

Five Promises for Attracting Foreign Businesses to Japan

Resolution of
INVEST JAPAN
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The Japanese economy is realizing steady growth for both real gross domestic product and gross national income including income from overseas. Because of the development of a positive cycle of the economy due to Abenomics, ordinary income for Japanese companies is at a record high. The government will advance integrated reforms in Japan and overseas, which are fixed firmly on an open world. It aims to conclude the negotiations for the Trans-Pacific Partnership early, and to reach agreement in principle for the Japan-EU Economic Partnership Agreement during 2015. With regard to corporate tax, the government will begin to lower effective corporate tax rate in FY2015 and will bring the rate down to the 20-29% range over the next few years, advancing corporate tax reforms that will bring taxation to levels that compare favorably in international terms. The government will strongly advance the reform of vested interests in areas such as agriculture, medical service, energy and employment. With regard to exchange rates, the Japanese yen has moved in the direction of depreciation. Against this background, the international competitiveness of Japan as a business location has been increasing dramatically.

However, companies expected to invest and locate in Japan are not limited to Japanese enterprises. In a survey of the appeal of Asian countries as overseas investment destinations for Western and Asian companies, Japan was ranked Number 1 as an R&D base and sales base in FY2013. Also at international comparison indicators for competitiveness, Japan scored highly for items centered on innovation environment and completeness of infrastructure, and the reputation for Japan has risen. Reflecting these improvements in Japan's location environment, the flow of foreign direct investment into Japan for 2014 turned out to have almost tripled from the previous year.

In order to revitalize Japan, the Japanese Government desires to make the country more open and encourage even more active location in Japan of foreign businesses with diversified cultures that have latent potential to bring with them into Japan new business models as well as cutting-edge R&D. However, due to the impediments such as differences in language, institution and customs, it has not been possible to say that convenience for employees of foreign companies in doing business and living with their

families in Japan has been sufficiently assured. Taking the holding of the 2020 Olympic and Paralympic Games in Tokyo as an opportunity, the Japanese Government here holds a meeting of the Council for Promotion of Foreign Direct Investment with attendance by the Prime Minister, and adopts the following “Five Promises for Attracting Foreign Businesses to Japan” concerning items that many overseas companies have indicated are causing inconvenience or impediments, and will immediately begin implementation of these measures for improvement in FY2015 in order to strongly encourage foreign companies considering new investment destinations to choose Japan, which has regained its sparkle.

Promise 1

Measures will be taken to enable people from abroad to select and purchase products in foreign languages at department stores, supermarkets, and convenience stores, etc.; to be treated without anxiety over language at a hospital when they become ill, and to have signs in foreign languages available when they travel by car, train, or bus.

1. With regard to foreign language services in the retail industry (department stores, supermarkets, and convenience stores, etc.) a survey will be conducted in FY2015 of the needs of foreigners when shopping, and based on the results of this survey, measures are to be implemented by the end of FY2019 with regard to focus areas and target products while considering the burden on business operators.
 - (a) With regard to signs inside retail stores, based on the results of the survey on the needs of foreigners when shopping, a guidelines aimed at multilingualization of store signs will be prepared in FY2015.
 - (b) With regard to the multilingualization of information for individual products on sale, a standardized QR code is to be attached to products, price tags or other tags; these can be scanned using electronic devices such as mobile telephones and tablets, providing product information in multiple languages. In concrete terms, a review panel will be established in early FY2015 to consider foreign-language product information provision services, including methods other than QR codes, with the aim of formulating standard specifications within FY2015.

2. 30 base hospitals which has medical interpreters and healthcare coordinators speaking foreign languages, thus enabling foreigners receive Japanese medical services safely and relaxed will be created nationwide by 2020. The government will expand an exception about doctors from abroad in the National Strategic Special Zones.

3. With regard to the multilingualization of restaurants, over the next three years, measures will be taken so that multilingual services such as the provision of menus in multiple languages become the norm for restaurants used frequently by foreigners.

For that end, in FY2015, efforts will be made to spread multilingual services in coordination with national and regional industry organizations through the holding of (a) seminars to spread information about the merits of promoting multilingualization, and (b) seminars providing advice regarding multilingualization measures that can be implemented immediately through the presentation of leading-edge case examples such as efforts to provide menus written in foreign languages and efforts to provide restaurant information in foreign languages. In addition, in order to convey the unique appeal of rural areas, information about “regional cuisine” (local specialty dishes, etc.) and the regional appeal will be conveyed in multiple languages.

4. With regard to promoting the multilingualization of roads and public transportation facilities, after checking how far the policy measures concerning “Guidelines for Improvement and Enhancement of Multilingualization toward the Realization of Japan as a Tourism-orientated Country” formulated by the Japan Tourism Agency in March last year, has been implemented, the Japanese Government will prepare measures by the end of FY2015 to ensure that facilities that have not complied with the guideline do so by FY2017.

5. With regard to multilingual speech translation by mobile telephones and other communication devices, through R&D and social experimentation over the next five years, not only will the four most widely used language services (Japanese, English, Chinese, and Korean) be expanded by 2020 to ten services—planned to add Spanish, French, Thai, Indonesian, Vietnamese, and the Myanmar language—but also in addition to travel conversation, speech translation will be realized for conversation on a practical level in areas such as procedures in everyday living and healthcare with the aim of widely disseminating multilingual speech translation systems.

Promise 2

Foreign visitors to Japan will be able to use free public wireless LAN simply and easily at various locations around cities without a contract with a Japanese telecommunications carrier.

(a) Japan's broadband environment is of a world-class standard, and high-speed and convenient use of the Internet is possible by connecting to free public wireless LAN. However, in many cases telecommunications carriers in Japan charge for use of public wireless LAN services, and it is pointed out that the situation is inconvenient for foreign visitors, who do not have contracts with Japanese telecommunications carriers.

(b) Thus, through the Council for Preparing of Free Public Wireless LAN, the government will urge telecommunications carriers and owners of facilities such as railway stations, airports, commercial facilities, and accommodation facilities, in order to meet the needs of foreign visitors to Japan who wish use free public wireless LAN (free Wi-Fi) services easily.

Specifically, the government will formulate free public wireless LAN preparation policies while considering the locations where high rate of Wi-Fi use is expected along with the flow paths of foreign visitors. Then, the government will work with telecommunications carriers and owners of Wi-Fi service areas to facilitate the provision of free Wi-Fi services in accordance with the policies.

(c) To make it easy for foreign visitors to locate places where free public wireless LAN services are available, easy-to-identify standardized "Japan Free Wi-Fi" symbols will be displayed at locations where free Wi-Fi can be used. Moreover, the government will disseminate information about locations where free public wireless LAN can be used through the construction of websites and efforts by public-private sector coordination.

(d) Through the Japan Franchise Association, which is a member of the Council for Preparing of Free Public Wireless LAN, and such, the government will promote making free public wireless LAN available in cafes, fast food restaurants and commercial establishments where the high needs of businesspeople are expected.

- (e) Foreign visitors to Japan are sometimes required to go through log-on procedures to use free public wireless LAN, and the government aims to create an environment that enables foreign visitors use free LAN on-the-spot by processing procedures after entering a commercial establishment in Japan, without having to register in advance.
- (f) When foreign visitors attempt to use free public wireless LAN for different area owners, currently users are sometimes required to input their e-mail address again when they begin using a different service. For their convenience, the government will simplify log-on procedures through coordination amongst providers and demonstration experiments so that users are not required to input their e-mail address or perform other procedures once they have initially logged onto the initial service. At the same time, the government will consider adding a function that enables foreign visitors to complete registration procedures in advance, in their home country (prior to their visit) for the convenience of foreign visitors. And, information about the simplified log-on procedures will be posted on the Internet and otherwise diffused overseas.

Promise 3

To make locating to Japan as a business base or R&D base easier for overseas companies, the government will create an environment in which all regional airports receive business jets with a short advance notice.

1. Within the next three years, the government will make regional airports capable of receiving business jets from overseas, even if they double in number.
 - (a) The government will increase immigration booths and additional staff of regional airports in FY2015 in order to make immigration procedures smoother and swifter.
 - (b) With regard to CIQ (Customs, Immigration, Quarantine) for receiving business jets, if the airport's CIQ office is notified of the plane's flight path in advance (3 days prior to the flight for airports where the CIQ officers are constantly on duty, and two weeks prior to the flight for all other airports), staff can be allocated, enabling the airport to receive a business jet. Furthermore, the government will consider cutting the time between the flight date and the advance-notice deadline from two weeks to one week, analyzing the situation at each airport and readiness of CIQ officers, and make a decision by the end of FY2015.

[Reference] Measures taken recently for receiving business jets at Narita Airport and Haneda Airport

<Narita Airport>

- Provision of new access roads within the airport site (September 2014)

Travel time by car between the business jet terminal and business jet parking aprons has been reduced from approx. 16 minutes to approx. 8 minutes.

- Increase in the number of aprons where large business jets can be parked (June 2014)

2 Parking aprons for large business jets will be added, making a total of 3 aprons

<Haneda Airport>

- Provision of special flow lines for business jet passengers (September 2014)

By using a special flow line equipped with special CIQ facilities, etc., the time to complete arrival procedures have been reduced to around just 3 minutes, compared to the approx. 10 to 30 minutes for general passenger lines.

- Operation of business jet priority aprons (September 2014)

An apron in front of the International Terminal has been made a priority space for business jets

- The number of aprons where large business jets can be parked will be increased (March 2015)

6 Parking aprons for large business jets will be added, making a total of 9 aprons

2. To make immigration procedures for foreign visitors to proceed smoothly, the government is to increase the number of arrival officers by 202 and of immigration booths as well in FY2015, and will prepare immigration system as planned. These measures are aimed to reduce waiting times for immigration procedures to 20 minutes or less at the longest during FY2016. Furthermore, the government will put efforts to speed-up the immigration inspection system, including examining early the introduction of face recognition technology for immigration procedures for Japanese citizens.

Promise 4

The government will enrich educational environment for children from overseas, and ensures that people receiving an education in Japan are able to communicate smoothly in English.

1. Japanese Government agencies will work as one to fix the current situation whereby international students who chose Japan as their study destination have difficulty finding jobs at Japanese companies.

Accordingly, during FY2015, approaches will be made to the government will work with universities and economic organizations to urge companies to provide information required by international students (record of employing international students, etc.), and to urge universities to provide information required by companies (international students' home countries, majors, etc.), through the channel companies and universities contact each other directly. Furthermore, the government will expand its system to match international students and domestic companies.

In addition to promoting the activities of the International Students Support Network, related government agencies will work together to newly hold seminars and matching events for international students and companies, etc., by this summer, with approaches made for the Ministry of Health, Labour and Welfare's Employment Service for Foreigners and international student corners at New Graduate Support Hello Work (Hello Work offices providing support for new graduates) to compile information on international students seeking employment and recruitment information for companies that are actively seeking to employ foreign nationals.

2. When an international school desires accreditation as a Miscellaneous School (which receives various benefits, such as exemption from consumption tax on tuition fees and permission to issue student commuter passes), there are some regions where this request is denied because of regulations set by prefectures, such as the requirement that the term of the lease on the land and/or the school buildings is 20 years or longer. Consequently, prefectures will be encouraged to loosen their criteria for accrediting international schools as Miscellaneous Schools to be on par with prefectures that are taking the lead in loosening such criteria.
3. The government aims to assign at least one Assistant Language Teachers (ALTs) to 100% of elementary schools by FY2019, ahead of FY2020, when the new curriculum guidelines for the next term is expected to be implemented. To this end, in addition to efforts to enhance the JET program, the central government will encourage local governments to utilize ALTs.

Promise 5

The government will set up a system to make it easy for the foreign businesses which have invested much amount in Japan to consult the government. The Japanese Government and all local governments will work together as one to create a network for attracting investment to Japan

1. For businesses having made important investments in Japan from overseas, an “Investment Advisor Assignment System” will be established with State Ministers etc. acting as advisors.
 - (1) The system is planned to be applied for companies meeting the following conditions.
 - (a) The company has made direct investment of 20 billion yen or more in Japan and has 500 or more regular employees in Japan.
 - (b) The company is in important areas listed in the Strategic Market Creation Plan under the Japan Revitalization Strategy and that are carrying out healthy business activities.
 - (c) The company is expected to contribute to the invigoration of the Japanese economy through the introduction of new business models into Japan, R&D activities regarding cutting-edge technologies and/or other ways.
 - (2) Eligible companies will be designated based on applications submitted by companies which meets all the conditions above. In making designations, the opinions of the Japanese diplomatic establishments in the home country of the foreign company will be taken into consideration.
 - (3) The State Minister assigned to each designated company (“the Assigned State Minister” hereinafter) will be the State Minister for the ministry under whose jurisdiction the company’s main activities fall. (In case that a ministry is responsible for a large number of companies, it will also be possible for the Parliamentary Vice-Minister of the ministry to be assigned to companies.)
 - (4) Meetings between the Assigned State Minister and a foreign company to which they have been assigned will also be attended by State Minister for Foreign Affairs, administrative officers of the Assigned State Minister’s ministry and the Ministry of Foreign Affairs as well as staff of the investment promotion agency (Japan External Trade Organization, the same shall apply hereinafter) to support consultations.
 - (5) In the case that there is a change in State Ministers, the incoming State Minister will take over all duties from the outgoing State Minister.

Note: Fields prescribed in the Strategic Market Creation Plan under the Japan Revitalization Strategy are as follows.

(a) Important fields for extending nation's healthy life expectancy: health promotion/preventative care/ lifestyle support services, pharmaceuticals/medical devices, elderly housing, etc.

(b) Important fields for realizing clean/economical energy supply and demand: renewable energy, highly efficient thermal power generation, storage batteries, next-generation devices/parts and materials, energy management systems, next-generation automobiles, fuel cells, energy-saving appliances, products/services related to energy-saving technologies for energy-saving housing/buildings, etc.

(c) Important fields for construction of safe, convenient, and economical next-generation infrastructure: infrastructure management, driving safety support systems, development of space infrastructure

(d) Important fields for realizing regional societies that earn income from local resources that attract the world: agricultural/forestry/fishery products/foods, senary industry, contents/culture, etc.

2. With regard to the place for collaboration (network) between the Japanese national government and local governments, mechanisms for collaboration will be constructed to ensure that information about the national government's efforts to promote direct investment in Japan is thoroughly conveyed to all local governments and not only some highly motivated local governments, as well as to enable the national government to hear and investigate the demands of local governments. Specifically, not only will the President of the National Governors' Association of Japan and the President of the Japan Association of City Mayors be newly appointed as advisors for the Council for Promotion of Foreign Direct Investment, but also mechanisms for conveying information related to the promotion of direct investment in Japan to all local governments within the "Project for Creating a Regional Economy-Global Cycle" will be enhanced. The national government will use the Ministry of Internal Affairs and Communications' "Unified Survey System" to grasp the demands of local governments.

3. The investment promotion agency will form a team specializing in investment promotion, and it will not only provide assistance for "Investment Advisor Assignment System" consultations, but also find and support companies interested in investing in Japan, and create and enhance systems and functions for carrying out duties related to the matching of foreign companies and Japanese companies. At the same time, the

government will enable the investment promotion agency to share information and local governments' demands in the "Project for Creating a Regional Economy-Global Cycle" etc., thus accelerating the investment promotion agency's activities to promote inward direct investment in cooperation with local governments. Also, publicity activities will be carried out to publicize efforts to promote direct foreign investment in Japan, including the decisions of the Council for Promotion of Foreign Direct Investment.

4. The government makes it easy for foreign companies to establish subsidiaries in Japan. The representative's residence in Japan used to be required in setting up a new company, even if he/she was a foreigner. The ban was lifted on March 16, and foreign businesses now can set up subsidiaries without having representatives living in Japan.