Program for Promotion of Foreign Direct Investment in Japan (2026)

Decision by the Council for Promotion of Foreign Direct Investment in Japan on July 2, 2026

1. Background

Foreign direct investment (FDI) in Japan will contribute to the sustainable growth of the Japanese economy, through attracting high standard business know-how, technology and human resources from overseas and creating innovation.

"Program for Promotion of Foreign Direct Investment in Japan 2025"[1] formulated last year (hereinafter referred to as the "Program 2025") set the target of increasing the FDI balance in Japan to 120 trillion yen in 2030 and to 150 trillion yen in the early 2030s. This target has also been incorporated into the "Basic Policies for Economic and Fiscal Management and Reform 2025,"[2] and relevant ministries and agencies have worked in close collaboration to advance the relevant measures toward its realization.

The balance of FDI in Japan as of the end of 2025 reached approximately 58.6 trillion yen, marking an increase of about 5.1 trillion yen from the end of the previous year. While there has been an accelerating trend in t the FDI balance increase in Japan, further efforts are required to achieve the target. This year's "Task Force for Attracting Human Resources and Capital from Abroad"[3] (hereinafter referred to as the “Task Force”) reviewed the progress in the relevant measures and worked on a framework for revising the Program 2025. This Program has been formulated, based on the Task Force’s work and related policy measures of the government.

It is pointed out that foreign companies would not invest where Japanese companies do not in Japan. In leveraging domestic investment, which remains overwhelmingly insufficient, to achieve a strong growth of the Japanese economy, the government aims to build an economy that can win the trust of global investors, thereby creating a virtuous cycle with foreign capital flowing in. in realizing a strong Japanese economy and revitalizing its regional

[1] Decision of the FDI Promotion Council on June 2, 2025.
[2] Cabinet Decision on June 13, 2025.
[3] The Task Force is presided over by the State Minister of the Cabinet Office (Economic and Fiscal Policy). The members are State Minister of the Cabinet Office in charge of strategy for the future of regions, State Minister of the Cabinet Office in charge of regional development, State Minister of the Cabinet Office in charge of regulatory reform, State Minister of Internal Affairs and Communications, State Minister for Foreign Affairs, and State Minister of Economy, Trade and Industry.

economies through the formation of industrial clusters, guided by initiatives such as the "Japan's Growth Strategy" and the "Strategy for the Future of Regions", leveraging foreign capital in collaboration with local governments, based on the unique strengths and needs of respective regions, also constitutes a viable option,.

There is no "magic bullet" for expanding FDI in Japan. It is necessary to continue addressing issues raised by foreign companies, such as the business environment, including administrative procedures and communication in foreign languages, as well as the challenges in securing human resources, as often highlighted in recent years. A geopolitical stability has been recently mentioned as a merit in investing in Japan. It is necessary to continue exploring further investment merits of Japan, while analyzing the latest trends in foreign companies' interests and addressing the need for ensuring economic security and resilience. It is important to mobilize all relevant measures and consistently work on them in close collaboration among relevant ministries and agencies for the expansion of FDI in Japan.

In this Program, KPIs and specific timelines will be established for each measure as much as possible. As such, the listed measures will be constantly improved or deepened, based upon a close monitoring of the FDI trends in Japan and the progress in respective measures .

2. Specific Initiatives

Building on the implementation of the "Program 2025" and the progress of new related measures, measures will be advanced in the following five areas: (1) Promoting New and Follow-on Investments, (2) Improving Investment Environment, (3) Improving Business and Living Environment, (4) Securing High-Skilled Human Resources Who Support FDI Business in Japan, and (5) Reinforcing Public Relations and Promotion Activities.

(1) Promoting New and Follow-on Investments

To date, various forms of support and the development of related infrastructure have been advanced in the three strategic sectors for promoting FDI in Japan (DX, GX, Life Sciences). In light of the "Japan's Growth Strategy" and the "Strategy for the Future of Regions," the government will expand the scope of target sectors and implement measures in each of them to attract investment that would contribute to realizing a strong Japanese economy and revitalizing its regional economies. The government will support the initiatives by local governments to attract investment with clear objectives that contribute to the development of industrial clusters, taking into account the strengths and characteristics of each region.

1) Attracting and Promoting Investment in Industrial Clusters in sectors such as AI and Semiconductors, Quantum technologies, Synthetic biology and Biotechnology, Natural resources and energy security, and GX, Drug discovery and Advanced medical care, Information and Telecommunications, and other sectors that are expected to grow and contribute to building strong regional economies.

(AI and Semiconductors)

・Utilization of AI and Semiconductor Industry Foundation Strengthening Framework. [Ministry of Economy, Trade and Industry]

・Focused support for entry of foreign semiconductor companies into Japan. [4][Ministry of Economy, Trade and Industry]

(Quantum technologies)

・Promoting the social implementation of Quantum Key Distribution(QKD). [Ministry of Internal Affairs and Communications]

・Expansion of the testbed centered on G-QuAT of the National Institute of Advanced Industrial Science and Technology (AIST). [Ministry of Economy, Trade and Industry]

(Synthetic biology and Biotechnology)

・Advancement of biomanufacturing technology platforms. [Ministry of Economy, Trade and Industry]

・Promoting the development of innovative manufacturing platform technologies by startups for research and development in Japan and the manufacturing of products such as biopharmaceuticals and regenerative medicine products. [Ministry of Economy, Trade and Industry]

・Establishment of domestic manufacturing facilities by manufacturing organizations (including CDMOs (Contract Development and Manufacturing Organizations)). [Ministry of Economy, Trade and Industry]

・Establishment of manufacturing facilities for biosimilars. [Ministry of Health, Labour and Welfare]

(Natural resources and energy security, and GX)

[4] Through the Kyushu Regional Headquarters for Semiconductor and Related Industry Investment Promotion, established within JETRO Fukuoka in September 2025, the government will collaborate with local governments to assist foreign companies interested in investing by identifying optimal locations and providing support for establishing operations, thereby facilitating their rapid market entry. In addition, based on the needs of key companies and organizations in the semiconductor sector in Japan, the government will proceed with identifying promising overseas companies and organizations and supporting their entry into the market.

・Support by utilizing GX Economy Transition Bond.[5] [Ministry of Economy, Trade and Industry]

(Drug discovery and Advanced medical care)

・Attracting overseas pharmaceutical startups and promoting their development in Japan to build a global pharmaceutical ecosystem. [Ministry of Health, Labour and Welfare, Ministry of Economy, Trade and Industry]

(Information and Telecommunications)

・Development of data centers and submarine cables. [Ministry of Internal Affairs and Communications]

・As the proliferation of next-generation AI data centers in Japan becomes essential driven by the increasing computational power and electricity consumption required for AI, the government will review the handling of lithium-ion batteries stored in data centers under the Fire Service Act and the Building Standards Act. This review will be based on international standards and premised on safety verification, and the government will promptly implement necessary measures once a conclusion is reached. [Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry]

(Promotion of Plans Based on Three Categories in the Strategy for the Future of Regions)

・In advancing the future formation of industrial clusters, the government will actively pursue targeted attraction of foreign companies to serve as core business entities that promote the cluster plan. Concurrently, the government will aim to generate positive ripple effects on regional economies by establishing a unified ecosystem that integrates other local enterprises with both soft and hard infrastructure environments. [Cabinet Secretariat]

・In coordination with regional industrial cluster plans based on the Strategy for the Future of Regions, the government will target industrial sectors where each region aims to form clusters. Utilizing the "Strategic Sector Investment Attraction and Partnerships Team" established within JETRO, the government will identify and attract promising foreign companies that contribute to the development and advancement of these clusters. [Ministry of Economy, Trade and Industry]

2) <u>Support for Both Hardware and Software Initiatives by Local Governments that Contribute to Attracting FDI in Japan</u>

[5] Includes budgetary measures and financial support.

・Regarding the Regional Future Grant, the government will clarify support for both tangible and intangible aspects of improving the environment for accepting foreign companies to promote the Strategy for the Future of Regions, and consider supporting the attraction of FDI in Japan through the use of this grant by local governments. [Cabinet Secretariat]

3) <u>Securing Land for Industrial Use</u>

・In light of the growing demand for industrial land and the economic benefits that the location of factories and other facilities brings to the region, the government will support the development of related infrastructure, including green spaces and reservoirs in industrial parks, that local governments undertake for strategic fields such as semiconductors and storage batteries, etc. [Ministry of Land, Infrastructure, Transport and Tourism]

・To strengthen [6]support for securing and developing land for industrial use, a new system for approving land for industrial use development plans will be established, such as through amendments to the Act on Strengthening a Framework for Regional Growth and Development by Promoting Regional Economy Advancement Projects, and the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (SMRJ) will provide low-interest, long-term loans to local governments, as well as advice on the formulation and implementation of plans. In addition, based on the premise of public-private partnership, special taxation measures will be implemented regarding the transfer of land or rights on the land to private developers. [Ministry of Economy, Trade and Industry]

・The government will examine the soil contamination countermeasure legislation, which will contribute to smooth utilization of land for GX, etc. from the viewpoint of necessary and reasonable management in accordance with health risks associated with soil contamination. [Ministry of the Environment]

4) <u>Promotion of Capital Investment</u>

・Deploying policy instruments such as the tax incentives to drive bold investment [7], established through the FY 2026 Tax Reform, and utilizing organizations like JETRO,

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[6]The Japan Location Center launched a new program in June 2025 to support matching between local governments and companies based on the results of factory site surveys conducted in accordance with the Factory Location Act.

[7]In principle, targeting all industries, when the Minister of Economy, Trade and Industry (METI) verifies that (1) the return on investment is 15% or higher and (2) the investment scale is 3.5 billion yen or more (500 million yen or more for small and medium-sized enterprises), immediate depreciation or a 7% tax credit, among other incentives, shall be applied under the Tax System for Promoting Investment in Specified Productivity-Enhancing Equipment. Targeting assets, including machinery and equipment, buildings, building accompanying facilities, structures, furniture and fixtures, tools, and software

the government will support the establishment of bases in Japan by promising overseas companies in strategic sectors, as well as the business expansion of foreign-affiliated companies already operating in Japan. [Ministry of Economy, Trade and Industry]

5) Utilization of Special Zone Systems

・Regarding local governments seeking to form industrial clusters, etc., taking into account the economic and industrial situation and regional characteristics, the government will implement regulatory and institutional reforms, and financial support (such as interest subsidies for loans from financial institutions, special depreciation or/and tax credits for equipment investments, and the utilization of the Regional Future Grant), in an integrated manner, through the utilization of special zone systems. [Cabinet Office]

・Among the promising areas selected for the Brownfield Transformation under the GX Strategic Zone, the government will focus on those with a strong interest in attracting foreign companies and promoting collaboration. By providing overseas promotional support and inviting foreign companies to such areas, the government will actively boost the attraction of foreign companies. [Ministry of Economy, Trade and Industry]

(2) Improving Investment Environment

The government will promote foreign investment into Japanese startups and facilitate the expansion of overseas startups into Japan through initiatives such as building startup ecosystems, networking with foreign investors, and providing listing support in Japan for overseas startups. In addition, the government will continue providing support for collaboration with foreign companies, while considering reviewing legal systems where there is significant need from foreign companies and investors.

1) Establish a Startup Ecosystem to Collaborate with Foreign Companies and Investors

・The government will advance support for the second-phase startup ecosystem startup cities selected in 2025 (13 cities) to collaborate with overseas ecosystems in accordance with the industrial characteristics of each startup city. The government will also work to attract investment from overseas and strengthen networks with foreign startups through startup support measures such as the Global Startup Acceleration Program. [Cabinet Office]

that were acquired and put into business use within five years from the date of verification by individuals or entities whose investment plans were verified by March 31, 2029.

・In order to increase foreign investment in Japanese startups, JETRO provided mentoring and other support to entrepreneurs through its “Global Acceleration Hubs” which operates startup support centers located in 30 cities around the world. In addition, in FY 2025, JETRO dispatched Japanese entrepreneurs to approximately 15 major cities across Europe, the United States and Asia to support fundraising from overseas investors.Similar activities are planned in FY 2026, with entrepreneurs to be dispatched to approximately 15 cities. [Ministry of Economy, Trade and Industry]

・The government will relax investment management regulations previously imposed on foreign VC funds when they co-invest with domestic VC funds in Japanese startups aiming for overseas expansion, thereby promoting the smooth global expansion of startups originating from Japan. [Financial Services Agency]

2) <u>Promote the Entry of Overseas Startups into Japan and Attract Investment from Overseas Venture Capitals.</u>

・The government will expand LP[8] investments in overseas VC funds by government-backed funds, such as the Japan Investment Corporation (JIC) and the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN, to strengthen networks with overseas VCs and promote investment in Japanese startups. [Ministry of Economy, Trade and Industry]

・By hosting the "Global Startup EXPO," the government will promote interaction between overseas VCs and startups and Japanese VCs and deep-tech startups, thereby encouraging increased investment from overseas VCs and supporting their market entry into Japan. [Ministry of Economy, Trade and Industry]

・The government will promote the entry into Japan and Tokyo Stock Exchange（TSE）listing of promising overseas startups, including those from Asia, by effectively leveraging initiatives such as the "TSE Asia Startup Hub" and the TSE listing handbook for overseas startups. [Ministry of Economy, Trade and Industry]

・The government will advance an acceleration program that provides intensive support, such as mentoring, to selected overseas startups to facilitate their entry into Japan, with an eye on the expansion of the target sectors. [Ministry of Economy, Trade and Industry]

3) <u>Encourage Investment from Foreign LPs (Limited Partners)</u>

[8] Limited Partner

・Based on the tax reform for FY 2026, which reviewed the special provision for foreign member of investment limited partnership[9], the government will encourage investments into startups from foreign LPs through domestic GPs[10]. [Ministry of Economy, Trade and Industry]

4) Support for Matching and Collaboration between Foreign and Domestic Companies

・As part of efforts to support matching and collaboration between foreign and domestic companies, JETRO facilitated 28 collaboration and partnership projects in FY 2024 and 38 projects in FY 2025. Going forward, JETRO will continue to support collaboration and partnerships between domestic and foreign companies through the J-Bridge initiative.[11] Furthermore, the government will strengthen collaboration between JETRO and overseas research support organizations and other entities and support collaboration and partnerships between domestic and foreign regional ecosystem stakeholders (universities, research institutions, etc.). Through these initiatives, the government sets a goal of facilitating approximately 100 such collaborations and partnerships over three-year period by the end of FY 2026. [Ministry of Economy, Trade and Industry]

・To attract foreign investment and promote collaboration between foreign and domestic companies, the Ministry of Economy, Trade and Industry (METI) compiled a “Case Studies relating to Collaborations and Joint Ventures between Japanese and Foreign Companies in Japan” in FY 2024 and a “Guidebook for Leveraging Foreign Capital to Enhance Corporate Value” in FY 2025, and held seminars or similar events to promote awareness of those materials. METI will continue to disseminate information regarding the benefits and key considerations of collaborating and partnering with foreign companies. [Ministry of Economy, Trade and Industry]

5) Consideration of Amendment of the Companies Act

・The Legislative Council’s Subcommittee on the Companies Act (Shares and Shareholders' Meetings, etc.) will continue to deliberate on amendment of the Companies Act, including creating an environment to facilitate the utilization of virtual-

[9] A special tax exemption under which income tax or corporate tax is not imposed on certain income attributable to a permanent establishment held by a non- resident or foreign corporation conducting business through the permanent establishment based on an investment partnership agreement, applicable to non-residents or foreign corporations who are partners to such an investment partnership agreement.

[10] General Partner

[11] Common name for Japan Innovation Bridge. A business platform launched by the Ministry of Economy, Trade and Industry and JETRO to promote collaboration and cooperation between Japanese companies, including startups, and foreign companies. Member companies receive information on promising foreign companies, as well as hands-on support from individual consultations to project formation.

only shareholders' meetings, in light of the regulatory reform implementation plans for 2024 and 2025. [Cabinet Office, Ministry of Justice]

(3) Improving Business and Living Environments

The government will continue to promote various measures currently underway for improving the business environment. The government will expedite the processing time, while ensuring an appropriate immigration and residency management. It will ensure transparency and predictability in investment screenings, while ensuring these to be compatible with economic security. The government will continue to address the improvement of the living environment for foreign companies' employees, their families, and high skilled human resources, and promote measures to support their smooth adaptation to Japanese society.

1) English-Language and One-Stop Procedures for Incorporation

- In the "Special Zones for Financial and Asset Management Businesses,"[12] local governments have established one-stop centers where interpreters from the local governments provide English support for commercial registration and articles of incorporation certification, as well as notifications related to health insurance and other social insurance programs for corporate establishment. In light of the expansion of these initiatives to local governments outside of the "Special Zones for Financial and Asset Management Businesses" in FY2025[13], the government will aim to further expand the scope of the local governments implementing such supports from FY2026 onward, based on the premise that local governments will establish one-stop centers and assign interpreters. [Cabinet Office, Ministry of Justice, Ministry of Health, Labour and Welfare]

- The "Financial Market Entry Office" provides foreign financial institutions aiming to establish a branch office in Japan with one-stop services in English, covering from pre-application consultation, registration to supervision. Additionally, it offers comprehensive support for business setup and daily life arrangements through the "Financial Start-Up Support Program." In FY 2026, the government will facilitate the use of these initiatives through domestic and international public relations, thereby encouraging further market entry into Japan. [Financial Services Agency]

[12] Sapporo City, Hokkaido; Tokyo; Osaka City, Osaka Prefecture; and Fukuoka City, Fukuoka Prefecture.
[13] Semboku City in Akita Prefecture and Kitakyushu City in Fukuoka Prefecture have launched new initiatives regarding procedures for commercial registration and articles of incorporation certification.

2) Promotion of Foreign Language Translation of Japanese Laws and Regulations based on Prioritized Areas

- The government will prioritize the translation of Japanese laws and regulations into English, focusing on areas[14] requested by foreign companies and investors. By utilizing AI translation systems, the government aims to reduce the time required from the promulgation of laws to the publication of their English translations to within one year in cooperation with relevant ministries and agencies. [Ministry of Justice]

3) Further Optimizing Residency Management in Immigration and Residency Administration and Advancing the processing time, including Expediting Them through Digital Transformation (DX)

- Through the introduction of JESTA during FY 2028, the digitalization of information and procedures, and the promotion of AI utilization, the government will aim to improve operational efficiency and expedite processing, with the goal of realizing integrated advancement in immigration and residency management from entry to departure. Furthermore, in order to make online procedures the standard rule for residency applications and notifications, the government will enhance the functions of the online residency application system. Through these efforts, the government will strive to advance residency management by improving the efficiency of screening operations and enhancing user convenience. [Ministry of Justice]

4) Consultation Services for Various Procedures related to Immigration and Residency Management

- In order to further enhance support for local governments working to improve the environment for accepting foreign nationals, the national government and local governments will collaborate to address issues. This will involve analyzing the implementation status of pilot outreach orientation programs, organizing opinions and requests from local governments, and examining measures to improve the one-stop consultation counter, including a review of the “subsidies for preparations for an environment for the acceptance of foreign nationals”. The government will also continue to publicize the various systems designed to facilitate immigration procedures. [Ministry of Justice]

[14] In addition to laws and regulations in fields related to foreign direct investment in Japan (such as the Foreign Exchange and Foreign Trade Act, laws and regulations related to economic security), laws and regulations in fields related to intellectual property, basic laws in the civil affairs field, and foreign nationals residing in Japan. A total of 325 laws to be translated into English, including these fields, are listed in the “Translation Development Plan” formulated in March 2026.

5) <u>Balancing Investment Promotion and Economic Security through a Predictable Investment Screening System</u>

・The government will aim to further promote sound inward direct investment by ensuring the transparency of the foreign investment screening system and predictability for investor. In the operation of the 2026 amendments to the Foreign Exchange and Foreign Trade Act, the government will also endeavor to enhance predictability for investors. Furthermore, by establishing the Japan Foreign Investment Committee, the government will strengthen its cross-ministerial screening framework and develop a system to prevent the leakage of critical technologies and other sensitive assets in the event that national security is potentially compromised. [Ministry of Finance, the competent ministries for the businesses and other relevant ministries and agencies]"

6) <u>Expediting and Facilitating Procedures for Opening Bank Accounts</u>

・In the “Special Zones for Financial and Asset Management Businesses,” one-stop centers established by local governments provide support to foreign nationals applying for bank accounts, based on a framework developed with reference to initiatives in Fukuoka City. In FY 2025, the government verified the operational status in the four special zones (Sapporo City, Hokkaido; Tokyo; Osaka City, Osaka Prefecture; and Fukuoka City, Fukuoka Prefecture) and conducted surveys to identify the needs of other local governments and businesses. The government also started considering expanding the scope of local governments implementing the framework. In FY 2026, the government will collaborate with the four special zones to raise awareness of this framework and will continue to consider expanding the scope of local governments implementing the framework based on the needs of local governments and business operators. [Financial Services Agency]

7) <u>Improvement of the Educational Environment</u>

・To create an attractive educational environment for the children of foreign nationals, including highly skilled foreign professionals, the government will support initiatives by local governments and schools, such as demonstration projects for strategic acceptance in regions, based on the results of the development of effective educational programs and modeling for the enrollment of foreign children in local governments and schools to be conducted by the end of FY 2026. [Ministry of Education, Culture, Sports, Science and Technology]

8) <u>Multilingual Support in Medical Institutions</u>

・To create a medical environment where highly skilled foreign workers can live comfortably in Japan, the government supports measures such as the use of telephone medical interpretation services by medical institutions that treat foreign patients, and the deployment of medical interpreters and foreign patient reception coordinators at hub medical institutions. The government aims to enable multilingual support at over 1,000 locations by the end of FY 2026. [Ministry of Health, Labour and Welfare]

9) Facilitate the Securing of Housing by Highly Skilled Foreign Workers

・To address challenges related to securing housing for highly skilled foreign workers, JETRO will enhance information on real estate agents familiar with transactions involving foreigners on its website and promote awareness among foreign companies and highly skilled foreign workers. The government will continue to collaborate with real estate-related organizations to promote awareness and dissemination of practical manuals such as the "Guidelines for Facilitating Looking for and Moving in Rental Housing for Foreign Nationals"[15] and the "Apartment Search Guidebook,"[16] which are for landlords and brokers offering multilingual services, through workshops for relevant businesses in FY 2026. [Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism]

10) Program for Learning the Japanese Language, Systems, and Rules

・To ensure smooth adaptation of foreign nationals to Japanese society, the government will consider creating a program for learning the Japanese language and Japan's system and rules to foreign nationals living in Japan (including accompanying family members). [Ministry of Justice, Ministry of Education, Culture, Sports, Science and Technology]

(4) Securing High-Skilled Human Resources Who Support FDI Business in Japan

To address the issue of securing human resources, the government will continue to attract high-skilled foreign professionals from Southeast Asia, India, and other regions, while working on their smooth and proper acceptance. At the same time, the government will support the development and advancement of Japanese professional human resources, including through English language education. It will work to attract world-class researchers.

[15] A practical manual for landlords, brokers, and management companies to facilitate the smooth rental of private housing to foreigners created in June 2021.

[16] A guidebook created in 14 languages to support foreigners in finding housing in Japan, providing basic knowledge and useful information on how to search for a room, contract procedures, and cautions after moving in.

1) Attract High-skilled Human Resources, such as Graduates from Top-tier Overseas Universities; Expand Acceptance and Career Support for Outstanding International Students from Southeast Asia and India, etc.; Develop Systems for the Smooth and Proper Acceptance of Foreign Nationals; and Leverage Alumni Networks

(Attracting High-skilled Human Resources, such as Graduates from Top-tier Overseas Universities)

・To secure high-skilled foreign human resources, including graduates from top-tier universities in Southeast Asia, India and other countries, the government will implement STEM internships, focusing on fields such as AI, IT, and semiconductors, hosted by Japanese companies for overseas talent in FY 2026. Concurrently, the government will strengthen talent attraction efforts, including through the utilization of the Future Creation Individual Visa (J-Find) and the Points-Based System for Highly-Skilled Professionals after further enhancing system integrity and expediting the screening process. In parallel, the government aims to secure outstanding, high-skilled foreign human resources by establishing networks between Japanese companies and overseas universities in the regions through JETRO. In addition, through the Consortiums for promoting employment of Highly-Skilled Foreign Professionals in regional areas, the government will promote industry-academia-government collaboration within Japan and support the Advancement of international students and others in regional companies. [Ministry of Economy, Trade and Industry, Ministry of Justice, Ministry of Education, Culture, Sports, Science and Technology]

(Expand Acceptance and Career Support for Outstanding Foreign Students from Southeast Asia, India, etc. and Leveraging Alumni Networks)

・The government will work to strengthen functions for attracting international students through collaboration with overseas recruitment centers, the Japanese diplomatic missions abroad and other relevant organizations, leverage alumni organizations such as former international student associations, provide financial support through scholarships, and promote university-level collaboration with quality assurance measures. Placing greater emphasis on quality enhancement rather than mere numbers, the government aims to secure outstanding international students from a diverse range of countries and regions, with priority areas, such as Southeast Asia and India [17]. [Ministry of Education, Culture, Sports, Science and Technology, Ministry of Foreign Affairs]

[17] Number of international students admitted (as of May each year): 312,000 in 2019 → 231,000 in 2022 (lowest since the onset of the COVID-19 pandemic) → 408,000 in 2025. In FY 2025, the government selected seven universities to initiate new exchange programs with Indian universities to expand university-level exchanges with India in particular and promoted university-level collaboration with quality assurance measures.

・Centering on embassies in key locations, the government will collaborate with relevant organizations, including alumni organizations such as former international student associations, to disseminate information on studying in Japan. Furthermore, the government will invite undergraduate and graduate students from India, providing them with opportunities for internships at Japanese companies, corporate visits, and university-level exchanges. [Ministry of Foreign Affairs]

By 2033, the government will implement awareness-raising activities regarding the certification system for education programs promoting employment for international students[18], with the aim of achieving a 60% domestic employment rate for international students after graduation[19].
[Ministry of Education, Culture, Sports, Science and Technology]

(Develop Systems for the Smooth and Proper Acceptance of Foreign Nationals)
・The government will promote DX of immigration and residency administration to improve convenience for foreign nationals and enhance the efficiency of administrative operations. Concurrently, the government will strengthen its understanding of the actual status of foreign residents to ensure the smooth acceptance and proper management of foreign human resources, while working to reinforce human and material resources to achieve an advanced system of immigration and residency administration.
[Ministry of Justice]

2) Support for the Development and Advancement of Japan's Professional Human Resources, including the Strengthening of English Language Education for Japanese Nationals through the Utilization of Digital Learning Infrastructure, including AI, Assistant Language Teachers (ALT), Native Speakers of English, and Local Residents Fluent in English

(Strengthen English Language Education for Japanese Nationals)
・To strengthen English language education, the government will promote the effective use of digital learning infrastructure, including AI, by constructing models for utilizing AI in English classes, as well as accumulating and disseminating best practices. Concurrently, the government will encourage the utilization of Assistant Language Teachers (ALT), native speakers of English, and Local Residents Fluent in English. [Ministry of Education, Culture, Sports, Science and Technology]

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[18] The Ministry of Education, Culture, Sports, Science and Technology certifies education programs for international students that have been developed by universities in collaboration with domestic companies and other entities and that meet certain requirements. International students enrolled at certified universities are given priority support through a scholarship program administered by the ministry.
[19] Set forth in the Second Recommendations of the Council for the Creation of an Educational Future (April 2023).

(Support for the Development and Advancement of Japan's Professional Human Resources)

・Regarding support for the development and Advancement of Japan's professional human resources, the government will promote the development and opportunities of reskilling programs in growth sectors at universities and other institutions through industry-academia-government collaboration, and support the enrollment in such growth-sector reskilling programs through educational training benefits. [Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare]

・In collaboration with Japanese universities, JETRO will host in-person networking events matching science and engineering students with foreign companies seeking to hire new graduates in Japan, thereby creating opportunities for mutual connection. Furthermore, JETRO will publish a list of domestic recruitment agencies and relevant organizations capable of providing multilingual support on its official website and other platforms. [Ministry of Economy, Trade and Industry]

3) <u>Attracting World-Class Researchers</u>

・To expand the acceptance of outstanding international students, the government will attract prominent world researchers to Japan, enhance the research capabilities of universities and other institutions, and thereby create an environment where international students can learn from such researchers. Regarding the attraction of world-class researchers[20] to WPI centers[21], in order to achieve the goal of ensuring that "foreign researchers account for at least 30% at all WPI centers by FY 2030," the government will enhance promotional activities in FY 2026, including disseminating information through a newly developed English-language website. Furthermore, through the J-RISE initiative, the government will promote efforts focused on the strategic invitation of outstanding international researchers. [Cabinet Office, Ministry of Education, Culture, Sports, Science and Technology]

<u>(5) Reinforcing Public Relations and Promotional Activities</u>

[20] Toward the goals set for FY 2030, the government enhanced promotional activities in FY 2025, which included hosting a special WPI session at an international symposium held in June.

[21] WPI (World Premier International Research Center Initiative) is a program aimed at fostering world-leading research centers, primarily at universities. Currently, there are 18 centers nationwide.

Focusing on the prioritized industry sectors for FDI in Japan as well as the strengths and characteristics of respective host regions, the government will conduct proactive public relations and promotional activities for foreign companies and investors, on the investment opportunities and merits in Japan, , in collaboration with local governments attracting FDI in Japan. The government will analyze the latest interests and challenges recognized by foreign companies regarding FDI in Japan. It will strengthen cooperation with local governments with regard to information sharing and investment attraction activities.

1) <u>Publicization of Macroeconomic Trends, Support for FDI in Japan, and Other Priority Economic Policies, Promotion of Japan’s Investment Attractiveness, including Regional Industries and Ecosystems, and Consideration of a Survey on the Advantages and Obstacles of FDI in Japan from the Perspective of Foreign Companies</u>

・The government will continue holding briefings for embassies and organizations in Tokyo on macroeconomic trends and outlook, support for FDI in Japan, and other relevant key economic policies of the government. [Cabinet Office]

・Through initiatives such as holding meetings with the G7 Members’ Chambers of Commerce in Japan, organizing site visits to domestic industrial clusters and other potential investment locations, and holding events to introduce regional industrial characteristics and local government support measures to foreign companies, the government aims to promote Japan's attractiveness as an investment destination and to identify policy needs and challenges. The government will conduct these initiatives once every quarter in principle. Furthermore, the government will compile and publicize Japan's advantages as perceived by foreign companies actively investing in the country, including the benefits of government measures aimed at promoting FDI in Japan. [Ministry of Economy, Trade and Industry, Cabinet Office]

・To enhance communication with financial institutions, investors, and other stakeholders, the government will actively promote the attractiveness of the Japanese market both domestically and internationally, including through organizing "Japan Weeks," during which a series of financial-related events, are held intensively, thereby encouraging further market entry and investment into Japan. [Financial Services Agency]

・The government will consider making research and analysis on the latest trends regarding the advantages and challenges of FDI in Japan from the perspective of foreign companies. [Cabinet Office, Ministry of Foreign Affairs]

2) <u>Strengthening Public Relations and Dissemination of the Benefits of FDI in Japan through the FDI Task Force</u>

・Each of the 11 FDI Task Forces will continue conducting proactive investment promotion activities, targeting foreign companies and investors. The government will also provide support, with each FDI Task Force serving the core of these efforts, for overseas promotional activities by the local governments actively engaged in attracting foreign companies. In doing so, the information collected by each FDI Task Force and the issues identified through the "Follow-up Council for Regional Investment Promotion"[22] will be shared in a timely manner among relevant stakeholders. Regarding the institutional issues identified during investment attraction activities, relevant ministries and agencies will collaborate within the "Consortium for Attracting Foreign Direct Investment in Japan"[23] and its working groups to deliberate on solutions. [Cabinet Office, Ministry of Foreign Affairs, Ministry of Economy, Trade and Industry, related ministries and agencies]

3) Strengthen Cooperation between JETRO, the FDI Task Forces, and Local Governments Strategically Working to Attract FDI in Japan

・The "Follow-up Council for Regional Investment Promotion" will be held approximately four times in FY 2026. In addition, in FY 2026, the government will support approximately three regions through JETRO in developing investment attraction strategies tailored to local characteristics and conducting overseas promotional activities. Furthermore, in coordination with the Strategy for the Future of Regions and the GX Strategic Zone, the government will consider additional implementations based on local needs. In addition to providing consultation and other services for foreign companies regarding the establishment of bases in Japan , JETRO will make approximately 1,000 case of facilitating networking among the foreign companies having entered the Japanese market, local businesses, research institutions, and others. [Ministry of Economy, Trade and Industry]

・In light of the interest shown by local governments, partnership and cooperation will be enhanced in terms of information sharing among local governments , their overseas offices and the FDI Task Forces. [Ministry of Foreign Affairs, Ministry of Economy, Trade and Industry, Cabinet Office]

3. Moving Forward

[22] The Council, chaired by the Ministry of Economy, Trade and Industry that provides support for investment attraction measures by region and implements follow-up measures to ensure business retention and secondary investments.
[23] Organized by the Cabinet Office, with the participation of relevant ministries and agencies, including the Ministry of Foreign Affairs and the Ministry of Economy, Trade and Industry.

The government will thoroughly promote this Program through relevant ministries and agencies, diplomatic missions abroad, and JETRO to the stakeholders including foreign companies and investors, foreign government investment promotion agencies, embassies and chambers of commerce in Tokyo.

The government will continue to listen to the needs of foreign companies and other relevant parties regarding government systems and support measures. Through this process, the government will identify new issues, review relevant systems and support measures, review and improve this Program, and thereby realize the increase of FDI in Japan.