



Business Impact Assessment of Japan's Evolving Policies Affecting Foreign Nationals

European Business Council in Japan

July 2026

Background and Objectives

Why did the EBC conduct this survey?

- **Context**

- Recent **policy developments concerning foreign nationals** have generated questions among EBC stakeholders regarding their potential impact on European businesses operating in Japan.
- The objective of the survey was to **determine whether these developments are already affecting business operations** and whether the EBC should engage with the Japanese authorities.

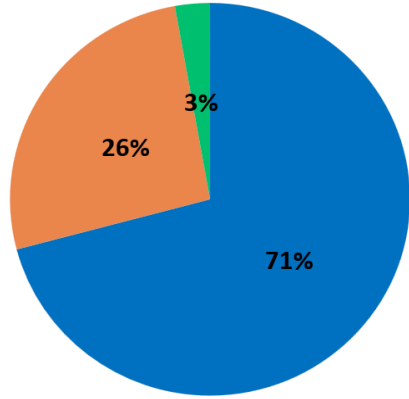
- **Objectives**

- ✓ Measure awareness
- ✓ Assess current business impacts
- ✓ Identify emerging risks
- ✓ Understand member expectations
- ✓ Support evidence-based advocacy

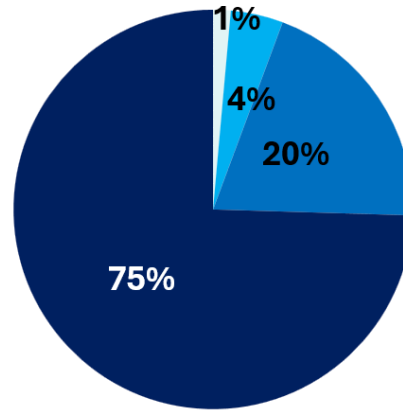
- **213 responses** received from European companies operating across a broad range of sectors in Japan.

Who Responded?

Headquarters location



Years in Japan

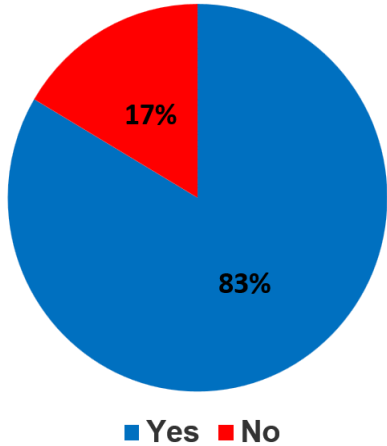


Respondent Profile

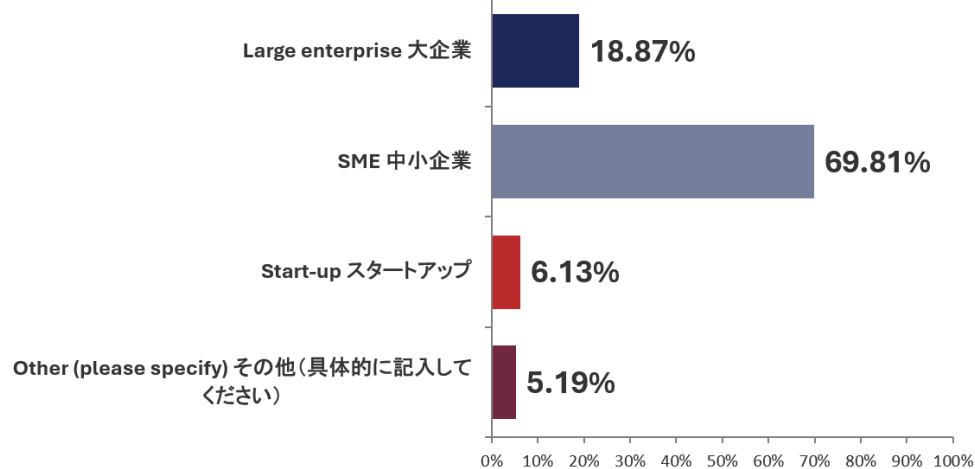
- More than 70% are European-headquartered companies.
- Nearly three quarters have operated in Japan for more than ten years.
- 83.5% employ foreign nationals in Japan.

Approximately 70% of respondents are SMEs.

Employ foreign nationals



Company size

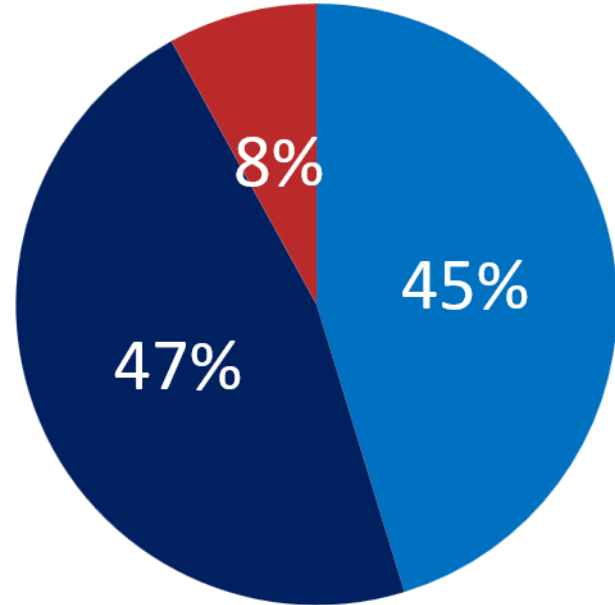


Key takeaway:

The survey reflects the perspectives of companies with significant and long-term experience operating in Japan.

High Awareness Across the European Business Community

Awareness of Recent Policy Developments



■ Yes ■ Partially 部分的に認識している ■ No

Findings

92% Fully aware or Partially aware

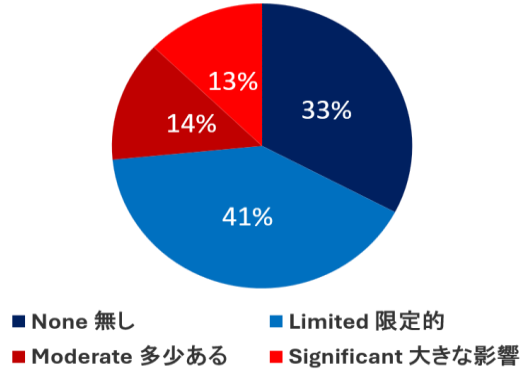
Only 8% Not aware

Key takeaway

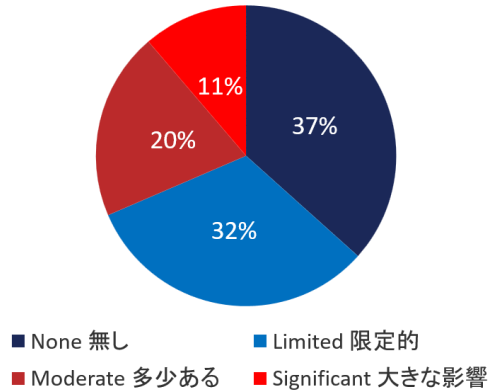
Awareness is now widespread across the European business community, indicating that these policy developments have become an important issue for internationally active companies.

Immediate Business Impact Remains Limited

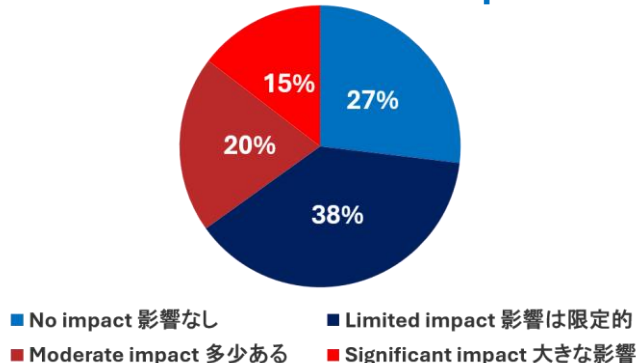
Expected Impact on Visa Fees



Impact on company transfers



Overall Business Impact



Current Situation

Across all major policy areas, majority report limited operational impacts on their current business operations.

The survey therefore provides **no evidence of widespread operational disruption** for European companies operating in Japan.

Businesses appear to be adapting successfully to the current policy environment while closely monitoring future developments.

Key Findings

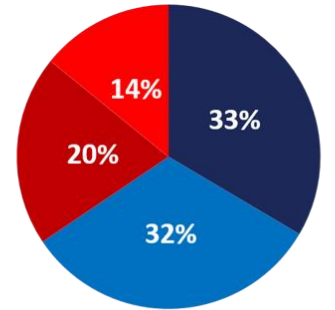
- ✓ Operational impacts remain generally limited.
- ✓ No significant disruption to business activities.
- ✓ Companies remain attentive to future developments.

Key Takeaway

The survey indicates that recent policy developments have not yet created significant operational barriers for most European businesses operating in Japan.

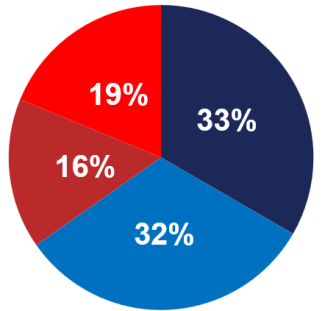
Emerging Concerns: Administrative Complexity and Talent Mobility

Impact on HR/Compliance Processes



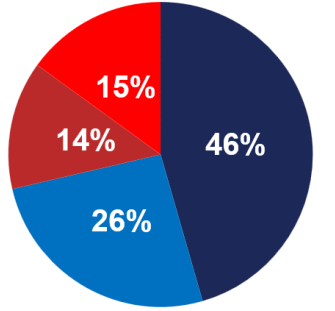
■ None 無し ■ Limited 限定的
■ Moderate 多少ある ■ Significant 大きな影響

Impact on recruitment and talent mobility



■ None 無し ■ Limited 限定的
■ Moderate 多少ある ■ Significant 大きな影響

Expected impact on business operations/investment planning



■ None 無し ■ Limited 限定的
■ Moderate 多少ある ■ Significant 大きな影響

What Companies Are Beginning to Monitor

While immediate operational impacts remain generally limited, the findings suggest that companies are becoming increasingly attentive to the cumulative effect of:

- **Growing administrative and compliance requirements**
- **Recruitment and mobility of international talent**
- **Long-term business and investment planning**

While these issues have not yet resulted in widespread operational challenges, respondents indicate that they warrant **continued monitoring** as implementation evolves.

Key Observations

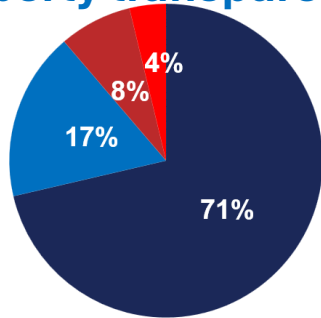
- ✓ Companies are **adapting successfully** to current requirements.
- ✓ **Administrative complexity** is becoming a more prominent **concern** than direct financial costs.
- ✓ **Talent attraction and workforce mobility** are emerging as **strategic business considerations**.

Key Takeaway

The survey suggests that **the principal challenge** is not current operational disruption, **but the gradual increase in administrative complexity and its potential implications for attracting, retaining and deploying international talent.**

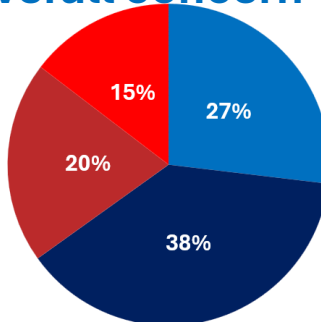
Emerging Areas for Monitoring

Property transparency



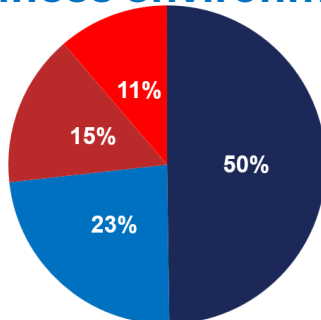
■ None 無し ■ Limited 限定的
■ Moderate 多少ある ■ Significant 大きな影響

Overall concern



■ No impact 影響なし ■ Limited impact 影響は限定的
■ Moderate impact 多少ある ■ Significant impact 大きな影響

Business environment



■ No 影響しない ■ Slightly やや影響する
■ Moderately ある程度影響する ■ Significantly 大きく影響する

Business Perspective

While no single policy measure is viewed as creating significant operational disruption, respondents identified several areas that warrant continued monitoring as implementation evolves.

These findings suggest that **businesses are primarily seeking:**

- administrative clarity;
- predictable implementation;
- efficient procedures;
- continued access to international talent.

Key Observations

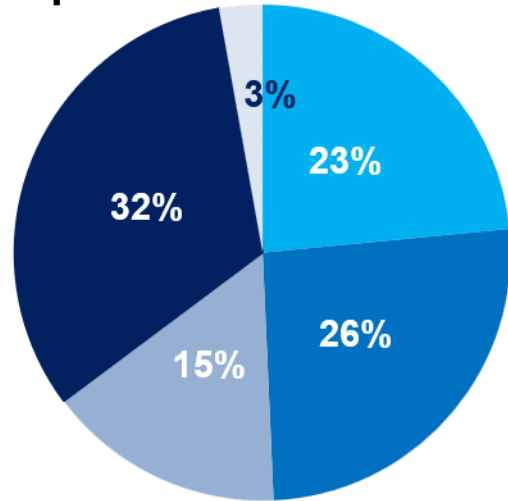
- ✓ No single measure stands out as a major concern.
- ✓ The cumulative impact deserves attention.
- ✓ Predictability remains a key business expectation.

Key Takeaway

European companies are not reacting to one specific policy measure; they are assessing the overall direction of Japan's business environment and its implications for long-term competitiveness.

What do the survey findings tell us about Japan's business environment?

Impact on Japan's attractiveness for foreign talent



- No impact 影響なし
- Slight impact やや影響する
- Moderate impact やや影響する
- Significant impact 大きな影響
- Optional comment: 任意コメント:



Strategic Interpretation

The survey indicates that European companies distinguish between today's operational experience and Japan's longer-term competitiveness.

Immediate business impacts remain generally limited.

Respondents increasingly view administrative predictability and access to international talent as important factors influencing future investment decisions.

The findings suggest that businesses assess recent policy developments through their cumulative effect on Japan's attractiveness as a destination for international companies and highly skilled professionals.

Key Observations

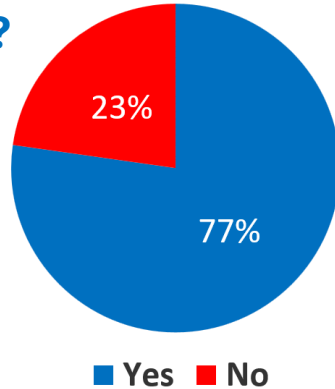
- ✓ Current operational impacts remain limited.
- ✓ Predictability supports business confidence.
- ✓ International talent is becoming a strategic competitiveness issue.
- ✓ Long-term attractiveness matters as much as day-to-day administration.

KEY TAKEAWAY

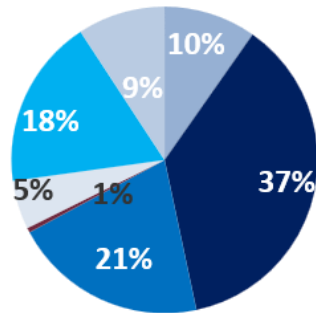
The survey's principal strategic message is that maintaining Japan's attractiveness for international talent and investment depends not only on policy objectives, but also on transparent, predictable and efficient implementation.

Member Expectations: The EBC's Role

Should the EBC engage with the Japanese authorities on these issues?



What actions should the EBC prioritise?



- Increased capital requirements 資本要件の引き上げ
- Greater uncertainty regarding visa renewals ビザ更新に関する不透明感の増大
- Increased documentation requirements 提出書類の厳格化
- Scrutiny of financial sustainability 財政的安定に対する審査
- Tax / social insurance compliance burdens 税務/社会保険コンプライアンスの負担
- Difficulty attracting entrepreneurial talent 起業家人材の獲得困難
- Other (please specify) その他(具体的に記入してください)

What Members Expect

The survey indicates a clear expectation that the EBC should continue to play its role as a constructive and evidence-based **representative of the European business community**. Respondents support engagement that focuses on practical implementation rather than policy objectives.

Members expect the EBC to:

- **Maintain regular dialogue** with the relevant Japanese authorities.
- **Monitor implementation** and identify emerging business issues.
- **Communicate evidence-based feedback** drawn from member experience.
- **Promote transparency, predictability and administrative efficiency** to support Japan's long-term competitiveness.

Key Message

The survey provides the EBC with a clear mandate to continue constructive engagement, grounded in evidence and practical business experience.

Key Conclusions

- ✓ **European companies are well informed** about the recent policy developments.
- ✓ **Immediate operational impacts** remain generally **limited**.
- ✓ **Administrative complexity and predictability** deserve **continued monitoring**.
- ✓ **Maintaining Japan's attractiveness for international talent** is emerging as the **principal strategic issue**.
- ✓ Members support **continued constructive EBC engagement**.

The EBC will

- **Continue evidence-based dialogue** with the relevant Japanese authorities.
- **Continue monitoring** the policy implementation and possible emerging business impacts.
- **Make a follow-up survey in 2027** to assess future developments.

Key Takeaway

The survey supports a balanced approach: continued engagement, ongoing monitoring and constructive dialogue.

Japan remains an attractive destination for European business.

The survey demonstrates that European companies continue to view Japan positively while encouraging transparent, predictable and efficient implementation of recent policy measures.

Through constructive dialogue and evidence-based advocacy, the EBC will continue to support a competitive and internationally attractive business environment.



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