

Source: Ministry of Finance and Bank of Japan “Outstanding Japanese External Assets and Liabilities”, Cabinet Office “National Accounts”

Priority Program for Attracting Foreign Direct Investment

1 Expanding investment opportunities in Japan

- ① Ensuring **implementation of “Comprehensive Economic Measures to End Deflation Completely”**, and its PR
- ② Identifying the challenges for foreign companies in making **follow-up investments in Japan**
- ③ Promoting activities abroad to attract FDIs in Japan by **the FDI Task Forces** established in five diplomatic missions

2 Securing highly skilled human resources in Asia and other regions

- ④ Conducting **comparative study** with overseas on securing human resources in the semiconductors and key fields
- ⑤ Conducting **needs survey** on residential status and exploring possible measures based on the result of the survey
- ⑥ Attracting world-class researchers and expanding the acceptance of **highly educated foreign students** from Southeast Asia, India, and other economies, and supporting their employment in Japan

3 Promoting collaborations between domestic and foreign companies

- ⑦ Supporting the **matching between Japanese startups with foreign venture capitals**, disseminating **compiled good cases of collaboration** between foreign and Japanese companies (incl. SMEs), and considering further measures
- ⑧ Promoting compliance of standards with international ones on **performance evaluation of VC funds made by investors**, and **disclosure of indicators** that are considered important for their management

4 Improving business and living environments that are in high demand by foreign companies

- ⑨ Promoting **English-language documentation and one-stop procedures for establishing corporations**
- ⑩ 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
- ➡ Both reviewing and updating the Program are incorporated

By making the policies agile to deal with the swift changes, investing in Japan becomes even more attractive

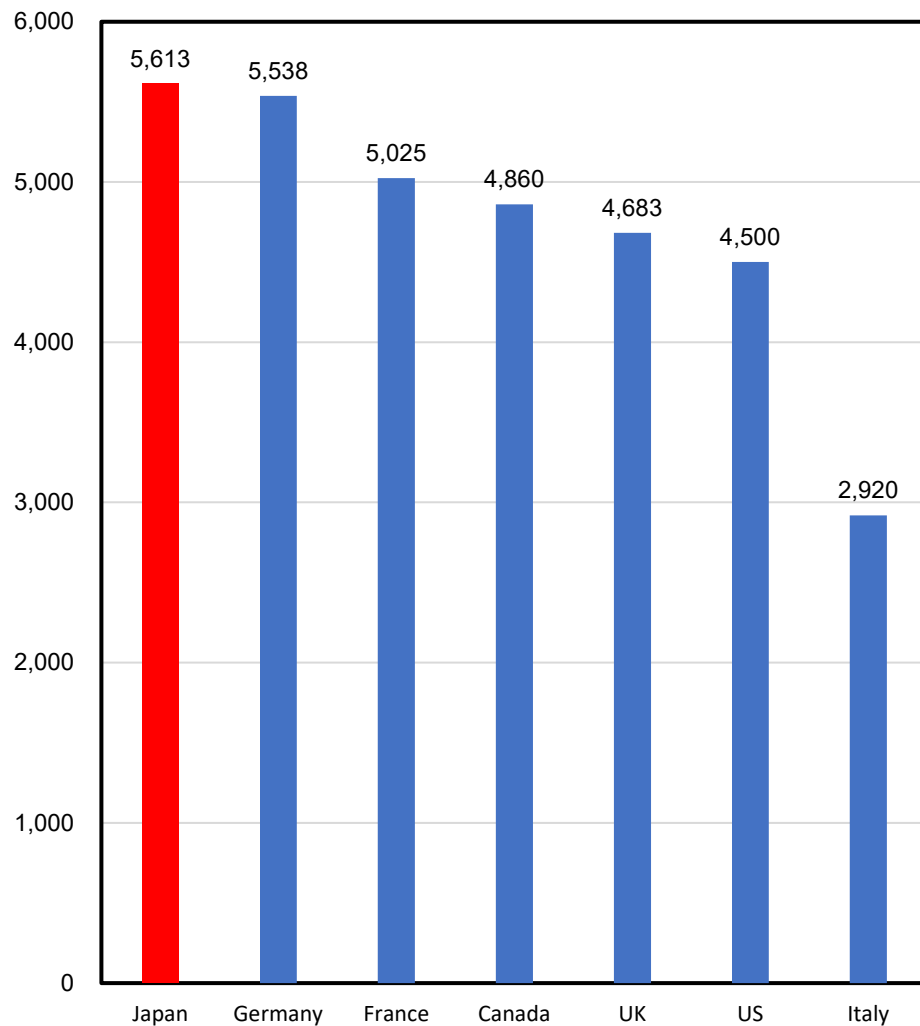
JETRO survey on Business Operations of Foreign-affiliated Companies in Japan 2023

Answers to the attractiveness of Japan's business environment
compared to other markets around the world (N=1,543)

1	Market Scale	49.7%	Highest number following the 2022 survey
2	Social and economic stability Geopolitical stability	36.7%	It has risen from 4th place in the 2022 survey. The financial and insurance sectors had particularly high ratings of 54.2%.
3	Well-developed infrastructure	35.7%	The information and communications (40.5%), and the financial and insurance (38.9%) sectors showed high ratings in particular.

Source: JETRO. Survey sample consisted of 7,427 foreign-affiliated companies in Japan, conducted from October to November 2023, with an effective response of 20.7% (1,537 companies).

Number of Researchers per million inhabitants



Technicians and Associate Professionals※ (2022)

Rank	Country
1	Japan
2	Mauritania
3	Singapore
4	Germany
5	Finland

The number of PCT patent applications per billion dollars of GDP (2023)

Rank	Country
1	Japan

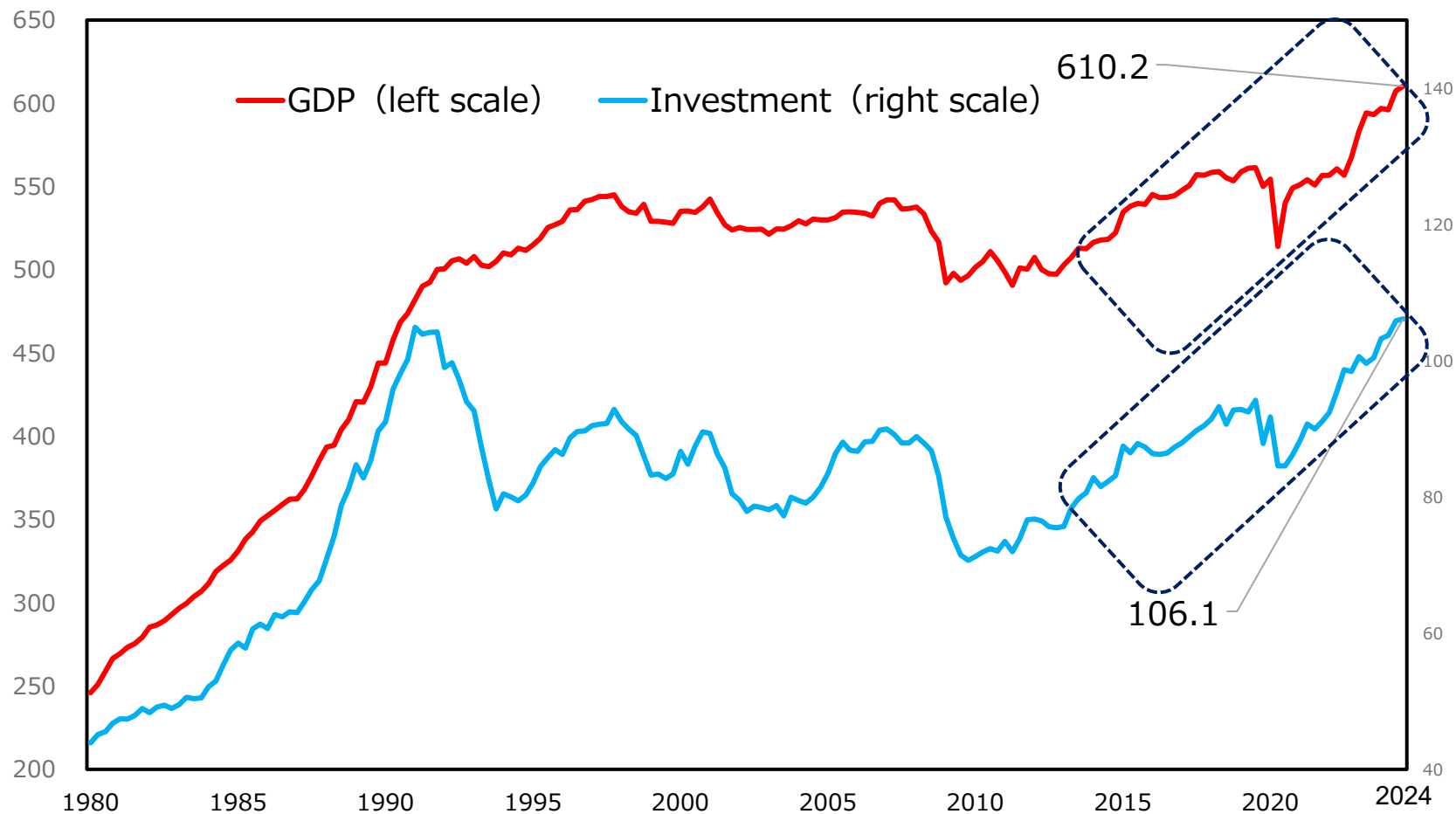
(*) Patent Cooperation Treaty

Source: JETRO and WIPO (World Intellectual Property Organization)

*Calculated based on the proportion of Technicians and Associate Professionals in the workforce, using ILO statistics.

GDP and Investment

(tril. yen) (in nominal terms)



Source: Cabinet Office, JTUC-RENGO

The Real Effective Exchange Rate

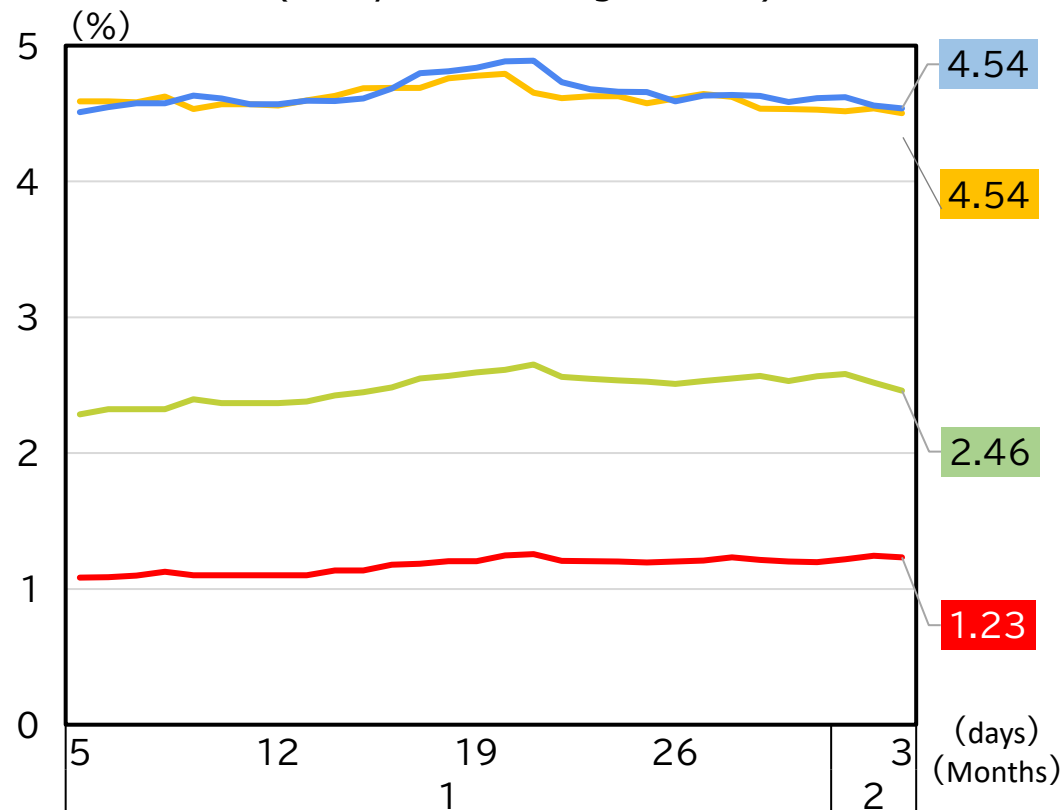
(2020 = 100)



Source: Bank of Japan, national statistics.

Long-term Interest rate

(Ten-year sovereign bonds)



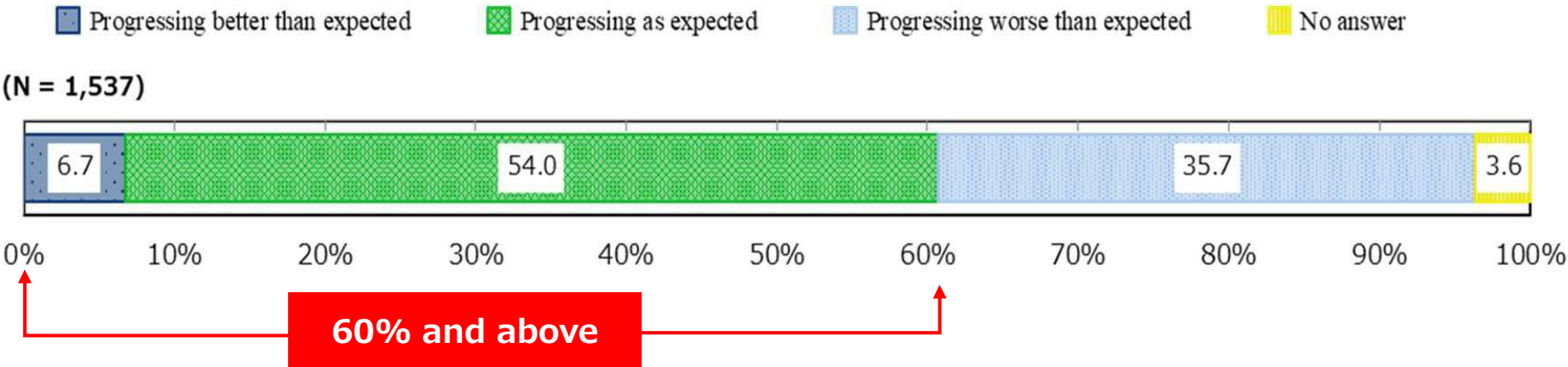
— Japan — United States
— United Kingdom — Germany

Rank	FDI Confidence Index (Asia, 2023)	Government Effectiveness (2022)	Political Stability and Absence of Violence (2022)	Rule of Law (2022)
1	Japan	Japan	Japan	Canada
2	China	Canada	Australia	Japan
3	Singapore	Australia	Canada	Germany
4	India	Germany	Germany	Australia
5	Korea	United States	Canada	United Kingdom

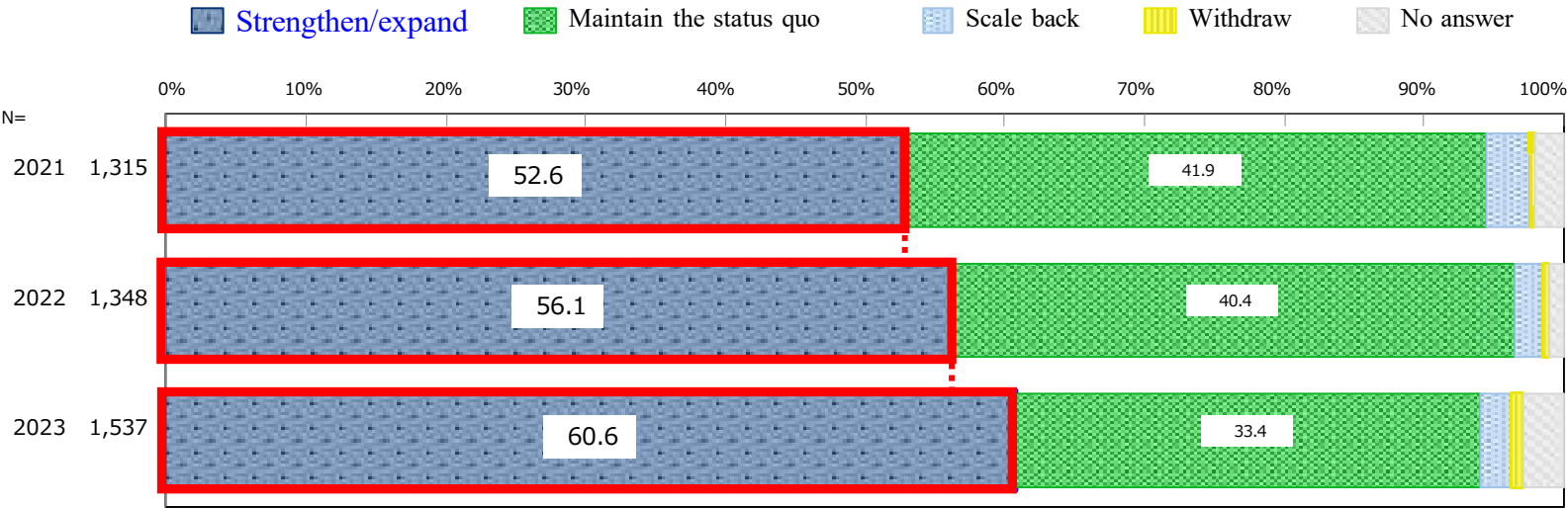
(Source) Kearney "The 2023 Kearney Foreign Direct Investment Confidence Index", World Bank "World Development Indicators Database

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Progress of business plan

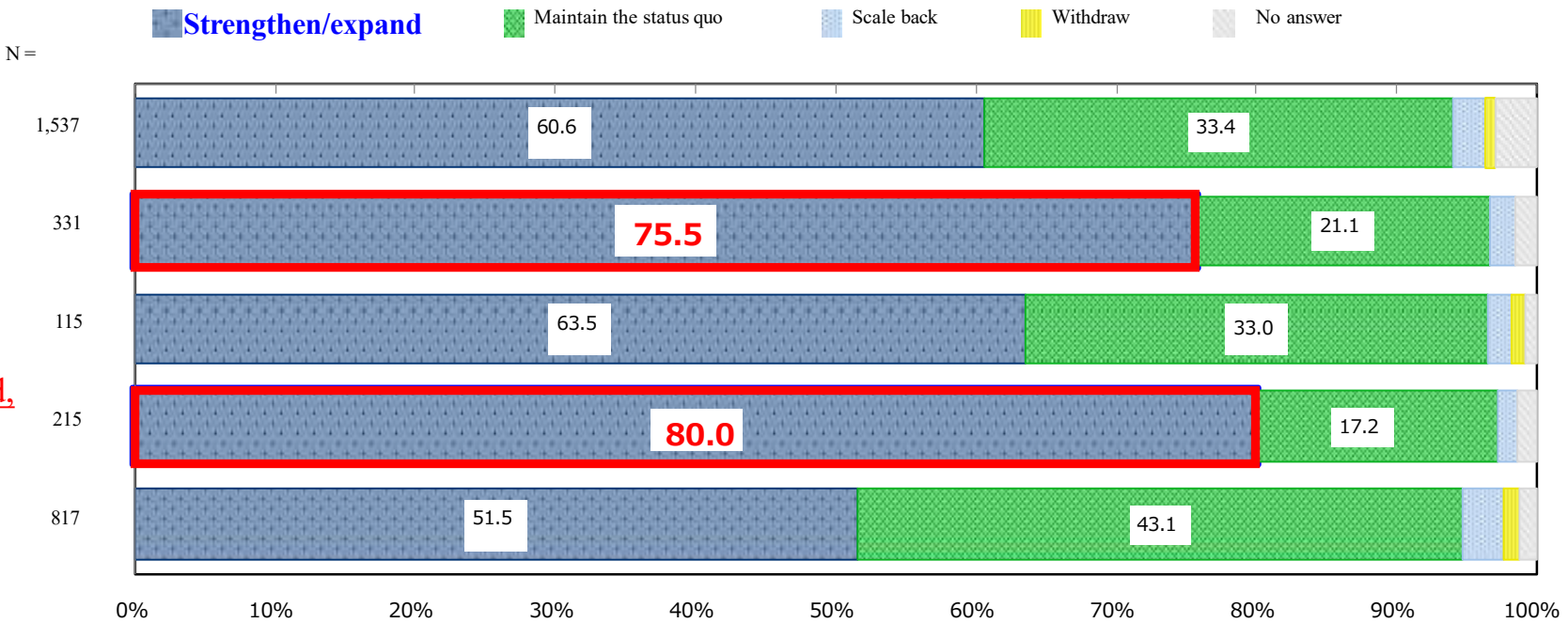


Future business plans in Japan



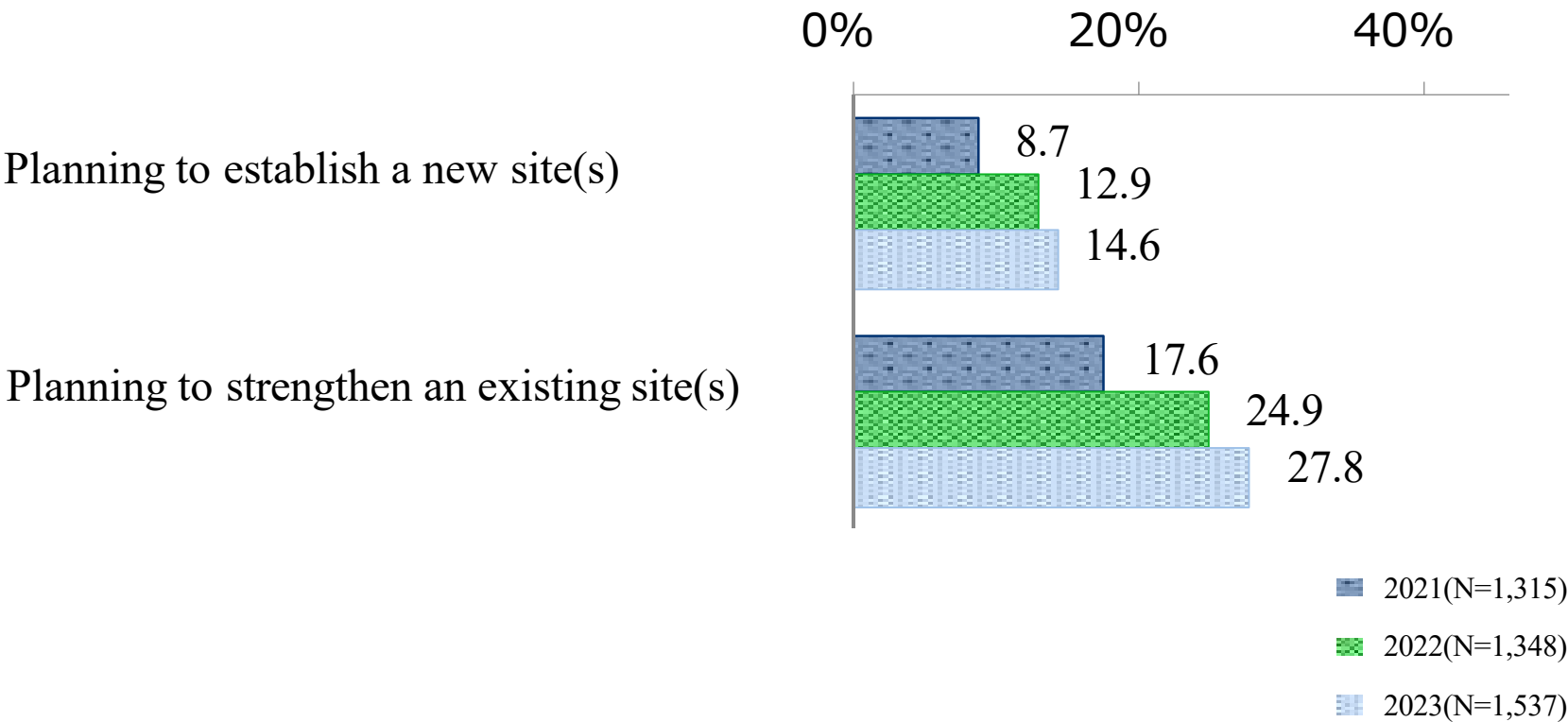
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Future business plan by implementation status of collaboration/cooperation



JETRO survey on Business Operations of Foreign-affiliated Companies in Japan 2023

Establishment or expansion of sites over the next three years (MA)



Global inward FDI flows
Average growth rate 2020-2023

World	35.2%
Developed economies	37.5%
OECD	26.0%
Japan	82.1%