

**The Investment Climate in Japan and
Business Opportunities for Canadian Companies**

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(JETRO)



Many things to share: Canada to Japan



Many things to share: Japan to Canada



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Honda of Canada Mfg. (HCM) Plant in Brampton

- Began production in 1986 as the 1st Japanese automobile manufacturer in Canada
- Annual capacity of 390,000 units
- Employs approx. 4,000 associates



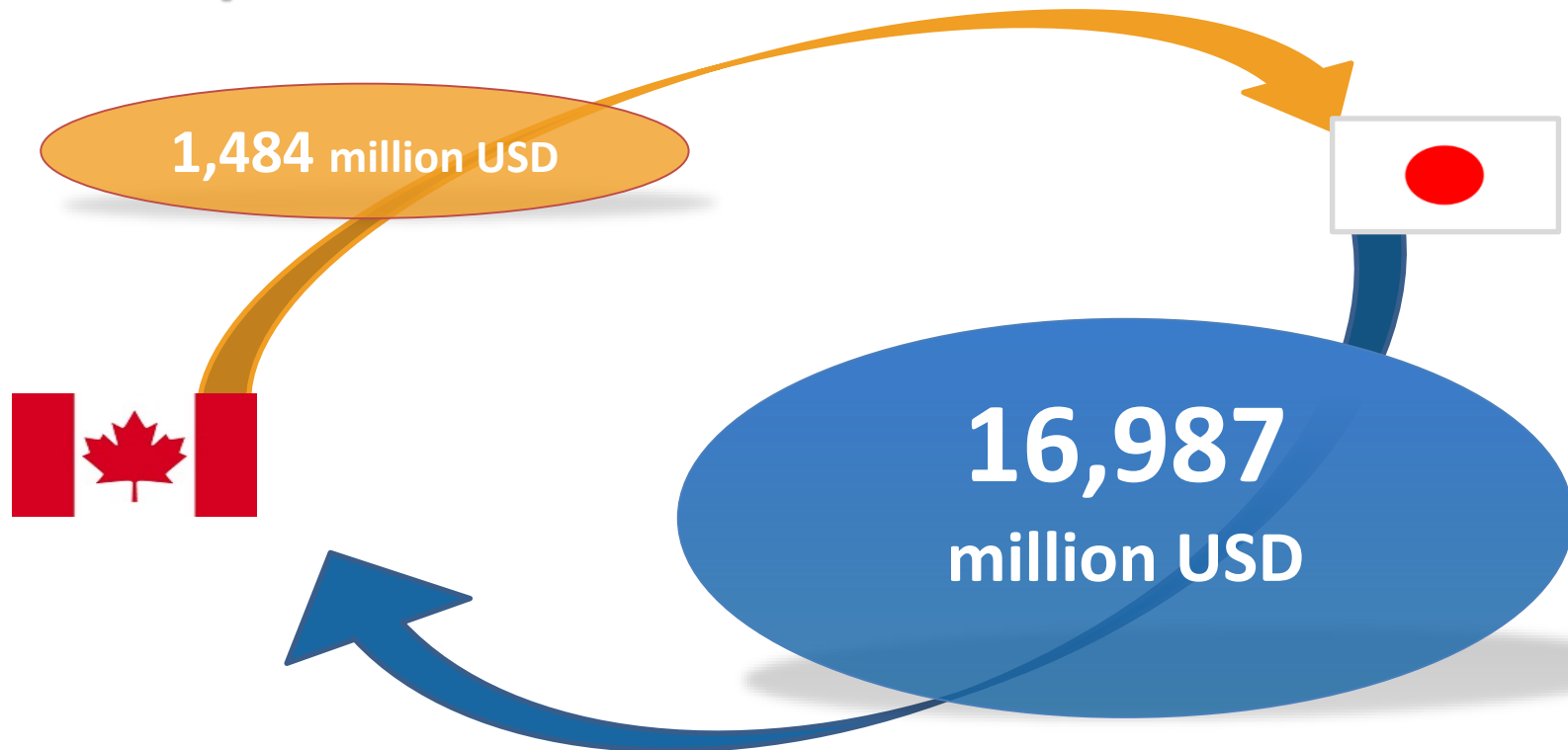
© 2016 TMMC Inc.

Toyota Motor Manufacturing Canada West Plant in Woodstock

- Began production in 2008
- Annual capacity of 220,000 units (RAV4)
- Employs approx. 8,000 associates

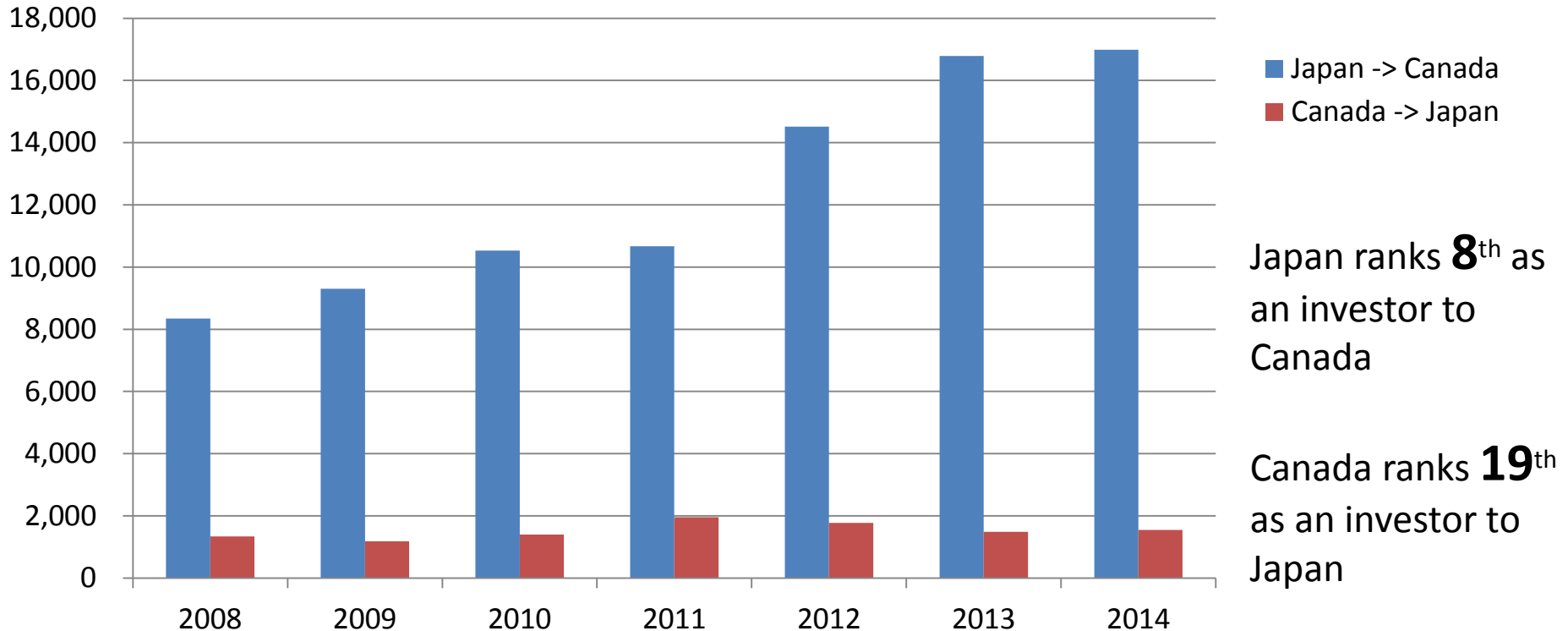
- 1. Investment Imbalance between Japan & Canada**
2. Japan's Re-emergence
3. Why Japan? 4 Reasons to Invest in Japan
4. Making Japan the most business friendly country
in the world
5. Talk to JETRO First

Japan – Canada FDI (2014 Stock)



Source: The Ministry of Finance
"Japan's Balance of Payments (Direct Investment Assets/Liabilities)"

Japan's FDI (Stock) to Canada is growing



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Improving Economic Indexes Under Abenomics

Before the launch of
Abe administration

Current

GDP

(Real GDP (seasonally adjusted))

517
Trillion Yen
(2012 Oct-Dec)

2.3%
Increase

528
Trillion Yen
(2015 Oct-Dec)

**Operating profit of
companies**

12.6
Trillion yen
(2012 Apr-June)

Increase

17.8
Trillion Yen
(2015 Oct-Dec)

Business conditions

(Tankan current situation,
manufactures)

Large firms -3
Medium-sized firms -5
SMEs -12
(2012 Dec)

**Greatly
Improved**

Large firms **12**
Medium-sized firms **5**
SMEs **0**
(2015 Dec)

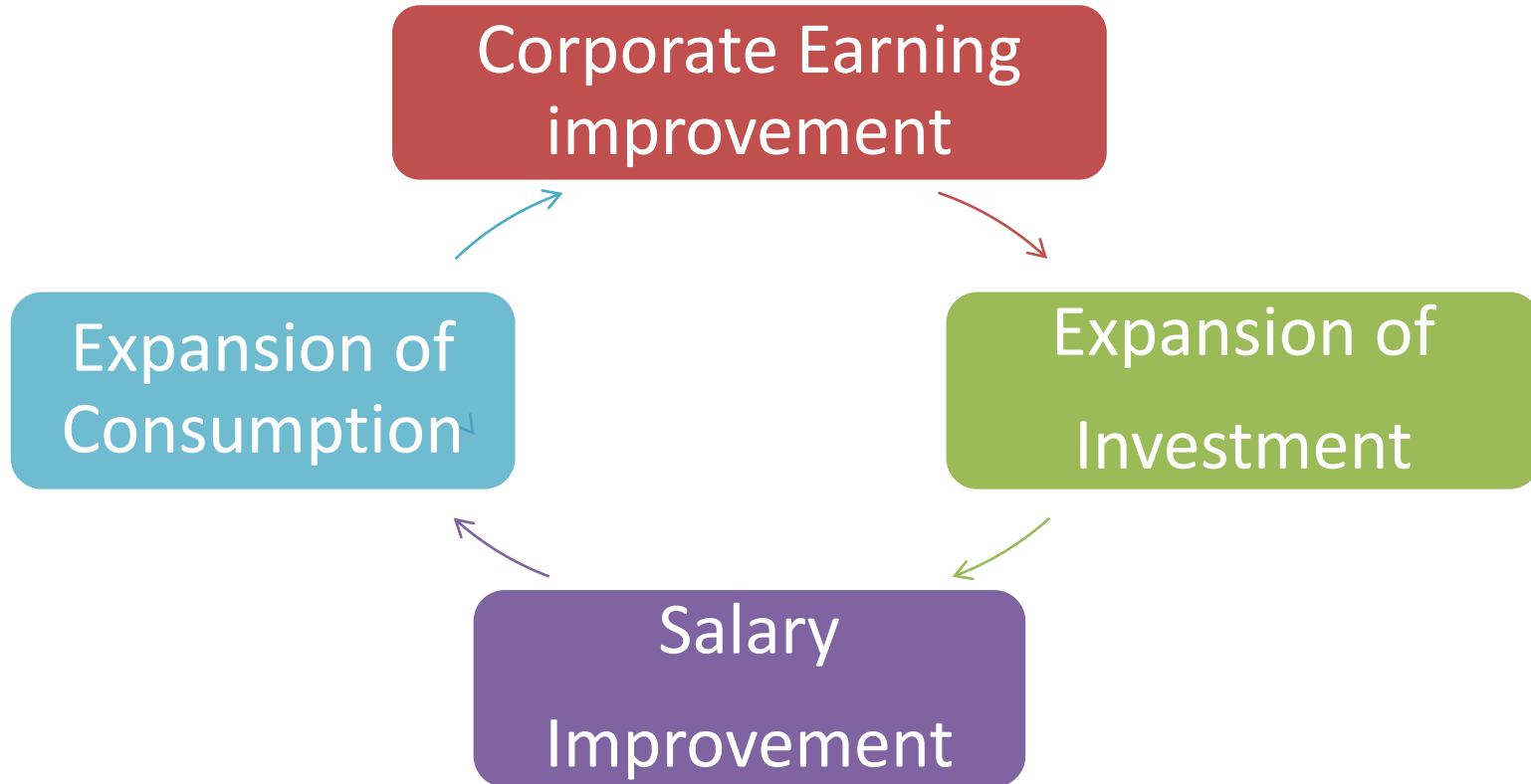
Employment

62.2
Million
(2012 Dec)

Increase

63.9
Million
(2016 Jan)

Positive Growth Cycle



Structural Reform



Opening up the
electricity
market

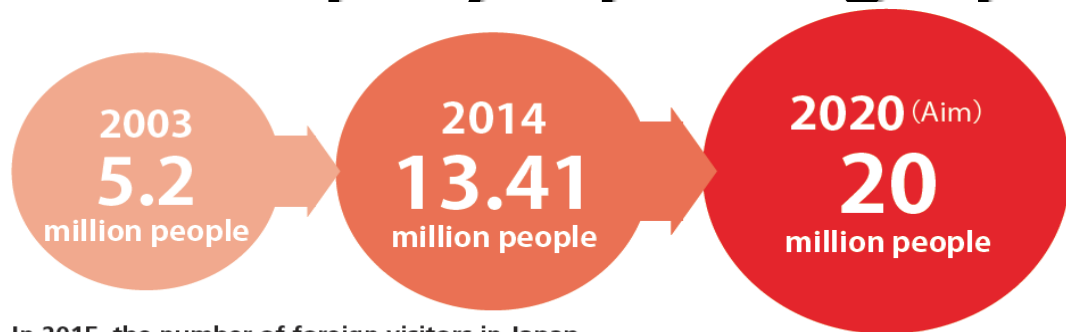


Improving the
approval process of
medicine and
medical appliances



Joining the TPP negotiations

Rapidly expanding Japanese tourism market

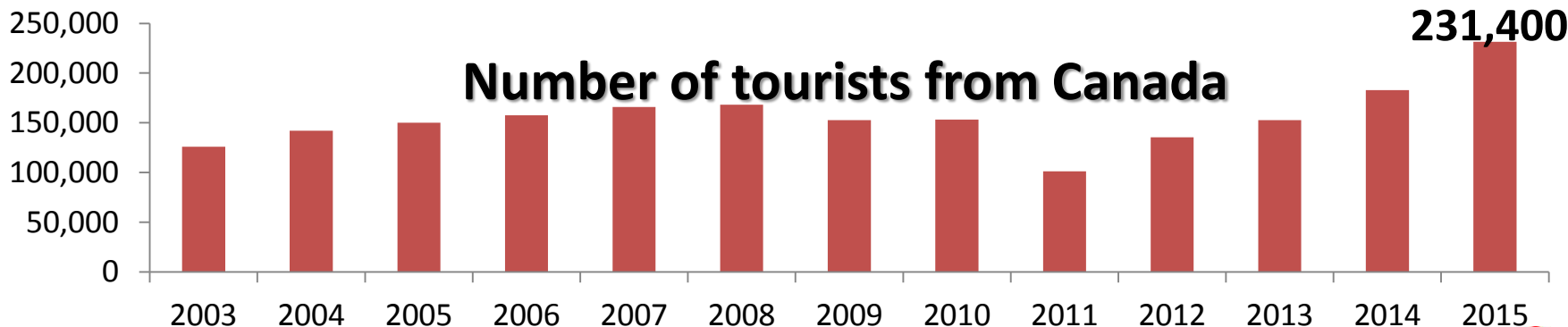


In 2015, the number of foreign visitors in Japan reached 19,737 thousand. This is the highest number in history and a 47% increase year-on-year.

The 20million target is looking to be achieved early on!



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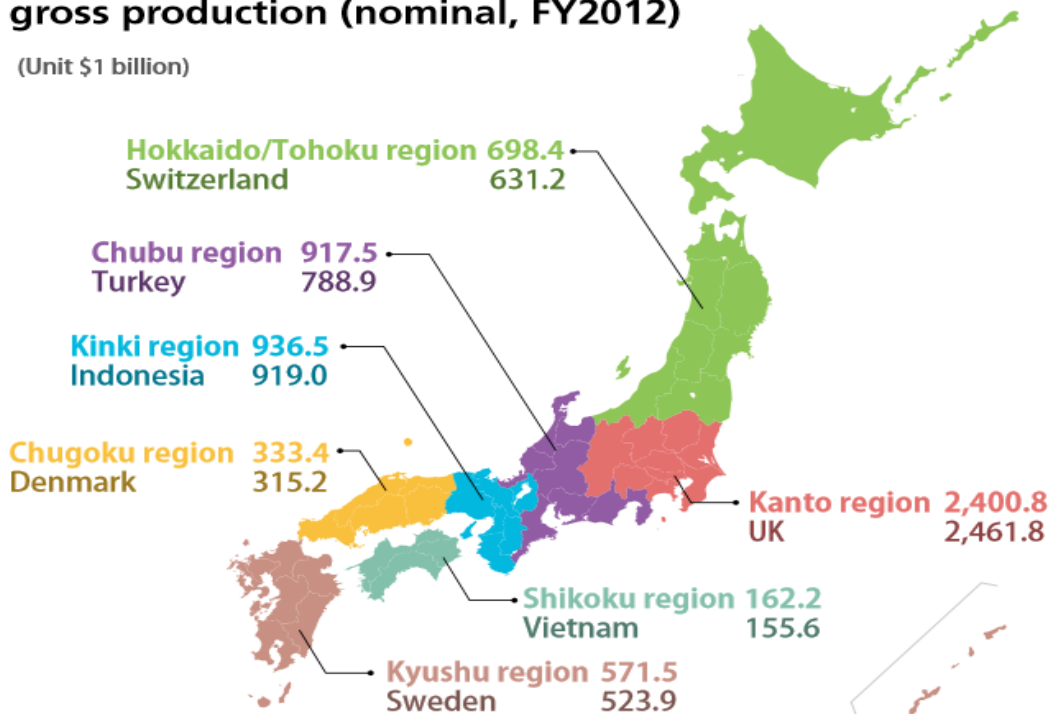


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Sophisticated Market

International comparison of Japanese regional gross production (nominal, FY2012)

(Unit \$1 billion)



[Source] "Report on Prefectural Accounts 2012" (FY2015)(Cabinet Office) .)

Reputation among Foreign-affiliated Companies in Japan

1

Why Japan

Attractiveness of
Business
Expansion in
Japan?

High Income level

Extensive infrastructure

Soft Power
(trend setter in Asia)

Test Market before
Entering Asian markets



MADE IN JAPAN

Innovation Hub

2

Why Japan

Research funding by country and percentage of GDP (G8 comparison)

Rank	Country	Research funding (\$100 million)	Percentage of GDP (%)
1	Japan	1,802	3.87
2	Germany	1,010	2.85
3	U.S.	4,570	2.73
4	France	552	2.23
5	U.K.	399	1.63
6	Canada	246	1.62
7	Italy	265	1.26
8	Russia	407	1.12

Number of researchers per 10,000 people (G8 comparison)

Rank	Country	Number of researchers (unit: 10,000)	Number of researchers per 10,000 people
1	Japan	68.3	53.8
2	Canada	15.7	45.0
3	Germany	36.0	43.9
4	U.K.	25.9	40.5
5	U.S.	126.5	40.3
6	France	26.5	40.2
7	Russia	44.1	30.8
8	Italy	11.8	19.5

Source: Created from Ministry of Internal Affairs and Communication, "Survey Result on Science and Technology Research 2015" (Ministry of Internal Affairs and Communication)

Data Source: OECD "Main Science and Technology Indicators", (OECD) etc.

Business Friendly Infrastructure

3

Why Japan

Easy environment for business

Business
sophistication

RANK

1st
in the world
(144 countries)

Source: World Economic Forum, "The Global Competitiveness Report 2014-2015"

Foreign companies validate Japan's infrastructure

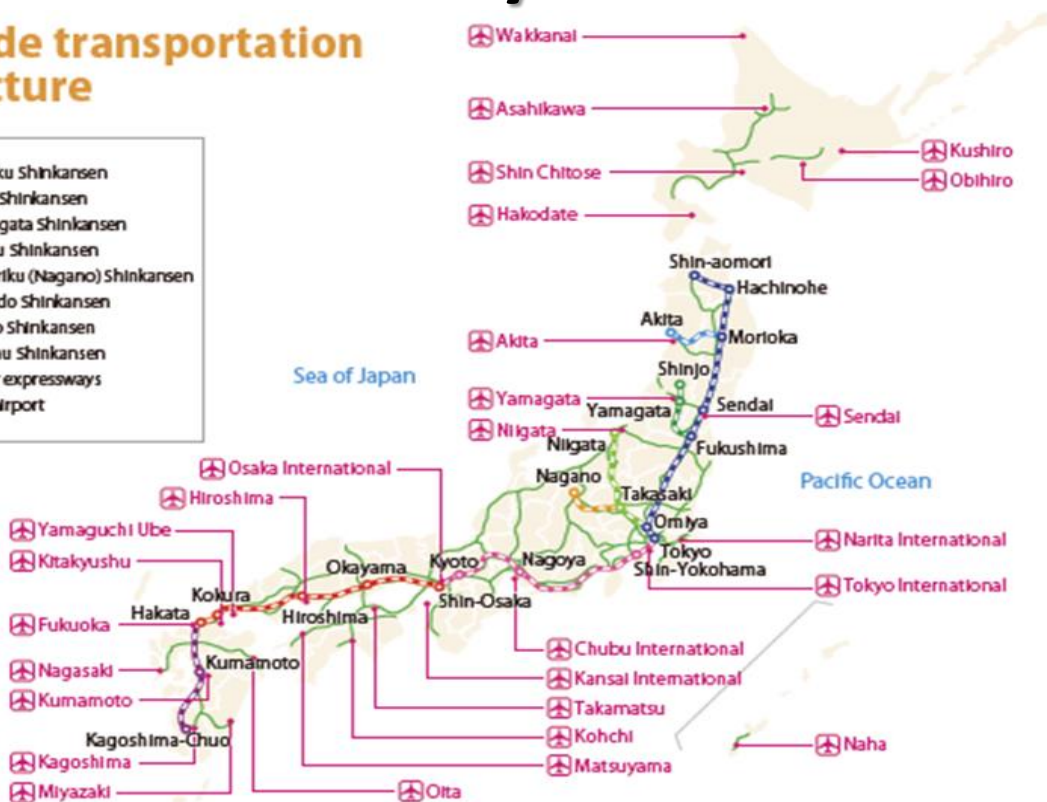
Nearly 61% of foreign companies see
the **well-maintained infrastructure**
as an attractiveness of Japan.

Source: Ministry of Economy, Trade, and Industry(METI), "Survey on Attitudes of Foreign Companies toward Direct Investment in Japan Report 2014"

Business Friendly Infrastructure

Nationwide transportation infrastructure

-  Tohoku Shinkansen
-  Akita Shinkansen
-  Yamagata Shinkansen
-  Joetsu Shinkansen
-  Hokuriku (Nagano) Shinkansen
-  Tokaido Shinkansen
-  Sanyo Shinkansen
-  Kyushu Shinkansen
-  Major expressways
-  Hub airport



* Hub airport: Airport that serves as a hub for the domestic air transportation network or international air transportation network.
Source: Created by JETRO based on the websites of the Ministry of Land, Infrastructure, Transport, and Tourism, and railway companies.

Safely and Pleasantly

4

Why Japan

Most livable Japanese cities as chosen by the world

RANK

1. Tokyo

2. Vienna

3. Berlin

4. Melbourne

5. Sydney

6. Stockholm

7. Vancouver

8. Helsinki

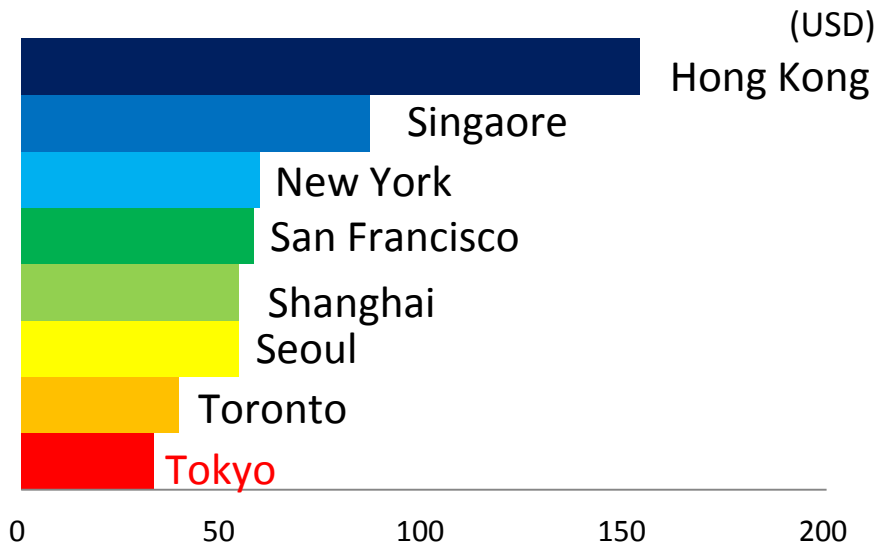
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Source: MONOCLE, UK

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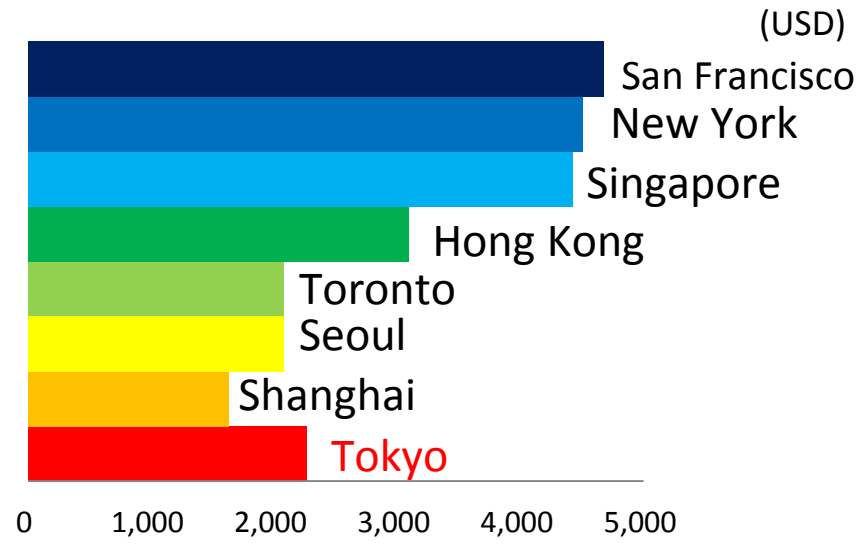
Japan's Business Cost

Office Rent (Monthly) (per sq.m)



Source : JETRO

Housing rent for expatriates (Monthly)



Source : JETRO

Opportunities in regions

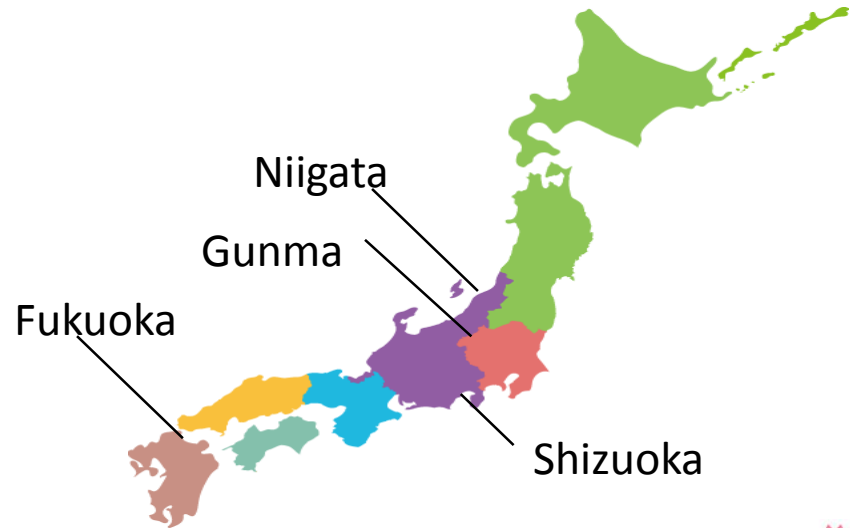
Case from Canada:



Rooftop solar power generation company. Constructed photovoltaic stations in 4 local Prefectures.



Photo Provided by Solar Power Network



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JETRO's Overseas and Domestic Network

43 Domestic Offices



73 Overseas Offices

Investment projects supported by JETRO (2003~2015)

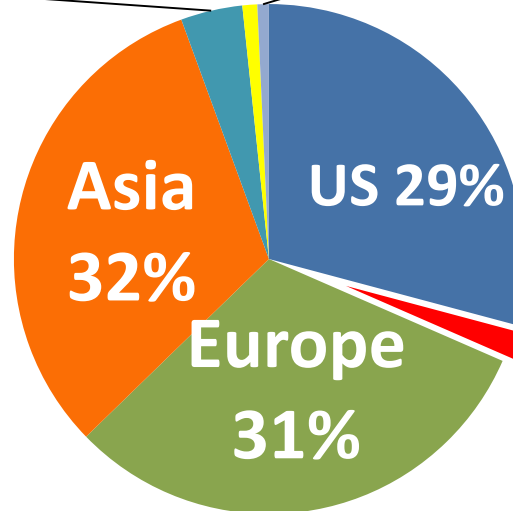
Supported

over **14,000** projects

1,400

Foreign companies' startups

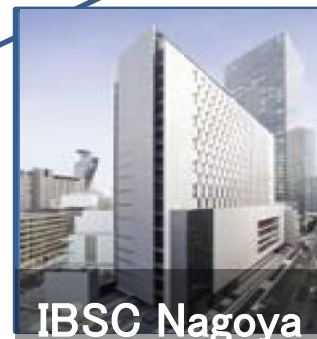
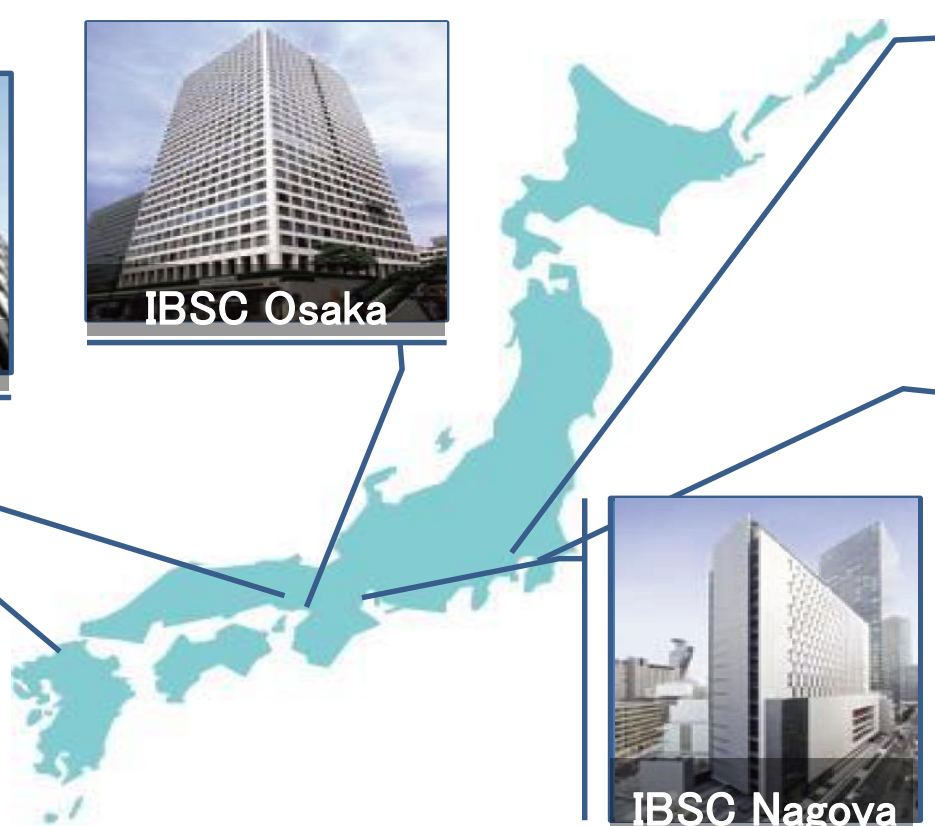
Pacific 4%
Central & South America 1%
Middle East & Africa 1%



Canada:
33 companies

Canada 2%

Invest Japan Business Support Center (IBSC)



Invest Japan Business Support Center (IBSC)

Temporary offices

Temporary offices in 6 major Japanese cities
are available for

free of charge for 50 business days

Consultation service

Specialists give advises

about how to start up business in Japan

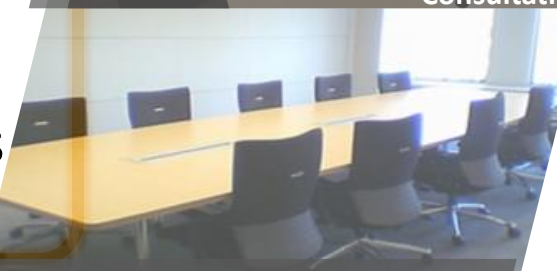
- Legal advise
- Business cost
- Market regulations
- Business culture
- Human resources
- Real estate

A photograph of a private office space featuring a long wooden desk, a black office chair, and a desk phone.

Private office space

A photograph of four men in business suits sitting around a conference table, engaged in a consultation.

Consultation

A photograph of a conference room with a long wooden table and several black office chairs.

Conference room

Recent Examples of FDI from Canada to Japan supported by JETRO



REDKNEE
Looking Beyond



StarTech.com
Hard-to-find made easy®



SOLAR POWER NETWORK®



UNIFILLER

EXFO | Telecom Test and Service Assurance

audiokinetic

Averna

“Golden Opportunity”



“This year has seen developments in Government policy, regulation and international trade that could at last pave the way for a **more open and competitive business environment in Japan**. We are cautiously optimistic that, finally, some of the many barriers stifling growth and investment here might fall, **benefitting not only individual companies but also the economy as a whole**”.

Danny Risberg

Chairman, European Business Council in Japan

Talk to JETRO First!