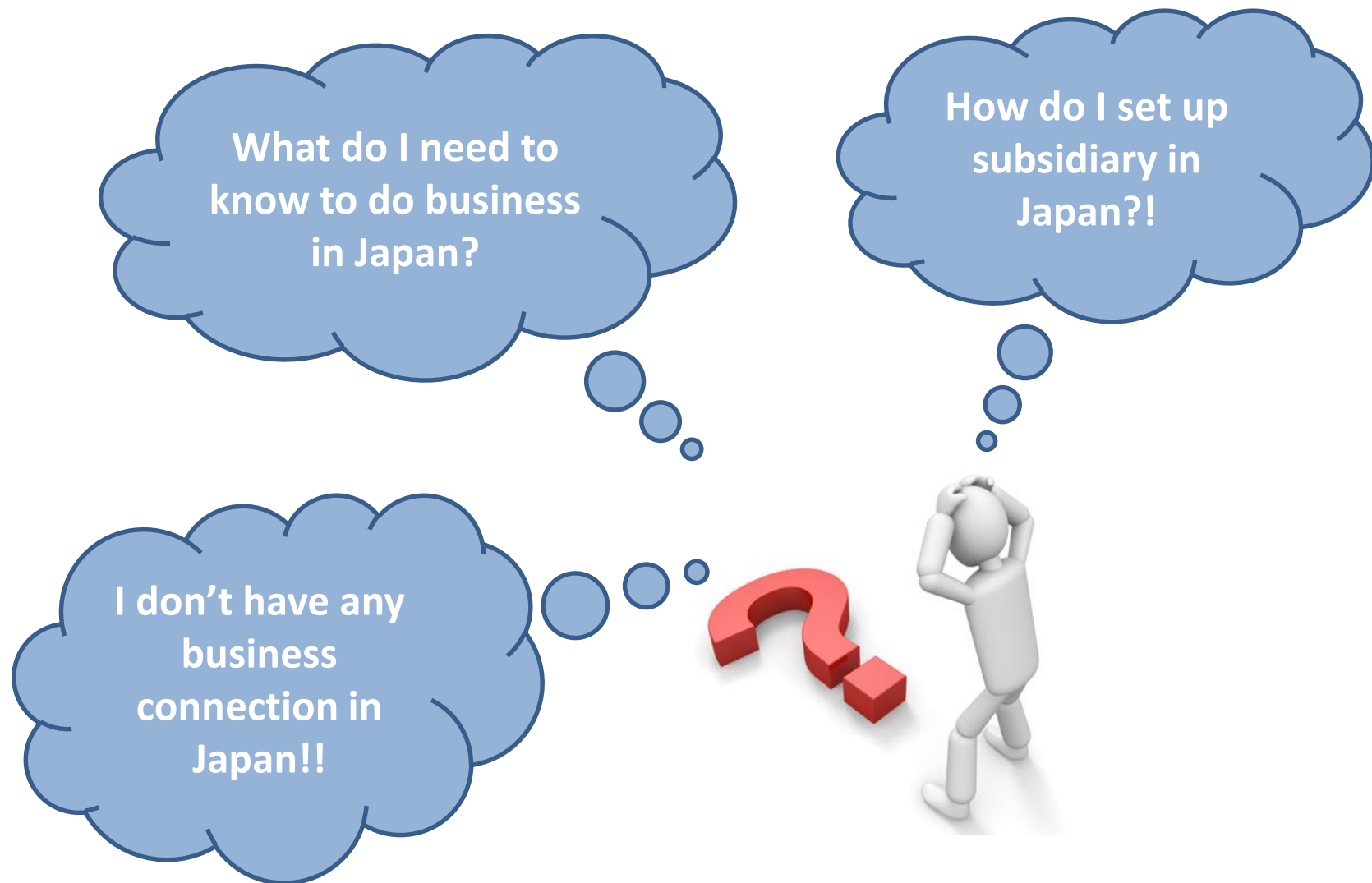
Project Supported

17,713

Foreign companies'
successful startups
supported

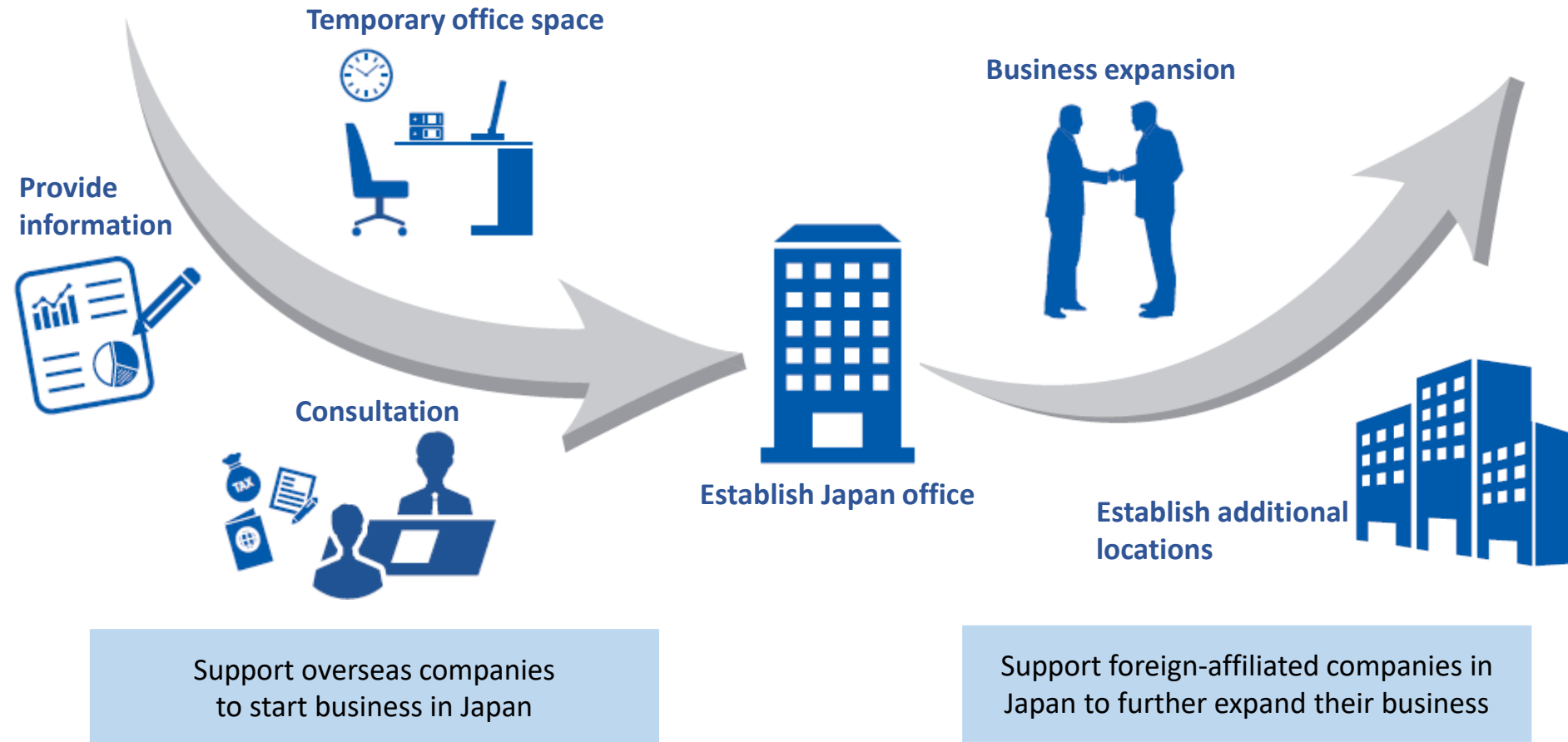
1,772

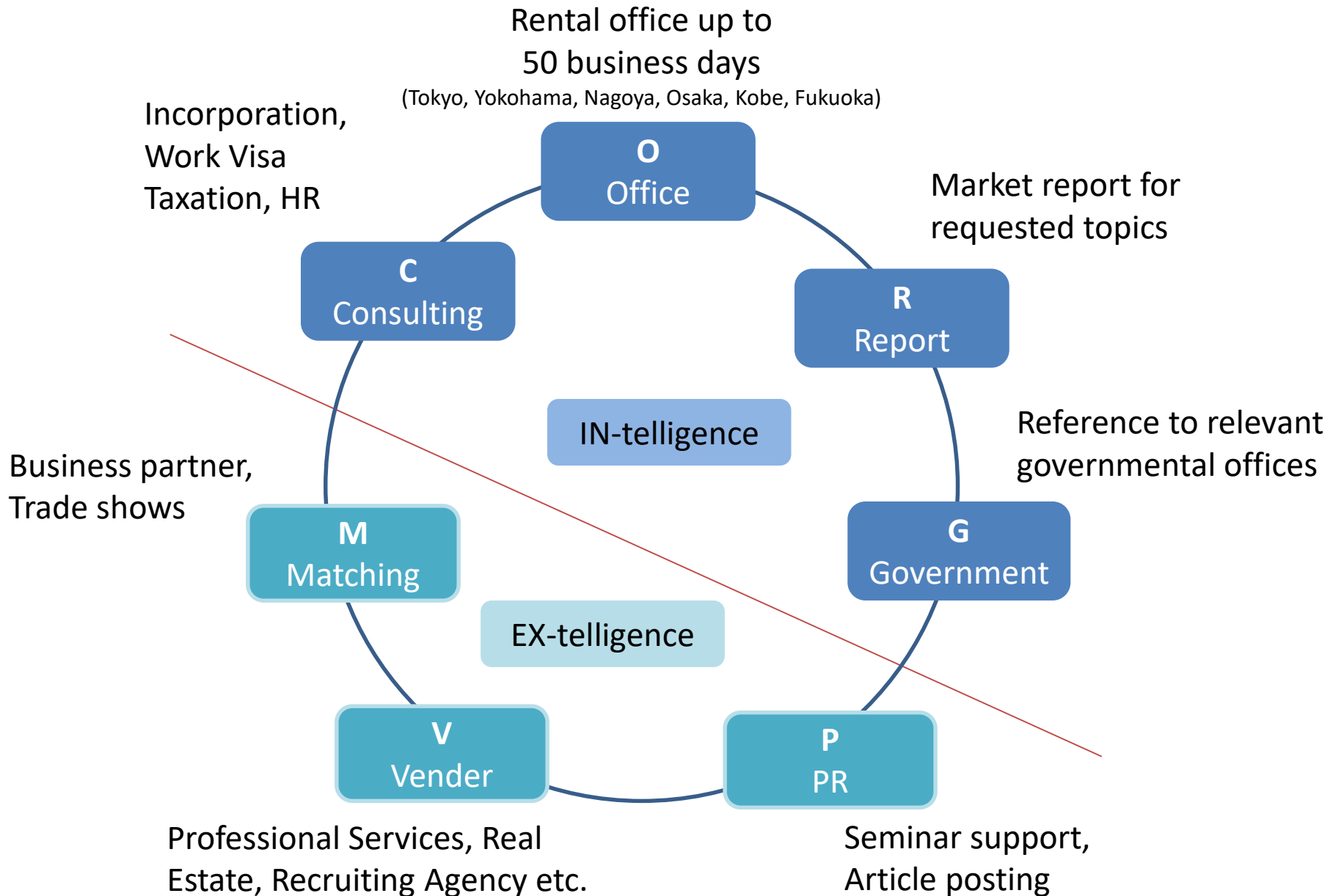




Support JETRO Provides

With 48 offices in Japan and more than 70 offices in over 50 other countries across the world, JETRO assists foreign-affiliated companies planning to start or expand their business in Japan.





Temporary Office



IBSC Tokyo

Requirement

Overseas or foreign-affiliated company considering establishment or expansion of a business base in Japan.

* To receive services, terms and conditions may apply.

Tenancy period

Up to 50 business days in principle
(with an additional 25 business days available for a fee)

Tenancy fee

Free (Security deposit and communication expenses required)

Equipment

Desks and chairs, file cabinets, telephone and Internet connection, etc.

Common facilities

Conference rooms, multipurpose hall (Tokyo)

Private office spaces

13.5 m² (for 2 people) / 18.0 m² (for 3 people) / 36.0 m² (for 6 people)

* Approximate size

TOSBEC services are also available



Tokyo One-Stop Business Establishment Center (located next to JETRO IBSC)

This is a support center jointly operated by the Japanese government and the Tokyo metropolitan government. Free, one-stop services are provided to help complete procedures Necessary to establish a company and to start business in Tokyo.

Services

- Support with completing procedures necessary to establish a company and to start business (Certification of articles of incorporation, company registration, taxes, pension/social security, immigration, etc.)
- Support with online applications
- Multilingual interpretation and translation services



Conference room

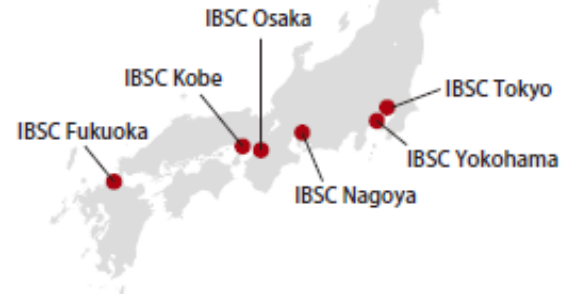
Refreshment space

Private office space

Invest Japan Business Support Center

Provides Temporary office & Consultation

JETRO has IBSC in 6 major cities



FOTILE 方太



太和生技化粧品株式会社
太和生技集團 THAI HO GROUP



国軒高科
GOTION JAPAN



银联商务
China UMS

Csjbot 穿山甲机器人

makeblock

ROBOTIS

V SIP



CATL

LohiaCorp



TOUCHÉ



新疆众和
XINJIANG JOINWORLD



TALK TO JETRO FIRST!



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