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# Japanese Corporate Behavior Reaching a Turning Point to Emphasize Domestic Investment

*Overseas expansion has slowed down, and policy support for domestic investment has become important.*

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## Summary

- According to the Financial Statements Statistics of Corporations by Industry of the Ministry of Finance, the net assets of Japanese companies amounted to 914 trillion yen at the end of March 2024, a significant increase of about 5.4 times from 170 trillion yen at the end of March 1989.
- During this period, the ratio of overseas sales to total sales (overseas sales ratio) rose significantly in tandem with the ratio of investment securities to total assets (investment securities ratio), and overseas sales themselves also rose steadily. In other words, Japanese companies have become increasingly globalized.
- However, since the U.S.-China trade war, there has been a lull in the shift by Japanese firms to overseas production. Under these circumstances, the economic security policy is a turning point for strengthening domestic production. By encouraging domestic production now, we believe this is an important time to expect additional investment by related firms. We look forward to further policy support.

## Attention

This report is a summary translation. The official document is only in Japanese.