

Strategy for Promoting Foreign Direct Investment in Japan

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Adopted by the Council for Promotion of
Foreign Direct Investment in Japan

I. Current Status and Basic Concept of Strategy

1. Current Status of Foreign Direct Investment in Japan

Foreign Direct Investment (FDI) in Japan contributes to the enhancement of the growth potential of the Japanese economy as a whole and the revitalization of regional economies by attracting high-quality human resources, technologies, and abundant funds from overseas, leading to the creation of innovation and the incorporation of the vitality of overseas economies into rural areas. In particular, in order to overcome the declining population in Japan and achieve robust growth, it is necessary to leverage FDI in Japan to boldly take in the vitality of foreign countries. It is therefore necessary to set bold targets and take drastic measures in order to dramatically increase FDI in Japan.

In 2013, the government set a target of "doubling the inward foreign direct investment stocks to 35 trillion yen by 2020" as a key performance indicator (KPI)¹, and in order to achieve the target, the government has been making efforts to expand FDI in Japan such as identifying and attracting companies that are interested in investment, improving the business environment and the living environment for foreign people working in Japan, and providing opportunities to find Japanese companies to collaborate with. The inward FDI stocks had been flat since the latter half of the 2000s, but have continued to increase since 2014, reaching 39.7 trillion yen as of the end of December 2020 (revised value)², thereby achieving the above target.

Meanwhile, the ratio of the inward FDI stocks to the GDP as of the end of December 2020 was 7.4%, which was remarkably low compared to the OECD average of 56.4% (2019)³.

Looking at the investment source of the inward FDI stocks by region in recent years, Europe has continued to hold the largest share (47%), but in recent years, the share of Asia has increased significantly, and is on track to overtake North America (North America: 28% as of the end of 2015 → 24% as of the end of 2020, Asia: 17% as of the end of 2015 → 23% as of the end of 2020). By industry, growth is highest in the finance and insurance industries, which have continued to grow in North America, Europe, and Asia. Growth is increasing also in the telecommunications, chemical, and pharmaceutical industries. It is necessary to continue to expand the fields in order to solve issues such as realization of an international financial city, promotion of digitalization, and improvement of healthcare. On the other hand, growth is significantly negative in the wholesale and retail trade as the population continues to decline.

¹ "Japan Revitalization Strategy" (Cabinet Decision, June 14, 2013)

² The Ministry of Finance and the Bank of Japan, "International Investment Position of Japan"

³ The average percentage of inward FDI to nominal GDP among OECD countries comes from "FDI stocks" in OECD Data. The percentage of Japan's inward FDI to GDP is calculated using "International Investment Position of Japan" of the Ministry of Finance and the Bank of Japan and "National Accounts of Japan" of the Cabinet Office.

Looking at investment destinations by prefecture, as of 2016, approximately 60% of foreign-affiliated companies in our country had their headquarters in Tokyo, Kanagawa, and Osaka⁴, indicating that investment is still concentrated in some metropolitan areas. Therefore, a future issue is to spread the FDI to rural areas and to thereby revitalize regional economies.

2. Basic Concept of Strategy

Due to the spread of the novel coronavirus infectious disease (hereafter referred to as "COVID-19"), there is a concern that the amount of international direct investment will decline⁵, but in order to realize sustainable growth, it is still important to attract global investment, human resources and technology, and it is necessary to continue to develop the environment for this purpose. Therefore, a new KPI by 2030 will be set, medium- and long-term strategies for promoting FDI in Japan to achieve it will be formulated, and all policies and efforts to promote FDI in Japan will be mobilized.

In addition, in considering the way FDI in Japan by 2030 should be, it is necessary to formulate strategies that take into account the changes toward the post-corona economic society such as digitalization and the realization of a green society, changes in global trends such as advancement of global decoupling and changes in global supply chains, and issues toward building a sustainable economic society including the declining birthrate and aging population.

In promoting FDI in Japan, it is important to increase the stocks (amount), but the increase itself is not the ultimate goal, and the most important thing is to contribute to economic growth and regional economic revitalization through productivity improvement. Under the situation where a declining population is unavoidable for the time being, in order to achieve sustainable growth of our country, it is essential to construct and expand a creative and dynamic "innovation ecosystem" by accepting funds and innovative technologies and know-how from overseas through "open innovation" which utilizes the strengths of technological and research and development capabilities. It is therefore necessary to accelerate the recruitment and development of highly-skilled human resources and the development of strategic business and living environments, as well as to create a "new flow toward rural areas" of people, technology, know-how and capital, and to link this with regional resources such as agricultural, forestry, and fishery products, tourism, etc., as a trigger for the formulation of autonomous regional revitalization power.

In particular, in order to achieve robust economic growth of our country in the future, it will be important to actively attract foreign investment and human resources with advanced technologies and know-how in growth fields such as digital and green, and to construct an ecosystem that generates strong innovation in our country. In addition, from the perspective of economic security, an urgent task is to construct a strong and sustainable supply chain including the securing of a domestic manufacturing base in cooperation with overseas companies in relation to important products and cutting-edge technology products such as semiconductors that are strategically important to our country. From this perspective, it is necessary for the government to continue to make maximum efforts to develop the domestic investment environment that will attract foreign investment and human resources while making

⁴ The Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, "Economic Census for Business Activity"

⁵ For example, UNCTAD estimates that global FDI will decline by up to 40% in 2020 and another 5-10% in 2021 due to the impact of the novel coronavirus (UNCTAD, "World Investment Report 2020").

the most of the human resources and research and development capabilities of companies and universities in our country and the potential of regional resources.

It is therefore necessary to comprehensively and integrally promote various policies by ministries and agencies to create innovation and revitalize regional economies, as well as policies to promote FDI in Japan.

Our country will lead the realization of free and fair investment and actively take in the vitality of overseas economies without falling into protectionism. In addition, based on "Data Free Flow with Trust (DFFT)" agreed at the G20 Osaka Summit, international rules will be developed to promote the free distribution of data by ensuring "Trust."

In doing so, all possible measures will be taken from the perspective of security, such as securing the close cooperation between the relevant government ministries and agencies and taking appropriate measures based on the Foreign Exchange and Foreign Trade Act in order to ensure that inward FDI does not harm our national security⁶. Based on this, the government will strategically promote FDI in Japan that will lead to the creation of innovation, such as cutting-edge digital investment and the revitalization of regional economies, thereby contributing to the economic development of our country.

This strategy has set the following three points as basic pillars based on the points above.

(1) Creation of a New Digital Green Market and Building of an Innovation Ecosystem

Under the situation where the competition is increasingly intense among countries to attract capital such as risk money and highly-skilled human resources, it is necessary to enhance the attractiveness of our country and companies in our country as investment destinations and collaboration partners from the perspective of the maturity of the ecosystem that creates new value in the fields of active innovation and growth markets.

Therefore, the technological and research and development capabilities of our country will be utilized to establish multiple bases for an internationally open and attractive innovation ecosystem, accept foreign funds and innovative technologies and know-how, and stimulate creative and dynamic innovation activities.

In particular, while the realization of a carbon neutral society by 2050 and digitalization such as the establishment of digital government and the promotion of DX in the private sector are strongly promoted as part of our national strategy, we actively accept foreign investment in research and development and manufacturing bases in strategic fields such as digital and green, promote the construction of resilient supply chains that secure domestic manufacturing bases for semiconductors and other important products that are strategically important from the perspective of economic security, and create new growth markets, which are utilized as "driving force" for future growth. In order to take in the ESG funds that are estimated to be 3000 trillion yen in total in the world, standards concerning sustainable finance will be developed and disclosure of climate-related financial information will be enhanced by revising the Corporate Governance Code, and the development of an international investment

⁶ Example measures include: (i) appropriate operation and enforcement of the Foreign Exchange and Foreign Trade Act from the perspective of appropriate responses to investments that may harm national security while further promoting FDI in Japan that leads to sound economic development, (ii) collection of relevant information for strengthening the prevention of technology outflow at universities, research institutes, enterprises, etc., from the perspective of securing and maintaining our country's technological superiority, and (iii) prevention of the land utilization that impairs the functions of important facilities (such as defense-related facilities) and remote islands at the border.

environment in the field of green finance such as the green bond market will be promoted. In this way, the development of a market environment will be accelerated in which a virtuous cycle of capital and growth is created, where foreign money such as ESG investments is directed to new markets in our country and joins our country's investment funds and risk money to become the driving force behind the creation of new industries, and their growth potential will attract new funds again.

With regard to the open business environment, strength of technology, and the future potential of markets in our country, FDI in Japan will be promoted by the government by actively transmitting and disseminating information including the utilization of top-level channels and overseas offices such as overseas diplomatic missions and JETRO.

(2) Acceleration of the Development of Business Environments in Response to Global Environmental Changes

In order to enhance our country's innovation and international competitiveness, it is essential to develop attractive business and living environments that will attract foreign capital and human resources by responding to global environmental changes and eliminating various "barriers and obstacles" that impede foreign investment in our country. In particular, with regard to the development of the financial business environment, the reforms to financial and capital markets that are as attractive as those in other countries and the development of an environment to attract highly-skilled foreign financial professionals will be strategically promoted, thereby realizing the construction of an international financial city open to the world. The development of an attractive business environment for global companies will also be promoted by revising the Corporate Governance Code and promoting the disclosure of corporate information in English.

The key to achieving strong growth in the future is the acceptance from overseas of diverse human resources with excellent ideas and skills to support it. From this perspective, the goals and a time base as concrete action plans will be specified and then the development of the living environments including business environment, education, and medical environment in our country will be accelerated. Specifically, for example, the introduction of online administrative procedures and administrative procedures in English in our country, which has lagged behind in terms of global standards, will be drastically furthered. Efforts to secure and develop global human resources in Japan as a country that accepts human resources will also be accelerated. In light of the impact of COVID-19, and while taking measures to prevent the spread of COVID-19, the smooth and appropriate acceptance of foreign nationals will be facilitated by promoting the acceptance and active participation of foreign highly-skilled professionals, conducting domestic and overseas examinations for specified skilled workers, and ensuring the proper operation of the Technical Intern Training program based on the "Comprehensive Measures for Acceptance and Coexistence of Foreign Nationals." At the same time, measures such as the creation of a community where foreign nationals can live comfortably and the promotion of online application procedures for status of residence will be enhanced.

(3) Development of an Investment Environment through Public-Private Partnerships Utilizing Regional Strengths

While the FDI destinations are concentrated in some metropolitan areas, there are a variety of regional resources in rural areas, such as attractive agricultural, forestry and fishery products, tourism resources, and numerous small and medium-sized enterprises with technological capabilities. By combining the strengths of each region with the human resources, technologies, know-how, and capital possessed by foreign companies, the startups and existing companies that create new products and services are encouraged to improve their productivity, and the ability of local communities to create added value will be enhanced, which will lead to the revitalization of local economies through job creation.

Therefore, the follow-up systems and support systems through public-private partnerships from a regional perspective will be enhanced and the development of the investment environment in the region will be accelerated through digitalization. Specifically, measures will be promoted comprehensively, such as the establishment of "key concepts" that will be the axes of attraction taking advantage of regional strengths such as green, digital, healthcare, etc., the establishment of the Project for Supporting Regional Brand Building that allocate specialized human resources and sophisticate attraction strategies, and the promotion of such projects in cooperation with the support for the formation of innovation ecosystem bases. In doing so, sufficient consideration will be given to prevent the outflow of technology and human resources of our country's middle-scale, small and medium-sized enterprises, and small-scale businesses that create high added value.

II. Specific Efforts

1. Creation of a New Digital Green Market and Building of an Innovation Ecosystem

An attractive innovation ecosystem that utilizes the technological and research and development capabilities of our country will be built and disseminated to the world, and new markets that are open to the world in such fields as green and cutting-edge digital will be created. Therefore, the following efforts will be made.

<Formation of international innovation ecosystem base cities>

(1) Create international innovation ecosystem cities that are internationally open, centered around the top universities in the region, and promote the accumulation of foreign startups, overseas human resources (teachers, researchers, entrepreneurs, etc.), and investors in a unified and integrated manner. [The Cabinet Office and the Ministry of Economy, Trade and Industry] <<8 cities by FY 2025 has been set as a target>>

- Comprehensively utilize the measures listed below from the "Startup Ecosystem Base Cities" to form international startup ecosystem base cities where interaction and innovation are constantly generated between startups and university-originated ventures in our country and promote the accumulation of foreign startups, overseas human resources (teachers, researchers, entrepreneurs, etc.)⁷, and investors.
 - Building of a startup ecosystem base that involves cities and universities to radically strengthen entrepreneurship and accelerator functions
 - "Program for Acceleration of Foreign Direct Investment in Japan," which supports the expansion of startups to global markets and the attraction of investment from large overseas companies and overseas venture capitals (VCs)
 - University Fund for Building World-Class Research Foundations (at a cost of 10 trillion yen/aiming to start operation in FY 2021)
 - Startup Company Development Support Program (J-Startup)
 - Support the utilization of incubation facilities where the environments necessary for startup companies have been developed (the efforts of Station F⁸ in France shall also be referred to)
 - Construction of a platform for corporate development that also utilizes former employees will be considered also with reference to the Silicon Valley model.
- The overseas bases of "Japan Innovation Bridge (J-Bridge)," which is a platform for promoting cooperation and M & A between Japanese companies and foreign companies

⁷ The purpose of the position of Coordinator for International Relations (CIR) of the Japan Exchange and Teaching Programme (JET Programme) implemented in cooperation with the Ministry of Internal Affairs and Communications, the Ministry of Foreign Affairs, the Ministry of Education, Culture, Sports, Science and Technology, and the Council of Local Authorities for International Relations (CLAIR) is to assist in international exchange-related affairs, and there are cases where the CIRs have also contributed to corporate invitation activities.

⁸ One of the world's largest incubation facilities that opened in central Paris in 2017 as part of the "French Tech," an initiative by the French government to support startup companies, including large companies and ones in rural areas. More than 1,000 startup companies are using it.

such as startups, will be expanded, foreign companies and startups will be introduced, business negotiations will be set up, and verification support will be provided to Japanese companies regarding the priority fields such as carbon neutral and mobility.

- In addition, initiatives that contribute to the creation and growth of startups, human resource development, and research and development under industry-academia collaboration will be promoted.

<Creation of an open and innovative new green market toward the achievement of carbon neutrality by 2050>

(2) Toward the achievement of carbon neutrality by 2050, an open research and development system will be established by utilizing the Green Innovation Fund and projects that can enhance incorporation of advanced technologies from overseas and conducting international joint research/demonstrations will be promoted by the Fund if spillover effects on the domestic economy are expected. [The Ministry of Economy, Trade and Industry] <<Acceptance of project funding applications started in April 2021>>

- With regard to priority areas such as electrification and the greening of electric power (such as next-generation storage battery technology), realization of a hydrogen society (technology to supply and use large quantities of hydrogen to decarbonize the thermal and electric power fields), and CO₂ fixation and reuse (such as carbon recycling utilizing CO₂ as raw material and fuel), continuous support will be provided for the ambitious research and development activities of companies that show commitments to specific target periods and targets, with a fund of 2 trillion yen over the next 10 years with the aims of early establishment and social implementation of innovative technologies in various fields such as electric power, manufacturing such as steel and chemistry, and transportation such as automobiles. In this context, if a spillover effect on the domestic economy is expected, the projects that can cooperate with foreign-affiliated companies, incorporate overseas advanced technologies, and implement international joint researches and demonstrations will be promoted.
- J-Bridge will be utilized to promote collaboration between Japanese companies and European and U.S. companies that have strengths in carbon neutral fields such as offshore wind power. In doing so, they will cooperate with local governments. In addition, taking advantage of opportunities such as the creation of rapidly advancing new markets in ASEAN and other countries, cooperation will be enhanced by promoting cooperation between local companies and Japanese companies that have technological capabilities related to decarbonization.
- In order to respond to the rapid increase in digital demand and data communications volume in the future, the locations of high-performance and low-power consumption data centers will be dispersed throughout Japan. In addition, the issues will be strategically considered also from the perspective of economic security in order to promote domestic investment in R & D bases for cutting-edge semiconductors and manufacturing technologies that will support the digitalization of economic society in our country and to establish a resilient supply chain that includes the securing of a domestic manufacturing foundation.

<Further development of the domestic investment environment in the digital and other fields also from the perspective of economic security>

(3) Under the situation where the measures such as support to strengthen resilience of the supply-chain, funds for post-5G and semiconductor technological innovation, and tax incentives to promote digital transformation investment are in progress, development of the investment environment will be further promoted, including support for demonstrations by foreign-affiliated companies, market research, and new investment in manufacturing facilities also from the perspective of economic security. [The Ministry of Economy, Trade and Industry]

- In view that the vulnerability of supply chains in our country has become apparent, such as disruptions in the supply of products whose production bases are highly concentrated in overseas areas due to the impact of COVID-19, support will be provided to strengthen the resilience of supply chains while analyzing the current state of supply chains in our country.
- Utilizing the funds for post-5G and semiconductor technological innovation, continuous efforts will be made to develop post-5G information and communications systems and advanced semiconductor technologies.
- In fields such as cutting-edge semiconductors that are strategically important for our country, resilient and sustainable supply chains will be built, including the securing of manufacturing bases in Japan in cooperation with overseas companies.
- In order to accelerate the digitalization of the economy, tax measures will be taken from FY 2021 to promote digital-related investment utilizing cloud technology necessary for realizing digital transformation (DX) and research and development investment related to software for providing services through the cloud.
- While these efforts are being promoted, even more attractive environments for investment, research and development, and corporate collaboration will be developed.

<Dissemination of information to the world>

(4) Taking advantage of opportunities such as the Japan Business Conference in which top management of foreign companies participate, held along with the Tokyo 2020 Olympic and Paralympic Games, and Web Summit Tokyo, one of the largest technology conferences in the world, continuous transmission and dissemination of information to other countries will be carried out by transmitting information to the world such as the open business environment of our country, strengths of technologies, and fascination of market potentials. [The Ministry of Economy, Trade and Industry and the Ministry of Foreign Affairs] <<Implemented since FY 2021>>

- Taking advantage of the opportunity of the London Olympics, the United Kingdom held a public relations event (The British Business Embassy) to promote direct investment in the United Kingdom and the overseas expansion of British companies. With reference to the efforts, the Japan Business Conference in which top management of foreign companies and relevant ministers of our country participate will be held along with the Tokyo 2020 Olympic and Paralympic Games in person or online also in our country, and the open business environment of our country and efforts toward "carbon neutrality by 2050" will be

transmitted actively to the world.

- "Web Summit," one of the world's largest technology conferences that is the place to promote promising startups in the countries of participants internationally and attract investment, will be held in Tokyo from 2022.
- Top sales will be conducted at the request of local government heads for particularly important investment matters such as large-scale investments in priority areas. At the same time, video messages from persons such as ministers will be produced and used for activities to attract foreign investment.
- Strengthen public relations through the Contact Point for Promotion of Foreign Direct Investment towards Japan operated by overseas diplomatic missions.

2. Acceleration of the Development of Business Environments in Response to Global Environmental Changes

Accelerate the development of business environments that respond to the changes in the global environment by taking measures such as acceptance of highly-skilled foreign human resources, reforms to attractive financial and capital markets, introduction of online administrative procedures, and multilingualization of procedures, life-related information, and laws and regulations.

<Realization of an international financial city>

(1) Environments will continue to be developed for accepting highly-skilled foreign professionals, and reforms to financial and capital markets that are as attractive as those in other countries and construction of environments to attract overseas businesses will be strategically promoted, thereby realizing an international financial city open to the world. [The Financial Services Agency and the Ministry of Justice] <<Implemented since FY 2021>>

- Efforts will be made aiming to make the country attractive as a place to do business using the financial industry, especially the asset management industry, as a breakthrough by taking advantage of our country's strengths, such as good public security and living environments, and personal financial assets of 1,900 trillion yen.
- Efforts will be made further to transmit and disseminate the information on tax measures (corporate, inheritance, and personal income taxes)⁹ to make it easier for overseas businesses and highly-skilled financial professionals to enter and conduct business in Japan.

⁹ Measures have been taken as follows: (i) with regard to corporate tax, for unlisted non-family companies mainly engaged in the investment management business, performance-based compensation of directors could be deductible under certain conditions; (ii) with regard to inheritance tax, for foreign persons living in Japan for purposes including working, regardless of the period of residence, if a foreign person living abroad or a foreign person staying in Japan for a short period of time becomes an heir, the foreign assets shall be exempt from taxation; and (iii) with regard to income tax, it has been clarified that carried interest should be subject to separate taxation (20% flat) as gains on share transfer in certain cases such as the profit distribution of the carried interest has economic rationality (carried interest is the profits distributed to a fund manager from a fund in which the manager has equity in excess of the investment ratio depending on the operation result).

- A system will be established under which investment managers of funds whose main clients are foreign professional investors can participate through simple procedures (filing notifications).
- With regard to the status of residence, convenience will be improved implementing special measures for granting a status of residence in order to enable foreign nationals to start businesses in Japan without returning to their home country after entering Japan on the “Temporary Visitor” status of residence, etc.

<Promotion of corporate governance reforms>

(2) Corporate governance reforms that assist increasing diversity within companies will be furthered. [The Financial Services Agency] <<Corporate Governance Code scheduled to be revised in June 2021>>

- The Corporate Governance Code will be revised, including requirements for increasing the ratio of independent outside directors at companies listed on the Prime Market to one third, and for presenting policies and voluntary and measurable goals for ensuring diversity in the promotion to core human resources, such as the promotion of women, foreign nationals and midcareer hires.

<Securing and development of global human resources>

(3) Assistant Language Teachers (ALTs) or staff fluent in English will be allocated to all 20,000 elementary schools in Japan. [The Ministry of Education, Culture, Sports, Science and Technology] <<Assigned to all elementary schools by FY 2022>>

- The goal of the new National Curriculum Standards is to develop the competencies to communicate through language activities, and the allocation of external human resources such as ALTs in elementary schools and staff fluent in English has been promoted. In order to further improve the environment for foreign language education in elementary schools and to develop human resources who can play active roles on the global stage, ALTs or external human resources fluent in English will be allocated to all elementary schools (About 20,000 schools).

(4) By the end of FY 2025, efforts will be made aiming to ensure that 50% of foreign students who have graduated or completed institutions of higher education in Japan (except students entering higher education in Japan) find employment in our country. [The Ministry of Internal Affairs and Communications, the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of Economy, Trade and Industry] <<Ensure that 50% of foreign students in our country find employment in Japan by the end of FY 2025>>

- The active participation of foreign students in the Japanese business world is one of the barometers which show both at home and abroad that Japanese society is a treasure house of diverse human resources and that Japan has advantages as a base of global business,

so it is important to actively promote this.

- As for the issue related to the employment of foreign students, some problems of companies have been pointed out by foreign students such as few job offers for foreign persons and students, unclear requirements for human resources sought by companies, and unclear job content after entering the company. On the other hand, some problems of foreign students have been pointed out by companies such as insufficient Japanese language proficiency, insufficient understanding of working styles in Japanese companies, and insufficient industry and corporate research.
- In order to address these issues, the following measures will be taken.
 - Expand the list of companies that are interested in employing highly-skilled foreign human resources including foreign students posted on "JETRO's Platform for Promotion of Active Participation by Highly-Skilled Foreign Professionals" (Companies Interested in Highly-Skilled Foreign Professionals) in collaboration with economic organizations.
 - In view that Japanese companies including foreign-affiliated companies have strong hiring needs for digital and engineering human resources, the acceptance of excellent foreign students who meet the corporate needs in our country will be promoted.
 - Support will be provided to enable companies in Japan to contact highly-skilled foreign human resources by expanding support for Japanese companies to establish endowed courses at overseas universities with the aim of supporting excellent foreign human resources to find employment in Japan.
 - Efforts will continue to be made based on the "Comprehensive Measures for Acceptance and Coexistence of Foreign Nationals (revised in FY 2020)"¹⁰.

(5) In order to solve the issue of securing human resources for foreign-affiliated companies advancing into Japan, exchange meetings between foreign students of major domestic universities, global human resources, and foreign-affiliated companies will be held and expanded. Expand opportunities to enable students to have specific images of working at foreign-affiliated companies through university courses in cooperation with foreign-affiliated companies. [The Ministry of Economy, Trade and Industry] <<Expanded to 10 universities in FY 2021>>

- Expand exchange meetings held by JETRO between foreign students of major domestic universities, global human resources, and foreign-affiliated companies. Expand opportunities to enable students including Japanese to have specific images of working at foreign-affiliated companies through university courses held by JETRO in cooperation with foreign-affiliated companies.

(6) Set learning goals to improve practical communication skills in English at junior high and high schools. [The Ministry of Education, Culture, Sports, Science and Technology] <<All junior high and high schools by the end of FY 2021>>

- Learning goals that will enable students to understand "what they will be able to do with

¹⁰ Decision of the Ministerial Conference on Acceptance and Coexistence of Foreign Nationals on July 14, 2020

English" will be set at all junior high and high schools in order to help students acquire practical communication skills in English.

<Promotion of online procedures and multilingualization>

(7) Promote the online procedures for corporate incorporation (application for registration for incorporation of corporation) and support in English. [The Ministry of Justice and the Ministry of Health, Labour and Welfare]

- In principle, support should be provided also in English from the time of the next renovation for the systems related to incorporation of corporation, taking into account cost effectiveness.
- For the procedures related to incorporation of corporation,
 - (i) guidebooks for applications in English and sample forms will be prepared by the end of FY 2021.
 - (ii) For online application procedures, consideration and determination will be made on adding an automatic translation system to the registration information system used in the procedures for applying for incorporation registration by the end of FY 2021.

Moreover, in cooperation with professional experts who offer services to execute procedures, it will be possible to smoothly submit the applications for incorporation to the Labour Standards Inspection Office, Hello Work, and the Pension Office after the application for registration is filed.

(8) Consider the facilitation and acceleration of the procedures for application for status of residence by newly incorporated corporations. [The Ministry of Economy, Trade and Industry and the Ministry of Justice]

- The following points will be considered in light of the opinions of local governments and companies.

From the perspective of facilitation and acceleration of the entry procedures for foreign nationals who start up new businesses in Japan, the procedures for application for status of residence by newly incorporated corporations will be added to subjects to be made available online through the use of services such as gBizID.

(9) The "Japanese Law Translation Project" will be promoted, which will set the goals for translation of new laws and regulations, prioritize them according to the needs of foreign investors, and accelerate the translation by utilizing machine translation. [The Ministry of Justice] <<At least 600 new English translations of laws and regulations will be published by FY 2025. In addition, efforts will be made aiming to publish 400 more translations of laws and regulations (1,000 pieces in total) depending on the advancement in translation technology.>>

- More than 500 translations of laws and regulations were published over the five years from FY 2016 to FY 2020, and at least 100 more translations of laws and regulations will be published over the next five years. Efforts will be made aiming to publish even more translations of laws and regulations (1,000 pieces in total) depending on the advancement in translation technology.

(10) The Digital Invest Japan Business Support Center (Digital IBSC) will provide one-stop access to information related to company establishment and provide consultations in English and online. Access to corporate and policy support information on the Investing in Japan website will also be improved from the viewpoint of users. [The Ministry of Economy, Trade and Industry] <<Implemented since FY 2021>>

- The "Digital Invest Japan Business Support Center (Digital IBSC)" which provides consultations online and in English on investment matters such as company establishment, labor relations, and residence status was established in JETRO in February 2021 (also available from abroad), and the utilization will be further promoted, including the provision of information on regulations as well as investment procedures.
- With regard to the Investing in Japan website, convenience will be improved from the viewpoint of users by creating videos explaining investment-related procedures in Japanese and English, providing two-click access to information (make the information you want accessible with two clicks), and introducing chatbots in Japanese and English.
- JETRO will support local governments in providing information to foreign companies when they establish one-stop centers to provide support related to startups. At the time of establishment, reference should be made to the efforts of Fukuoka City Opening One-Stop Center where experts such as certified administrative procedures legal specialists support the online procedures for registration, tax affairs, social insurance, etc.

<Realization of a comfortable environment for foreign nationals to live in>

(11) Efforts will be made to increase the number of medical institutions where services can be provided in foreign languages and to develop a medical environment that is easy for foreign nationals to use. [The Ministry of Health, Labour and Welfare] <<More than 1,000 hospitals where services can be provided in multiple languages will be secured by FY 2025>>

- With regard to the system for accepting foreign patients at medical institutions, the number of medical institutions where services can be provided in multiple languages will be increased, manuals for the smooth acceptance of foreign patients will be disseminated, and medical environments will be developed that are easy for foreign nationals to use.

(12) The educational environment for foreign students will be improved by allowing all elementary and junior high school children who require Japanese language support to receive it. [The Ministry of Education, Culture, Sports, Science and Technology] <<Make instructions in Japanese available to all students who need them by FY 2022>>

- The target was set that Japanese language support would be available to all elementary and junior high school children who require it by FY 2020 (available to approx. 80% as of FY 2014)¹¹, but the ratio as of FY 2018 remained approx. 80% due to changes in the environment such as an unexpected increase in the number of foreign students and the diversified mother tongues of foreign national students.

¹¹ Follow-up items of the Policy Package for Promoting Foreign Direct Investment into Japan to Make Japan a Global Hub (adopted by the Council for Promotion of Foreign Direct Investment in Japan on May 20, 2016)

- Efforts will be made toward the achievement of the targets by systematically taking necessary measures to cope with such environmental changes.

(13) Provide consultation support for employment management to the employers who employ foreign nationals and a multilingual consultation support system for foreign job seekers at Hello Work. [The Ministry of Health, Labour and Welfare] <<Continuously implemented since FY 2020>>

- At Hello Work, systems will be promoted through the allocation of human resources such as professional consultants and interpreters in order to provide consultation support for employment management to the employers who employ foreign nationals and consultation support for foreign job seekers, and multilingual information dissemination systems will be promoted in order to promptly and accurately provide employment information to foreign workers. In particular, the system of vocational consultation desks will be promoted by continuously allocating interpreters for consultations for foreign job seekers who have been forced to leave their jobs.

(14) Enhancement of functions will be considered so that reception of requests from foreign-affiliated companies on regulations and administrative procedures (at IBSC in JETRO) will lead to concrete institutional reforms. [The Cabinet Office and the Ministry of Economy, Trade and Industry] <<Considered in FY 2021>>

- The Invest Japan Business Support Center (IBSC) in JETRO will be positioned as an integrated window for receiving requests concerning regulations and systems as well as various consultations on living matters from foreign and foreign-affiliated companies in multiple languages, and operated in an integral manner with functions such as "Invest Japan Hotline" (requests for regulatory reforms from foreign-affiliated companies to JETRO are connected to relevant ministries and agencies) and "COVID-19 Helpline" (consultations related to COVID-19).
- In light of operation conditions of the existing "Invest Japan Hotline" and "The Office of INVEST JAPAN" (window for relevant ministries and agencies), the Ministry of Economy, Trade and Industry and JETRO will sort out the current situation and issues concerning the enhancement of the function of receiving requests from foreign-affiliated companies regarding regulations and administrative procedures. Then, the measures to enhance the functions of IBSC will be considered in FY 2021 so that it will lead to the effective use of relevant existing systems such as the National Strategic Special Zones and the Regulatory Reform Promotion Council in cooperation with relevant ministries and agencies, as necessary.
- In addition, support will be provided for foreign-affiliated companies to use the System to Remove Gray Zone Areas to confirm whether or not regulations are applied in advance, by disseminating and promoting the use of the system.

(15) The "Investment Advisor Assignment System" is utilized in which State Ministers provide consultation to foreign companies that make important investments in Japan. [The Cabinet Office, the Ministry of Economy, Trade and Industry, the Ministry of Health, Labour and Welfare, and the Ministry of Foreign Affairs] <<Implemented since FY 2021>>

- The "Investment Advisor Assignment System"¹² will continue to be used in which State Ministers etc. are assigned for the purpose of establishing a system that helps foreign companies that have made important investments in Japan to consult with the Japanese government. Based on the size of foreign companies and the amount of investment, top-down and prompt measures will be taken, such as response at the ministerial level.

(16) Information dissemination will be enhanced that contributes to the livelihood and business setup of foreign nationals, including bank accounts, real estate, hospitals, and schools (including international schools). [The Ministry of Economy, Trade and Industry, the Ministry of Education, Culture, Sports, Science and Technology, and the Financial Services Agency] <<Implemented since FY 2021>>

- The number of institutions posted on the JETRO website will be further increased to provide information that contributes to daily lives and business setup, such as banks where account opening procedures can be completed in English, real estate brokers, certified public accountants, labor and social security attorneys, interpretation companies, and consulting companies that can provide services in English, in major regions of Japan.
- Strengthen the dissemination of information on international schools and consider countermeasures against issues obtained through surveys.

In addition, institutional reforms that will contribute to the development of the domestic investment environment, such as facilitation of labor transfer to new fields, will be considered and implemented.

3. Development of an Investment Environment through Public-Private Partnerships Utilizing Regional Strengths

The development of an investment environment that takes advantage of regional strengths will be accelerated through digitalization, and a follow-up system through public-private partnerships from a regional perspective will be established.

<Enhancement of the regional investment follow-up system>

(1) The current framework of the "Block Council for Promotion of Foreign Direct Investment in Japan" which consists only of national and local governments will be expanded, and a new forum will be established to discuss measures to promote FDI in Japan with the participation of local economic organizations, financial institutions, and accelerators. [The Ministry of Economy, Trade and Industry] <<Implemented since FY 2021 (the frequency

¹² Decision of the Task Force for Promotion of Foreign Direct Investment in Japan on January 7, 2016

of meetings is determined in accordance with requests from local governments)>>

- In the past, the Block Council for Promotion of Foreign Direct Investment in Japan was limited to the sharing of information on measures related to FDI in Japan between the national and local governments, but the Council will expand its framework to include the participation of the national and local governments, as well as regional economic organizations, financial institutions, VCs, accelerators, etc., and establish a new forum for bringing together various knowledge and discussing measures to promote FDI in Japan based on the needs of the region.

<Support for enhancement of regional branding>

(2) The "key concepts" which are the axes of attraction of the region will be considered from the viewpoint of foreign companies and the "Project for Supporting Regional Brand Building" will be implemented to sophisticate the key concepts and attraction strategies with advice from consulting companies. [The Ministry of Economy, Trade and Industry] <<Established and implemented since FY 2021>>

- (i) JETRO will secure consulting companies and check "whether they are attractive targets" and "whether the public relations method can fully convey the attraction" from the viewpoint of foreign companies. (ii) Based on advice from consulting companies, the key concepts¹³ of local governments will be determined and attraction strategies will be refined, including strategy fields (green, digital, healthcare, etc.) and the countries and regions to accept. (iii) Based on the attraction strategies, JETRO will work with local governments to publicize key concepts and draw attention of foreign and foreign-affiliated companies to the region.
- In doing so, a coordinator assigned by JETRO to the region to attract foreign companies will support it.

<Implementation of intensive and medium- to long-term support>

(3) The "Regional Business Conference (RBC) Projects" will be implemented over multiple fiscal years while using the "key concepts" of the Project for Supporting Regional Brand Building and enhancing the matching between foreign and foreign-affiliated companies, and local governments and local companies. [The Ministry of Economy, Trade and Industry] <<Implemented since FY 2021>>

- Based on the results of online matching between the applicant local governments, and foreign and foreign-affiliated companies on the themes (such as health tech) set in consideration of the needs of both the government and foreign and foreign-affiliated companies, programs to invite and inspect foreign and foreign-affiliated companies which are expected to cooperate in the target domestic cities and establish bases in the future will be implemented, as will business negotiations between domestic and foreign companies. Moreover, 11 projects were implemented from FY 2018 to FY 2020, in which 126 foreign and foreign-affiliated companies participated. 28 of them are still discussing matters toward establishment of bases and cooperation and collaboration.

¹³ For example, "resistance to disaster," "resistance to COVID-19," "rich tourism resources," etc.

- In implementing the RBC projects, in order to more effectively promote each region, the key concepts of local governments formulated by the Project for Supporting Regional Brand Building will be utilized by inputting them to participating foreign and foreign-affiliated companies, etc.

(4) For priority municipalities that have clearly defined their attraction strategies and have reached the stage of implementing their attraction activities, support will continue to be provided in an intensive and prioritized manner, including attraction promotion both in Japan and overseas. [The Ministry of Economy, Trade and Industry] <<Implemented in FY 2021>>

- Attraction activities of 30 municipalities¹⁴ have been supported as participating municipalities in the "Support Program for the FDI in the regions of Japan."
- In addition to continuous implementation of training aimed at improving the skills of local government employees involved in attraction activities, the basis for attraction of local governments will be strengthened through activities such as the Project for Supporting Regional Brand Building. Moreover, intensive support will be provided for RBC projects and attraction promotions at home and abroad for local governments that have reached the stage of implementing the attraction activities. Furthermore, the results of the efforts will be transmitted widely and efforts to accept FDI in each region of Japan will be encouraged.

(5) JETRO will follow investment projects by foreign companies in the regions and use information obtained from surveys of foreign-affiliated companies to grasp the status of investment in Japan including in the regions. [The Ministry of Economy, Trade and Industry] <<Implemented since FY 2021>>

- In order to promptly grasp the status of FDI in the regions of Japan, questionnaire surveys of foreign-affiliated companies will be periodically conducted.

<Enhancement of innovation co-creation between domestic universities and foreign and foreign-affiliated companies>

(6) The functions will be enhanced in cooperation with J-Bridge etc., for the "Global Open Innovation Enhancement Project" that supports the matching between the seeds of technologies and research results of domestic universities and university-originated ventures, and the foreign and foreign-affiliated companies and overseas universities that expect cooperation and collaboration with Japanese companies and universities. [The Ministry of Economy, Trade and Industry] <<In collaboration since FY 2021>>

¹⁴ Hokkaido, Asahikawa Regional Industrial Development Council, Sapporo City in Hokkaido, Miyagi Prefecture, Sendai City in Miyagi Prefecture, Fukushima Prefecture, Ibaraki Prefecture, Tsukuba City in Ibaraki Prefecture, Chiba Prefecture, Kanagawa Prefecture, Yokohama City in Kanagawa Prefecture, Komoro City in Nagano Prefecture, Aichi Prefecture, Nagoya City in Aichi Prefecture, Mie Prefecture, Matsusaka City in Mie Prefecture, Iga City in Mie Prefecture, Kyoto Prefecture, Kyoto City in Kyoto Prefecture, Osaka City in Osaka Prefecture, Kobe City in Hyogo Prefecture, Wakayama Prefecture, Higashihiroshima City in Hiroshima Prefecture, Fukuoka Prefecture, Kitakyushu City in Fukuoka Prefecture, Fukuoka City in Fukuoka Prefecture, Kurume City in Fukuoka Prefecture, Karatsu City in Saga Prefecture, Kumamoto Prefecture, Okinawa Prefecture

- In order to enhance the cooperation and collaboration between foreign and foreign-affiliated companies and overseas universities with domestic universities as the bases, domestic universities and JETRO collaborate closely, in cooperation with J-Bridge etc., to enhance the functions of the "Global Open Innovation Enhancement Project" that supports the matching between the seeds of various technologies and research results of domestic universities and university-originated ventures, and foreign-affiliated companies and universities that expect cooperation and collaboration with Japanese companies and universities.

<Development of teleworking and digital environments>

(7) The establishment of "new normal" will be promoted by promoting telework that contributes to regional revitalization, workation, and two-area residence such as the development and operation of facilities including satellite offices and by developing digital environments in rural areas, which will accelerate the efforts of local governments to create new flows of people to rural areas and rectify the overconcentration of people in Tokyo. In addition, measures such as telemedicine will be utilized to improve the rural medical environment. [The Cabinet Office, the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Internal Affairs and Communications, and the Ministry of Health, Labour and Welfare] <<Implementation in full-scale since FY 2021>>

- Support will be provided for the development of satellite offices through the utilization of Regional Revitalization Telework Grants, fiscal investment and loans, and subsidies.
- Subsidies will be provided through prefectures for the development of computer equipment and communication devices necessary for the implementation of telemedicine (telepathology, diagnosis and consultation by remote imaging, and telemedicine for patients at home).

(8) The implementation of Smart Cities, FDI in Japan through National Strategic Special Zones, and development of business environments will be promoted. [The Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Economy, Trade and Industry, and the Ministry of Land, Infrastructure, Transport and Tourism] <<The number of Smart Cities implemented (the number of local governments and regional organizations that implement technologies and coordinate and connect data between fields: approximately 100 (2025)>>

- The development of business environments that facilitate the utilization of new technologies such as ICT will be accelerated from the perspective of promoting innovation.
- In addition to building Data Linkage Platform in Super Cities, the implementation of Smart Cities as the core of wide-area and multi district cooperation will be further promoted through public-private partnership.
- The development of the Smart City Security Guideline prepared in 2020 will be promoted, and security guarantees for Smart City construction will be supported.
- The utilization of international standards related to Smart Cities will be promoted in cooperation with domestic and international standards experts.

- The regulatory reforms through the National Strategic Special Zones will continue to be promoted, and the environment for accepting the FDI in Japan will be developed.

<Support for utilization of tourism resources and revitalization of inbound tourism>

(9) Support will be provided for efforts to develop the reception environment for accommodation facilities and public transportation, infrastructure will be developed toward the recovery of tourism demand after the impact of COVID-19, and leading-edge technologies such as electronic gates for customs procedures will be introduced and expanded to realize prompt and smooth customs clearance for foreign visitors. <<Implemented in full-scale since FY 2021>> The development of international MICE business and trips of foreign visitors to Japan in response to long-term stays will be promoted through the development of IR. [The Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of Finance]

- Countermeasures against COVID-19 in accommodation facilities and public transportation will be promoted, efforts to develop reception environments in accommodation facilities and public transportation will be supported, demonstration projects to accept tourists on a trial basis from countries and regions where the infection has calmed down will be implemented, and a basis for taking measures to recover tourism demand will be developed.
- In response to foreign visitors who are expected to gradually recover, cutting-edge technologies such as the introduction and expansion of electronic gates in customs procedures will be utilized to realize non-contact and more stress-free travel and support economic activities while taking countermeasures against COVID-19.

<Promotion of collaboration and M & A with overseas startups in the field of agriculture>

(10) Matching events will be held between Japanese agricultural workers or Japanese companies related to the fields such as agricultural machinery and overseas startups, research institutes, and universities in the fields such as agri tech and food tech. [The Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry] <<Implemented since FY 2021>>>

- In order to improve productivity through the promotion of transformation such as DX of agriculture in our country, J-Bridge will be used to hold matching events between representatives of overseas companies and universities and domestic companies related to the fields such as leading agricultural machinery.
- For promising collaborative projects that have been developed through industry-academia-government collaborative efforts for open innovation (Field for Knowledge Integration and Innovation) and international exhibitions, measures to utilize them in domestic agricultural fields will be considered.

<Attraction of foreign and foreign-affiliated companies to Fukushima Prefecture>

(11) In order to attract investment from foreign and foreign-affiliated companies by making use of the various preferential measures in Fukushima Prefecture, the formulation of attraction strategies for the formation of concrete projects will be considered in the "Liaison Conference on the Promotion of Fukushima Reconstruction and the Attraction of Overseas Companies" in cooperation with relevant organizations related to attraction of overseas companies such as JETRO, and attraction systems will be developed and events will be held. [The Reconstruction Agency] <<Implemented since FY 2021>>

- In certain areas of Fukushima Prefecture, a variety of preferential measures have been taken that are not available elsewhere, but the measures are not fully recognized by foreign and foreign-affiliated companies.
- Therefore, the formulation of attraction strategies for the formation of concrete projects will be considered in the "Liaison Conference on the Promotion of Fukushima Reconstruction and the Attraction of Overseas Companies" established with JETRO and other relevant organizations involved in attracting overseas companies as members. In addition, based on the strategies in cooperation with the relevant organizations, the measures will be disseminated to foreign companies, and foreign and foreign-affiliated companies will be invited to Fukushima Prefecture to hold matching events.

III. Policy target (Key Performance Indicator) and auxiliary indicators

As mentioned in Chapter I. (Current Status and Basic Concept of Strategy), it is necessary to continue promoting FDI in Japan from the perspective of enhancing the growth potential of the Japanese economy as a whole and revitalizing regional economies. Therefore, a new policy target (KPI) to be achieved by 2030 will be set.

Furthermore, in promoting FDI in Japan, it is important that foreign investment in Japan leads to the creation of innovation and the revitalization of regional economies, not only setting the stocks as an ultimate goal. In light of this, in addition to the KPI, indicators to show the extent of FDI in Japan to the regions and auxiliary indicators to show the uptake of sources of innovation will be set, which will also be followed up.

1. Policy target (KPI)

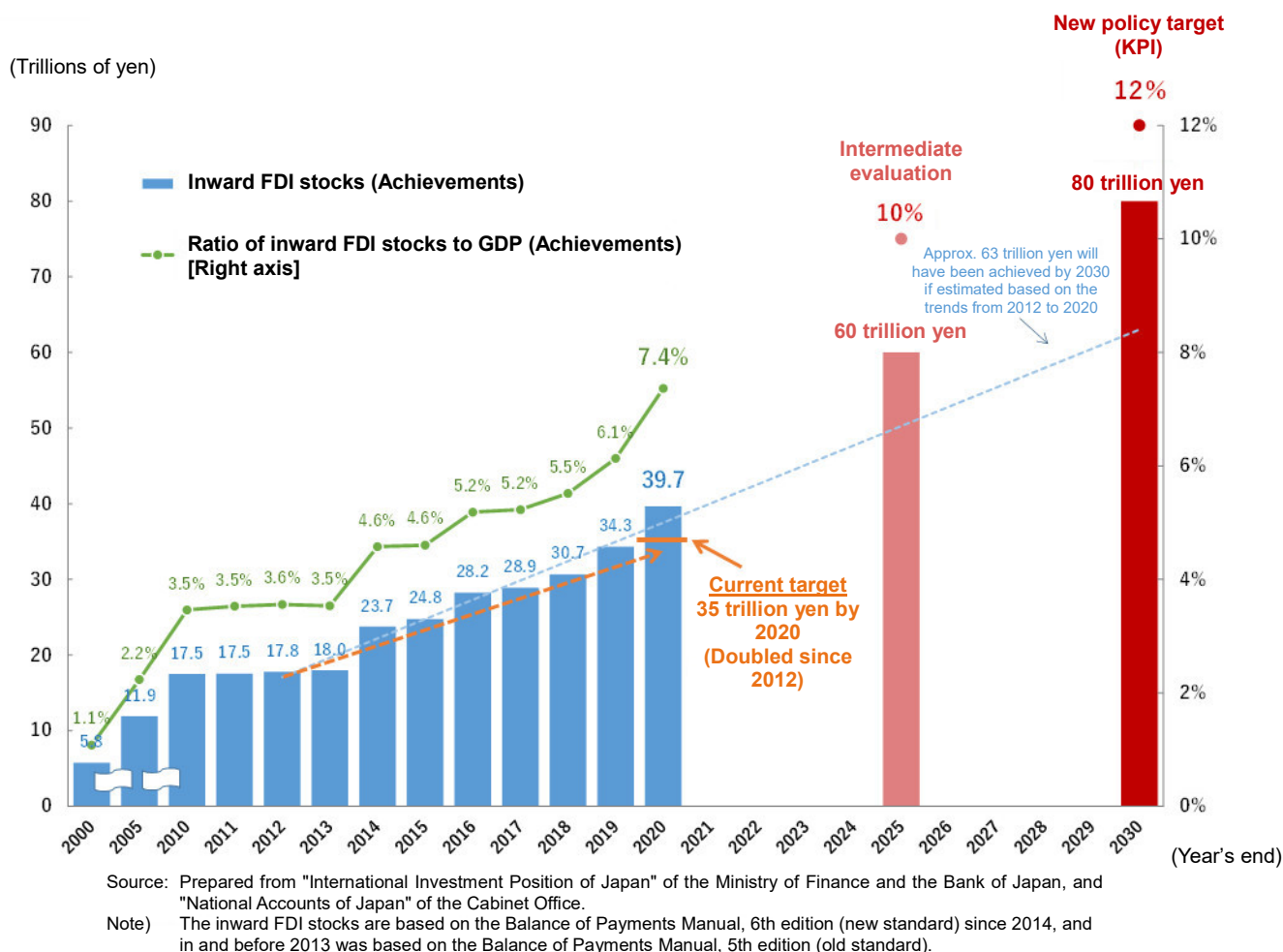
Aim to double the inward foreign direct investment stocks to 80 trillion yen by 2030 and reach 12% of GDP. (The Ministry of Finance and the Bank of Japan, "Balance of Payments")

The inward FDI stocks, which show the trend of FDI in Japan as a whole, will be set as a KPI. The KPI to "double the inward foreign direct investment stocks to 35 trillion yen by 2020" set in 2013 has been achieved, and without losing the momentum, "Aim to double the inward foreign direct investment stocks to 80 trillion yen by 2030 and reach 12% of GDP " will be set as a target by 2030, and efforts will be made to further expand FDI in Japan also in the next 10 years. In doing so, "60 trillion yen and 10% of GDP" by 2025 will be set as milestones, and an interim evaluation will be implemented at an appropriate time to enhance its effectiveness.

In addition, as mentioned in Chapter I, in order to overcome the declining population in Japan and achieve robust growth, it is necessary to leverage the FDI in Japan to boldly take in the vitality of foreign countries, such as superior human resources and ample funds. From this perspective, necessary efforts will have to be advanced without clinging to precedents in order to achieve as high a level as possible while bearing in mind the levels of the United States and Europe.

In doing so, all possible measures will be taken from the perspective of security, such as securing close cooperation between the relevant government ministries and agencies and taking appropriate measures based on the Foreign Exchange and Foreign Trade Act in order to ensure that the FDI in Japan does not harm our national security.

The targets of the inward FDI stocks and the ratio to GDP



2. Auxiliary indicators

Auxiliary indicators will be set in order to grasp FDI in Japan not only from the perspective of stocks that is a quantitative expansion but also from multifaceted perspectives such as regional economies and innovation, and their status will be followed up.

<Macro>

- (1) The added values of foreign-affiliated companies [The Ministry of Economy, Trade and Industry, "Basic Survey of Japanese Business Structure and Activities"]

The economic values produced by foreign-affiliated companies are estimated from the added values¹⁵ as one of the economic effects of FDI in Japan. The inward FDI stocks set as a KPI shows the degree to which foreign companies and foreign-affiliated companies have started or expanded their business in Japan, and does not grasp the results of their business

¹⁵ Added value = Operating profit + Total salaries+ Depreciation expenses + Welfare expenses + Rent for personal and real estate + Taxes and public dues

activities. Therefore, the added value that is the result of business activities shall be grasped.

The added values of foreign-affiliated companies are measured every year in the "Basic Survey of Japanese Business Structure and Activities" published by the Ministry of Economy, Trade and Industry, and the added value was 12.9 trillion yen in FY 2012, which increased to 17.0 trillion yen in FY 2018. 34 trillion yen will be set as a target by FY 2030, and the situation will be followed up.

However, it should be noted that the target industries are limited and the companies are limited to entities with 50 or more employees and capital or investment of 30 million yen or more, making it difficult to grasp the trends such as startups.

<Region>

- (2) Number of foreign-affiliated companies (by prefecture) [The Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, "Economic Census"]

The expansion situations of foreign-affiliated companies into each region will be grasped by referring to the number of foreign-affiliated companies by prefecture. As mentioned above, FDI in Japan by prefecture is concentrated in some metropolitan areas, with Tokyo accounting for 42.9% (as of 2016), which is outstanding. Therefore, the number and proportion of foreign-affiliated companies in prefectures other than Tokyo will be focused on from the perspective of regional expansion. 10,000 companies (2.4 times the 4,262 companies in 2016) in prefectures other than Tokyo will be set as a target by 2026, and the situation will be followed up.

In addition, questionnaire surveys will be periodically conducted with foreign-affiliated companies in order to grasp the status of FDI in the regions of Japan, because the "Economic Census" survey is conducted once every five years (the latest survey was conducted in 2016 and the next one will be conducted in 2021) and because there are data limitations that the locations of the head offices of foreign-affiliated companies are covered and the statuses of regional businesses are not reflected.

<Innovation>

- (3) The number of human resources with managerial or administrative skills entering Japan from overseas [The Ministry of Justice, "Statistics on Legal Migrants"]

One of the purposes of promoting the FDI in Japan is to attract highly-skilled global human resources and strengthen the innovation and international competitiveness of our country. Attracting highly-skilled foreign human resources to Japan is important in terms of capturing the source of innovation from overseas. Therefore, while keeping in mind the data limitations that highly-skilled foreign workers do not necessarily work for foreign-affiliated companies, the number of human resources with managerial or administrative skills (Including highly-skilled professionals (Points-based System for Highly-Skilled Foreign Professionals)) entering Japan from overseas will be followed up as an auxiliary indicator. The number of human resources with managerial or administrative skills entering Japan from overseas was approx. 70,000 as of 2016, and increased to approx. 95,000 as of 2019. 200,000 people will be set as a target by 2030, and the situation will be followed up.

Auxiliary indicators and targets

Macro	Added values of foreign-affiliated companies *1	Grasp the results of business activities	17 trillion yen in FY 2018	34 trillion yen (doubled) 2030
Region	Number of foreign-affiliated companies (in prefectures other than Tokyo) *2	Grasp the situations of the expansion into rural areas and the relaxation of concentration in Tokyo	4,262 companies in 2016	10,000 companies (more than doubled) 2026
Innovation	Number of human resources with managerial or administrative skills entering Japan from overseas *3	Grasp the situation of acceptance of innovators	95,000 people in 2019	200,000 people (doubled) 2030

*1 The Ministry of Economy, Trade and Industry, "Basic Survey of Japanese Business Structure and Activities"

*2 The Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, "Economic Census for Business Activity"

*3 The Ministry of Justice, "Statistics on Legal Migrants"

<Other>

The possibility of using the data in the "Basic Survey of Japanese Business Structure and Activities" will be examined for the amount of R & D investment by foreign-affiliated companies. In addition, the possibility of using the indicators will be examined from various perspectives, such as data showing precedence.