

Program for Acceleration of Foreign Direct Investment in Japan (Provisional Name)		
Issue	Measures that Should Be or Will Be Taken	Ministries and Other Organizations Concerned
1. Regional-Oriented Economic Growth and Quality of Life Improvement		
	<ul style="list-style-type: none"> ○ The national government and JETRO will, in addition to cooperating with local governments, utilize networks with private sector financing institutions and advisory agencies to ascertain the needs and desires of foreign corporations and local communities. They will coordinate with the Industrial Cluster Project and SME measures, and take measures for special zones and regional revitalization into account, in order to provide support that extends seamlessly from identifying candidate businesses, to establishing enterprises, to expanding business. ○ Develop information related to regional investment (information on industrial clusters in the local area, the specialized personnel, the businesses, the infrastructure). Develop a Web site for parties interested in investing that provides this information with further enhancements tailored to their interests. ○ Improve internationally competitive research and educational centers by applying measures to promote more focused investment, according to competitive principles, to those organizations that are aiming to become top world-level centers of excellence. In this way, aim to create about 30 research centers that are recognized as top world-level centers of excellence. ○ Seek regional revitalization by means of "programs to revitalize regional centers of knowledge" that work by revitalizing and utilizing universities and other such organizations that are regional centers of knowledge. ○ Promote international exchange at the bilateral government level and in the private sector, making use of diplomatic channels and JETRO, in order to create links between domestic and overseas industrial clusters. Aim also for cooperation related to business tie-ups, joint research and development activities, and international investment. ○ Achieve the goal of attracting 10 million foreign visitors to Japan by the year 2010 through steady implementation of the Visit Japan Campaign and related programs. Aim to make Japan a "major power in tourism that stands open to the world." 	<p>Cabinet Secretariat, METI, JETRO</p> <p>METI, JETRO</p> <p>CAO, MEXT</p> <p>CAO, MEXT, Ministries and Agencies Concerned</p> <p>MOFA, METI</p> <p>MLIT</p> <p>Cabinet</p>

<p>○ Reevaluate the special zone system with a view to introducing a bill to the next regular Diet session, taking into consideration locally originated proposals such as the Forum of Local Governments for Forum of Local Authorities for the Promotion of Foreign Direct Investment in Japan</p> <p>. Working on the assumption of active involvement by local communities, facilitate the formation of special zones to promote FDI in Japan that provide packages of regulatory exceptions and other such incentives for FDI.</p>	<p>Secretariat</p>
<p>2. Improvement of an Investment Environment Capable of Overcoming Global Competition, Etc.</p>	
<p>A. Improvement of Environment for Corporate Business, Etc.</p> <p>A-1. Promote mergers, acquisitions, and other such reorganization as well as increased flexibility in organizational form to enable more effective use of management resources by corporations. At the same time, improve the lateral business environment for smoother securing of human resources and flow of personnel and goods, smoother transfer of funds, improvement of technological and related infrastructure, and so on.</p>	
<p>Increase Flexibility for Restructuring and Organizational Form</p> <p>○ Steadily implement the portions of the Corporate Law relating to the easing of rules on compensation for mergers, etc., by the summer of 2007. Also examine and reach a conclusion regarding related tax measures before implementation in terms of the appropriateness and fairness of taxation, and with a view to preventing tax avoidance. Examine related legal systems as necessary to enable smoother reorganization.</p> <p>○ Ascertain the actual status of utilization of the limited liability company (LLC) system and limited liability partnership (LLP) system.</p> <p>○ Market oversight functions will seek to improve corporate transparency and reliability in order to enable scrutiny of and ruling on corporate governance by providing for enhanced information disclosure in listed corporations. This will involve review of the restrictions on takeover bid (TOB) transactions and the system of large shareholding reports as well as the adoption of a quarterly report system and strengthening of internal controls relating to financial statements and other such activities.</p> <p>○ Promote disclosure of the status of exercise of shareholder voting rights by institutional investors in order to strengthen fiduciary responsibility.</p> <p>Develop Human Resources</p> <p>○ Take steps to secure creative, well-qualified personnel by improving the mobility of intellectual specialists, for example by the broad-based adoption of a fixed-term system, the use of open recruitment for hiring researchers, and the promotion of</p>	<p>MOJ, MOF (METI), Ministries and Agencies Concerned</p> <p>METI</p> <p>FSA</p> <p>FSA, Ministries and Agencies Concerned</p> <p>MEXT, METI</p>

	<p>personnel exchange among industry, academia, and government organizations.</p> <p>○ Foster the development of personnel who have acquired the specialized knowledge as well as the ability in English language and skills in presentation, planning and management required in the world community, and who are able to engage in international activity. To this end, promote the enhancement of English language instruction, exchanges with foreign students, and other such measures in primary and secondary education.</p> <p>○ Make greater efforts to train personnel who can be adaptable and resourceful in both management and engineering, and personnel who are highly capable in foreign language. To that end, utilize professional graduate schools to enhance education in fields such as technology management and business, and support outstanding measures for educational programs at such institutions. Take steps for the gradual adoption of accreditation systems to guarantee the quality of universities and other institutions that provide education in these areas.</p> <p>Expand Acceptance of Foreign Personnel</p> <p>○ Take active measures to receive high quality human resources, including exchange students and research personnel, from Asian and other countries. These will include strengthening the research and development infrastructure, expanding scholarships and other support for receiving exchange students, promoting employment in Japan, improving the environment for foreigners in the universities and other institutions, and improving an environment to enable encounters by them with top-level Japanese personnel, facilitating a new cross fertilization of human resources. Work to attract overseas research and development centers, including foreign corporations, and expedite the inflow of human resources from other countries so as to develop internationally competitive research and development and educational centers in Japan and promote the conduct of innovative research and development.</p> <p>Improve the Working Environment</p> <p>○ Recognizing the necessity to have fair and transparent civil rules for labor contracts defined clearly, conduct an examination of the desired form of the law governing labor contracts.</p> <p>○ Taking the status of implementation of the defined contribution pension system into account, conduct an examination of systems with even greater ease of use.</p> <p>○ Expedite negotiations for agreements on social security with other countries in order to avoid dual membership in public pensions and other such social security systems, with the resulting wasted premium payments.</p>	<p>MOFA, MEXT</p> <p>MEXT, METI</p> <p>MOFA, MEXT, METI</p> <p>MHLW</p> <p>MHLW</p> <p>MOFA, MHLW</p>
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	<p>Increase Efficiency of Flow of People and Goods, Etc.</p> <ul style="list-style-type: none"> ○ Bring a common government-wide portal into operation by 2008 as a next-generation single-window system in accordance with the operations and system optimization plan for imports, exports, and airport and seaport procedures. ○ Move toward greater efficiency in the international flow of people and goods by improving facilities to expand the capacity of Narita, Haneda, and other airports and improve access to them by fiscal year 2009. Also work to establish scheduled international service at Haneda Airport, and improve connections between international and domestic lines at hub airports near major cities. ○ Expedite the improvement of port and harbor bases and facilitate their operation on a 24-hour basis in order to strengthen the performance of ports and harbors that are international transport hubs. Lower port and harbor costs and reduce lead times in super hub ports by fiscal year 2010. <p>Facilitate International Capital Movements, Etc.</p> <ul style="list-style-type: none"> ○ Improve international tax systems, to include amendment of tax conventions, in order to eliminate double taxation and levy appropriate taxes. <p>Institute Improvements Related to Technology, Intellectual Property, Standards, Qualifications, Land Use, Etc.</p> <ul style="list-style-type: none"> ○ Work toward strategic prioritization of science and technology in accordance with the Basic Plan for Science and Technology and comprehensive strategies for creating innovation. Stimulate development of science and technology to the highest world level by conducting rigorous evaluation of selected key projects while also steadily taking measures to expand competitive funding, drastically strengthen review systems, and strengthen industry-academia-government collaboration. ○ Create an intellectual property strategy that includes active patent applications in other countries in order to promote collaboration between foreign corporations and Japanese universities. Improve funding for overseas patent applications by universities and other institutions while also improving international business-academia collaboration and information dissemination functionality by measures such as setting up international coordinators (provisional name) and reinforcing international negotiating capabilities. Also expand international legal capabilities relating to contracts, and by such 	<p>MOFA, MLIT, MJ, MHLW, MAFF, METI</p> <p>MLIT</p> <p>MLIT</p> <p>MOFA, MOF</p> <p>CAO (MEXT, METI)</p> <p>CAO, MEXT, , METI</p>
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	<p>measures strengthen the international functions of university intellectual property offices.</p> <p>○ Realize prompt, accurate patent examination at the highest world level by promoting structural reform of the patent application and examination process. Work to improve personnel systems and examination efficiency.</p> <p>○ Facilitate the basing of foreign corporations in Japan in sectors that require assessment of conformity in products, services, personnel, and so on, by promoting mutual recognition of such assessment by the countries concerned, and taking the circumstances of both countries into consideration.</p> <p>○ Unify the specifications and standards for products and services that differ from country to country in order to promote international standardization.</p> <p>○ Reevaluate the duration of fixed-term leaseholds for corporations with a view to long-term utilization of property by businesses without ownership of that property.</p>	<p>METI</p> <p>Ministries and Agencies Concerned</p> <p>Ministries and Agencies Concerned</p> <p>MJ, MLIT</p>
<p>A-2. Promote measures that will contribute to improved productivity and enhancement of public services for the nation through the use of foreign corporations' knowhow and capabilities in the various individual areas of service.</p>		
	<p>Public Services, Etc.</p> <p>○ Improve the environment for effective utilization of the Private Finance Initiative (PFI) system in ways that are easier for foreign corporations to make use of, in order to promote even better use of the vitality of the private sector in the public service sectors. Also adopt a market testing system, publicize the third-party contractor system in water supply and related operations, promote the Peace of Mind House Plan (“Anshin House Plan” in Japanese) of good quality housing for the elderly, and so on.</p> <p>○ Support entry into Japan by top-level overseas service corporations with a view to raising productivity.</p> <p>Pharmaceuticals and Medical Devices</p> <p>○ Conduct follow-up on the three-year plan for nationwide revitalization of clinical trials in order to move toward further improvement of the environment for clinical testing. In light of the results from follow-up, study measures for improving that environment.</p> <p>○ Further improve the handling of clinical trial consultations and approval review in the Pharmaceuticals and Medical Devices</p>	<p>Ministries and Agencies Concerned</p> <p>JETRO (Ministries and Agencies Concerned)</p> <p>MHLW</p> <p>MHLW</p>

	<p>Agency, an independent administrative institution, by raising operational efficiency, making use of outside personnel, and other such measures to improve operations and strengthen structure.</p> <p>○ As regards approval of foreign manufacturers of medical devices according to the Pharmaceutical Affairs Law, the range of manufacturers required to obtain approval and the documentation that must be submitted with applications will be considered on the assumption that safety will be assured and personal information will be safeguarded. Given these considerations, work to achieve still greater foreseeability for business operators by taking measures to make procedures more transparent, such as by clarifying operating criteria. Publish the status of progress made in this direction in fiscal year 2008.</p> <p>○ State the criteria involved in administration of the general nomenclature list of medical devices (JMDN) in order to increase foreseeability as regards the necessary procedures and documentation for specific approval review or examination for certification when placing new medical devices, and especially low-risk medical devices, on the market.</p> <p>○ Facilitate the utilization of foreign clinical data, post-marketing utilization data, and other such data in approval review of drugs, for instance in the case of drugs for treating serious illnesses that afflict a small number of patients. Consider also methods for facilitating the utilization of data from international collaborative trials, while assuring safety. Publish the status of progress made in both efforts in fiscal year 2008.</p> <p>Food Products</p> <p>○ Publish the status of progress with respect to the evaluation of food additives in appropriate form in order to improve transparency and foreseeability.</p> <p>Educational Services</p> <p>○ Provide guidance as needed regarding the purpose and meaning of standards for establishing specialized training colleges and miscellaneous schools when the Japan campuses of foreign universities want to be designated as such colleges or schools. The fact that the authority to approve such establishment lies with the prefectures should be taken into consideration, as well as the economic situation of the Japan campuses.</p> <p>Legal Services</p> <p>○ Aim for an annual level of 3,000 candidates who pass the national bar examination in 2010, in light of the Program for</p>	<p>MHLW</p> <p>MHLW</p> <p>MHLW</p> <p>MHLW</p> <p>MEXT</p> <p>MJ</p>
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	<p>Promoting Justice System Reform. Further improve the training system for judicial apprentices, given the increasing number of apprentices. Work to further the development of high-quality legal personnel in Japan.</p>	
<p>B. Review Administrative Procedures B-1. Improve information provision and simplify procedures so that foreign corporations and investors can more readily obtain information related to investment in Japan.</p>		
	<p>Provide Information Related to Investment</p> <ul style="list-style-type: none"> ○ JETRO and the other ministries and agencies concerned operate the Office of Invest Japan where information is provided on procedures for various kinds of investment involved when establishing companies, conducting mergers and acquisitions, and establishing plants and shops. The investment information provided also includes information on markets and companies. ○ The ministries and agencies concerned are enhancing their provision of English-language information related to investment on their Web sites. JETRO is also enhancing its provision of services and information in foreign languages other than English. Work will also go forward on the English-language translation of some 200 laws and ordinances under the plan for preparation of translations. <p>Simplify Procedures and Put Them On-Line</p> <ul style="list-style-type: none"> ○ Steadily implement action plans for the promotion of on-line service utilization and other such measures to further simplify procedures and make them more available on-line. 	<p>All Ministries and Agencies Concerned, JETRO</p> <p>All Ministries and Agencies Concerned, JETRO, Cabinet Secretariat</p> <p>Ministries and Agencies Concerned</p>
<p>B-2. Increase foreseeability for investors by further facilitating the active use of public comment procedures and pre-filing inquiry procedures, which clarify interpretations of laws and ordinances about which investors have queries.</p>		
	<ul style="list-style-type: none"> ○ To further increase the utilization of pre-filing inquiry procedures, determine the status of utilization and, as necessary, study issues and measures for further promoting utilization of these procedures. JETRO will provide support for pre-filing inquiries, as required, for corporations that are considering investment in Japan, taking the needs of such corporations into account. ○ To further increase the utilization of public comment procedures, ascertain the status of implementation and act to broaden and deepen the use of this system. 	<p>All Ministries and Agencies Concerned, JETRO</p> <p>All Ministries and Agencies Concerned</p>
<p>B-3. Strengthen Coordination within the Government</p>		
	<ul style="list-style-type: none"> ○ Create a database of projects and measures related to FDI to Japan and share that information within the government. 	<p>CAO, All</p>

<p>○Coordinate with the Council for the Promotion of Japan as a Tourism Leader, the Council for the Promotion of Privatization and Regulatory Reform, the Headquarters for the Promotion of Special Zones for Structural Reform, the Headquarters for Regional Revitalization, the Council for Science and Technology Policy, and other organizations concerned to work toward more effective implementation of policies.</p>	<p>Ministries and Agencies Concerned</p> <p>Ministries and Agencies Concerned</p>
<p>C. Improve the Living Environment C-1. Improve the systems for entry to and residence in Japan. (Reevaluate the situation in light of various issues involving resident status control for foreigners and the problems they face when living in Japan.)</p>	
<p>○Improve the environment for business travel, including use of the APEC Business Travel Card, to smooth the process of entry to Japan for short visits for business purposes.</p> <p>○Study the various issues involved in constructing an effective system for foreign resident status control. These include how to develop arrangements for mutual access to and provision of information by the ministries and agencies concerned with foreign resident status, what form the amended Alien Registration Law should take, whether the organizations that bring in personnel from other countries should also be made responsible for reporting, and so on. Reach conclusions within fiscal year 2006.</p>	<p>MOFA</p> <p>Ministries and Agencies Concerned</p>
<p>C-2. Improve the educational environment for foreign children resident in Japan by developing systems related to international schools and Japan campuses of foreign universities.</p>	
<p>○Implement a system of low-interest loans for the improvement of international schools that meet certain requirements.</p> <p>○Provide guidance as needed regarding the purpose and meaning of standards for establishing specialized training colleges and miscellaneous schools when the Japan campuses of foreign universities want to be designated as such colleges or schools. The fact that the authority to approve such establishment lies with the prefectures should be taken into consideration, as well as the economic situation of the Japan campuses. (Repeated entry)</p>	<p>METI, MEXT, Development Bank of Japan (OBJ)</p> <p>MEXT</p>
<p>C-3. Improve the living environment for foreign residents by measures to deal with medical care for foreigners, the building of multicultural society in regional communities, and so on.</p>	

	<p>○Support requests to bring foreign physicians into Japan as appropriate in order to make medical care more convenient for foreigners residing in this country.</p> <p>○Take steps for all of Japan's prefectures and those cities designated by Cabinet Order to formulate their own guidelines or plans for the construction of multicultural society within fiscal year 2006, patterning them after the Regional Multicultural Society Promotion Plans formulated by the Ministry of Internal Affairs and Communications as guidelines for Japan's local regions.</p> <p>○Questions of medical care, education for children, friction with local residents, and other such real problems that foreigners face as residents in Japan will be taken up in the Liaison Council of Ministries and Agencies Concerned with the Issue of Foreign Workers. The current situation will be analyzed with attention to the desired allocation of costs for resolution of these problems, and comprehensive measures will be compiled in organized form within 2006. Steps will also be taken for collaborative study by the ministries and agencies concerned in order to improve Japanese language education, to strengthen measures addressing the issue of children not attending school, for example by providing directions on school attendance, to increase the number of signs and markers in foreign languages, and to take other such measures.</p>	<p>MHLW</p> <p>MIC</p> <p>Ministries and Agencies Concerned</p>
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3. Vigorous Conduct of Domestic and International Public Relations Activities

<p>A. Domestic Public Information Programs to Further Deepen the Understanding of the General Public</p>		
	<p>○Make use of regional Japan Investment Councils and other such means to provide a forum where leaders of local government can directly express and clarify their commitment to attracting foreign corporations. The national government will also provide active support so that promotion of foreign direct investment in Japan will become a nationwide program with regional roots. Regions that are engaging actively in programs to attract foreign corporations, therefore, will conduct their own campaigns to disseminate and enhance popular awareness of the specific effects of FDI.</p> <p>○Gather together specific success stories about investment and use them to disseminate and enhance popular awareness of the effects foreign direct investment has had in Japan. Collect figures and perform statistical analysis on the effects of M&A, the contributions made to local employment, and so on. Publicize these in widely understandable form using all public information media.</p> <p>○Conduct studies to determine what kind of statistics on FDI are wanted in order to obtain a more accurate grasp of such investment and its effects. Take account of the status of statistical development in other countries, IMF and other international standards, and related considerations.</p>	<p>CAO, METI, JETRO</p> <p>CAO, METI, JETRO</p> <p>MOF (METI)</p>

<p>○ Conduct surveys of specific success stories of investment in other countries, the effects of FDI inducement, FDI inducement systems, and so on, in order to develop a body of objective data concerning the influence of such direct investment on Japan's economy.</p>	<p>MOFA, METI, JETRO</p>
<p>B. Overseas Publicity Campaigns</p>	
<p>○ Make Japan's welcoming stance to investment more widely known by sales campaigns conducted at the highest level by Cabinet ministers and local government leaders. Investment missions will also be dispatched. Implement permanent publicity programs by Japanese ambassadors and other personnel at overseas diplomatic missions to attract FDI.</p> <p>○ Organize large-scale Japan investment seminars in other countries with a view to providing occasions for Cabinet ministers and local government leaders from Japan to conduct high-level sales campaigns as well as for inducing corporations to relocate in Japan and for forming business partnerships.</p> <p>○ Develop information related to regional investment (information on industrial clusters in the local area, the specialized personnel, the businesses, the infrastructure). Develop a Web site for parties interested in investing that provides this information with further enhancements tailored to their interests. (Repeated entry)</p> <p>○ Promotion of foreign tourism, particularly as it increases the number of foreign visitors to Japan, is a contribution to increased international understanding. Public information campaigns will therefore be conducted in other countries in coordination with the Visit Japan Campaign.</p> <p>○ Provide information and other such support in cooperation with activities conducted by chambers of commerce and similar organizations in other countries.</p>	<p>CAO, MOFA, METI, JETRO</p> <p>MOFA, METI, JETRO</p> <p>METI, JETRO</p> <p>CAO, METI, MLIT, JETRO</p> <p>METI, JETRO</p>