

WHY JAPAN?

4 Reasons to Invest in JAPAN

**Solutions for Remarkable
Growth and Success
in the Global Markets**

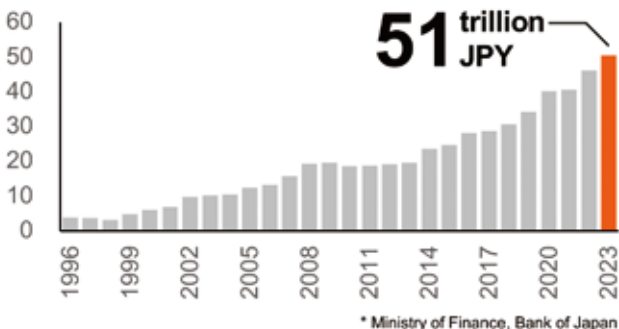
Why Japan

JAPAN – A NEW, EMERGING FDI DESTINATION

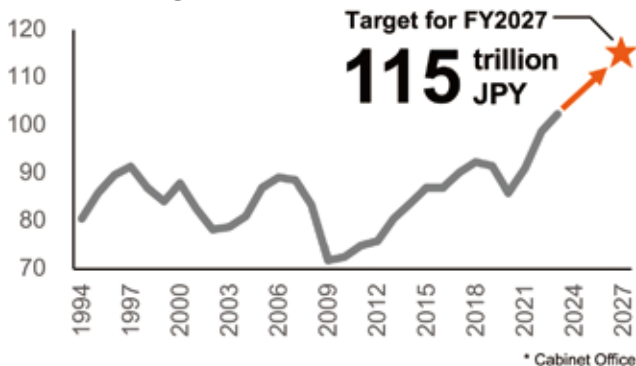
Foreign direct investment (FDI) in Japan has been consistently increasing since 2010, with inward FDI stock hitting a record high in 2023. What has triggered this positive development?

Japan is transforming – the world's fourth largest economy is actively opening its doors to foreign business. Japan offers the best possible business environment for foreign investors.

Rapidly increasing inward FDI



Increasing private capital investment



A TRUSTED PARTNER OFFERING HIGH-VALUE OPPORTUNITIES

Japan, as trusted partner for foreign businesses, provides access to high value-added opportunities in the coming new global economy.

Japan aims to align itself with foreign investors' needs that investment requires the variety of processes and decisions depending on the business perspectives and goals.

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The base building blocks of Japan are attractive. It's a safe environment. The rule of law is very strong. The global reach of its companies is exceptional. This is perhaps more true in Japan than anywhere else in the world.

- **Marc Luet**, Citi Country Officer and Japan CEO, Citigroup Global Markets Japan Inc., Citibank, N.A., Tokyo Branch

When people become aware and decide collectively to make positive change, Japan will become a world-leading, leapfrogging society in terms of sustainability.

- **Petra Färe**, President, CEO & CSO, IKEA Japan K.K.

* JETRO (Japan External Trade Organization)
<<https://www.jetro.go.jp/en/invest/insights/expert-perspectives/>>

— 4 Reasons to

01 Open Market that Promotes Innovation

- More than 150 trillion yen of public-private investment is required over the next 10 years for GX (Green transformation) investment, and the Japanese government has decided to issue GX Economy Transition Bonds worth 20 trillion yen for 10 years to finance these investments.
- The Japanese government has set a goal of increasing semiconductor-related total sales of companies manufacturing semiconductors in Japan to 15 trillion yen by 2030.
- The Japanese government aims to achieve a total bioeconomy market size of 100 trillion yen in 2030.

02 Excellent Business Environment

- Nearly 40% of foreign companies in Japan rate social and economic stability/geopolitical stability as an attractive feature of Japan.
- 4 regions (Hokkaido, Tokyo, Osaka and Fukuoka) have been assigned as the Special Zones for Financial and Asset Management Businesses.
- The Japanese government has selected 8 Startup Cities (Tokyo, Central [Nagoya, Hamamatsu], Kansai, Fukuoka, Sapporo, Sendai, Hiroshima, Kitakyushu) and is providing intensive support for the ecosystem building.
- EPAs*/FTAs cover about 80% of Japan's total trade amount with global partners.

*An "EPA (Economic Partnership Agreement)" is a treaty that provides commitment in order to promote trade and investments between specific countries or regions.

- Well-Developed Industrial Infrastructure.
- Inbound M&A deal amount grew 5X in 10 years.

Invest in Japan

03 Abundant Pool of Talent

- Japan has maintained the 3rd highest number of researchers in the world for the past decade.
- Japan ranks No.2 among G7 countries in terms of R&D expenditures as a percentage of GDP.
- The Japanese government aims to train 2.3 million personnel to promote digitalization between FY2022-FY2026.
- Preferential residency status systems to attract highly-skilled foreign professionals ("J-Skip" and "J-Find").

04 Quality of Life

- Residents of Japan with some exceptions are covered by the public health insurance program.
- There are 115 International Baccalaureate World Schools in Japan.
- Japan is one of the world's safest countries, ranked second in Asia in the score of "societal safety and security domain, most to least peaceful" by the Institute for Economics and Peace*.

*The Global Peace Index 2024

- Most first-time visitors to Japan are struck by how clean the country is.
- As of 2024, Japan has 387 restaurants with Michelin stars, and Tokyo has the most Michelin-starred restaurants in the world.
- Japan ranked 3rd (1st in the Asia-Pacific) in the travel and tourism development report released by the World Economic Forum in 2024.

For more Information



Japan External Trade Organization

- Support for Establishing and Expanding a Business Base in Japan
- Support for Collaboration between Japanese and Foreign Companies
- Support for Global Investors and Accelerators



Financial Services Agency

- Supporting your business in Japan's financial market



外務省

Ministry of Foreign Affairs of Japan

- Information for the contact points for promotion of FDI in Japan



Cabinet Office

- Information for Japanese government policy of FDI in Japan



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