

# **Cabinet Decisions on “Overseas Business Investment Support”** (excerpts)

## **1. Grand Design and Action Plan for a New Form of Capitalism** (June 7, 2022)

### V. Multi-polarization of the Economy and Society

#### 3. Promoting overseas business investments by Japanese companies

With a view to strengthening Japanese growth potential and ensuring its economic security in the post-COVID-19 world economy, it is imperative for Japanese companies to expand their business globally in the fields where they have technological advantages. Many Japanese companies have advanced technologies not only in hardware but also in software, including business operations and services. However, they tend to be conservative in their investment decisions due to risks and hurdles inherent in overseas business. The Japanese government will support overseas business investments by Japanese companies with advanced technologies and willingness to invest, including SMEs’ products development and overseas sales channel creation.

Such efforts will increase repatriation of profits through dividend payments to the parent companies, which in turn could lead to broad-based wage hikes and enhanced R&D investments in Japan.

Specific measures to be taken by the Government will include the following: i)working as one team to systematically support overseas investments from the initial stages, through strengthened collaboration among relevant ministries, government agencies, and embassies/consulates inside and outside of Japan; ii)supporting overseas investments from upstream to downstream through information sharing and financial assistance, as well as effective use of equity investment functions of government agencies to be explored; and iii)taking the lead and reaching out to international organizations, governments of like-minded countries, and global investors in order to create more business opportunities in such areas as decarbonization and digitalization, with the aim of developing collaborative projects.

In order to plan and work out the measures mentioned above and coordinate with related ministries and agencies, the Global Business Investment Support Office (tentative name) will be established in the Cabinet Secretariat.

## **2. Basic Policy on Economic and Fiscal Management and Reform 2022** (June 7, 2022)

### Chapter 3 Response to changes in the internal and external environments

#### 1. Responding to changes in the international environment

##### (5) Promotion of international economic cooperation

Japan will promote the overseas business expansion of Japanese companies and thus strengthen the growth potential in a post-pandemic world by utilizing investment-related agreements and ODA and establishing Global Business Investment Support Office (name tentative).