

Japan Business Expansion Opportunities

HSBC · 2026-09-10 · English original

Businesses looking to enter new markets have many reasons to consider the dynamic and sophisticated economy of Japan. The country is an advanced, innovation-led market with high standards of governance and service quality.

At a time of rapid technological change, international businesses can find attractive opportunities in a range of high-value and strategically important industries

Japan's economy has experienced a significant turnaround. After decades of deflation, headline consumer price inflation has risen above the central bank's 2% target for much of the past few years.

The country's consumer base is affluent: household financial assets hit a record JPY2,351 trillion (USD14.5 trillion) at the end of 2025, up nearly 5% year-on-year.¹ It is a top-tier innovator, ranking 12th of 139 economies in the WIPO Global Innovation Index 2025.²

The 'silver' economy is a burgeoning opportunity. Japan is home to the world's oldest population, with a record 36.25 million people – almost 30% – over the age of 65 in 2024. The proportion is projected to rise to 34.8% by 2040.³

This holds strong potential for companies in the healthcare and medical technology sectors, as well as senior lifestyle services.

Japan is also a top player in robotics, an area that sits today at the intersection of longevity and digital solutions. Building on its long pedigree in technological innovation and industrial automation, Japan is the second largest robotics market by installations.⁴

For international businesses looking to penetrate the Japanese market, a weaker yen results in a lower acquisition cost for assets and operations in the country. At the same time, it weakens the repatriation value of earnings achieved in the country, which can be a challenge for businesses that are looking to remit earnings to their home market.

Japan's government has been actively seeking investment by foreign companies and institutions. In June 2025, the government announced that it was targeting total foreign direct investment (FDI) stock of JPY120 trillion (USD740 billion) by 2030, compared to a record baseline of JPY 53 trillion at the end of 2024.⁵

The administration has put in place concrete measures to help achieve this. The ongoing Program for Promotion of FDI in Japan 2025, for example, is placing particular emphasis on digital and green transformation, as well as the prevailing legal and tax regimes.⁶

There are also accompanying efforts through diplomatic routes, such as the FDI Task Force network⁷, which was originally set up in 2023 and was expanded in 2025. It conducts outreach to companies in foreign markets.

Specific operational support programmes designed to assist new entrants include the Japan Entry

Acceleration Program (JEAP)⁸ – which is targeted at foreign start-ups – and the EIC-JETRO Europe Innovation Challenge.⁹

Cultural and business challenges

Set against these advantages are the challenges of entering and expanding in a market that can sometimes appear daunting to international companies, in part because of its maturity and the presence of well-established domestic leaders in many sectors.¹⁰

In addition, Japan's compliance and regulatory regimes are some of the most complex in the world.¹¹ Products must conform to nearly 11,000 standards, and many require testing for approval.¹² Permitting and licensing can be complex.¹³

Cultural considerations and communication protocol must also be navigated carefully, and this extends to an awareness of consumer behaviour too. Traditional hierarchies are deeply respected in business. On a practical level, bilingual proficiency will often be highly desirable.

How HSBC can help

International companies entering Japan typically need more than a bank account — they need a partner that can support an efficient set-up, a seamless end-to-end process and clear communication with headquarters as local operations ramp up. HSBC supports clients across the full journey, from initial market entry to more complex, established structures looking to move to a more advanced banking provider.

In a market known for high standards and complex requirements, our localised financial solutions and regulatory guidance help international businesses navigate local expectations with confidence. HSBC supports the local banking needs of 70% of Fortune 500 companies in Japan, and we work with leading global names across sectors, including one of the biggest energy companies in the world [MB1] and one of the largest retailers[MB2].

Once operations are live, execution and connectivity matter. HSBC has direct membership [MB3] of all Japanese clearing systems, including Zengin for domestic funds transfers, the real-time gross settlement (RTGS) system BOJ-NET, and the Japan Securities Clearing Corporation (JSCC). This infrastructure helps clients run day-to-day flows reliably and scale as volumes and complexity increase.

Where instant settlement is essential, HSBC can also offer round-the-clock domestic real-time payments via Zengin 24/7[SG4] . This supports business models in the digital economy — for example ride hailing — where the ability to move funds instantly can be a competitive necessity.

To support effective communication across borders, HSBC provides bilingual documentation and English-speaking staff in Japan. Our multilingual team, including Mandarin-speaking bankers, supports Chinese clients entering the market, while our dedicated Global Network Banking team helps foreign multinational corporations setting up in Japan.

Sources

1 <https://www.boj.or.jp/en/statistics/sj/sjexp.pdf>

2 <https://www.wipo.int/web-publications/global-innovation-index-2025/en/gii-2025-results.html>

3 <https://www.weforum.org/stories/2025/09/japans-longevity-economy/>

4 https://ifr.org/img/worldrobotics/Executive_Summary_WR_2025_Industrial_Robots.pdf#page=6

- 5 <https://www.mofa.go.jp/policy/economy/japan/invest/index.html>
- 6 https://www.jetro.go.jp/en/invest/investment_environment/ijre/report2025/ch3/sec1.html
- 7 [https://www.mofa.go.jp/policy/economy/japan/invest/index.html#:~:text=Foreign%20Direct%20Investment%20\(FDI\)%20Taskforce](https://www.mofa.go.jp/policy/economy/japan/invest/index.html#:~:text=Foreign%20Direct%20Investment%20(FDI)%20Taskforce)
- 8 https://www.jetro.go.jp/ext_images/en/invest/newsroom/2025/129a51c481aa0612/b_program_guide_rev.pdf
- 9 https://www.jetro.go.jp/uk/topics/_550130.html
- 10 <https://www.state.gov/reports/2024-investment-climate-statements/japan>
- 11 <https://iclg.com/practice-areas/foreign-direct-investment-regimes-laws-and-regulations/japan>
- 12 <https://www.trade.gov/knowledge-product/japan-trade-standards>
- 13 https://www.jetro.go.jp/en/invest/setting_up/guide.html

[MB3] The supplied USPs stated that HSBC was the only foreign bank with this access, but we find no support for that assertion so we have limited to the simple fact of membership

[SG4] source: https://www.linkedin.com/posts/edward-weeks-14820a_digitise2023-activity-7117727753306607616-PDwO

Source: <https://www.business.hsbc.com/en-gb/insights/international-expansion-japan>