

# Survey Results of 100 Japanese Companies on Economic Security 2024

America  
First

Economic  
Intelligence

China and  
Competition

Middle  
East

Economic  
Security  
Promotion  
Act

Small and  
Medium  
Enterprises

Critical  
Minerals

Corporate  
Structure  
Reform

Anti-  
espionage  
Law

Cyber  
Security



# **Survey Results of 100 Japanese Companies on Economic Security 2024**





# Foreword

**Kazuto Suzuki**

**Director, Institute of Geoeconomics, Group Head of Economic Security**

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American President Donald Trump's inauguration on January 21 2025 has dramatically changed Japan's international environment. The "tariff man" has unilaterally announced sectoral tariffs on steel and aluminum, then the reciprocal tariff, followed by tariffs on cars and components. On July 22, Japan and the U.S. announced an agreement that the latter will impose 15% reciprocal tariffs and 15% on cars and components, leaving unpredictability on when and at which rate the tariffs will be implemented.

President Trump's second administration has reduced business predictability more than his first term (January 2017–January 2021), making corporate planning increasingly difficult. The IOG Survey of 100 Japanese Companies on Economic Security, in its fourth year, was distributed immediately after the U.S. presidential election in November 2024 to capture corporate sentiment following Trump's victory. This year's survey received responses from 74 companies. We express our gratitude to all participants who contributed to this survey.

In the previous survey (2023) under the Biden administration, Japanese companies demonstrated a clear emphasis on strengthening bilateral Japan–U.S. relations, friend-shoring supply chains to allied- and like-minded countries, and reshoring to Japan. At the same time, the responses prominently reflected the need to address changing competition in the Chinese market, particularly the necessity to strengthen R&D more than ever before.

This year's survey 2024 reveals that while there has been no significant retreat in Japanese companies' emphasis on the U.S. market, the recognition that "the U.S. itself is seen as a geoeconomic risk" has spread among Japanese companies. Accompanying this development, it is noteworthy that one in four companies is considering internal organizational restructuring and strengthening, such as enhancing economic intelligence capabilities in Washington, D.C.

Starting this year, this booklet aims to provide more focused and concise columns than in previous years, in addition to analysis on the survey results. Regarding the survey results, we continue to collaborate with the Japan Bank for International Cooperation (JBIC) to produce and publish YouTube video discussions. We have also supported the second "Geopolitics & Business Conference 2025" at the London Business School, introducing our 2024 survey while working to deepen understanding of corporate economic security responses, possibilities for international cooperation, and global affairs including the U.S. and Europe through international exchanges.

The survey results indicate a notable shift in Japanese corporate perceptions, with the U.S. being viewed as a source of geopolitical risk by over half (55.2%) of respondents compared to 38.6% in 2023. This transformation reflects the changing dynamics under the Trump administration, where companies are adapting their strategies to navigate increased uncertainty while maintaining their commitment to the U.S. market. The emphasis on enhancing economic intelligence capabilities, particularly through Washington D.C. offices, demonstrates how Japanese companies are evolving into more sophisticated geoeconomic actors capable of managing complex international dynamics.

Following up the special feature page "2024 Election Year", the Institute of Geoeconomics has newly launched "Trump Tracker (Tora-tora)," "How the World Sees the Trump Administration (Seka-tora)" and "Tariff Tracker (Tari-tora)" on our website since January 2025. We provide concise and timely analysis of the presidential orders (including tariffs and other policies) that President Trump announces in rapid succession, along with global reactions. In a world where predictability has declined, we strive to meet your expectations.

We express our gratitude for your cooperation and support in this survey, and appreciate your continued support for future surveys.



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# Executive Summary of 100 Company Survey

## 1 Economic Security Embedded as a “Management Issue”

82.4% of companies responded that they are “aware and mindful of economic security,” with over 90% including it as an agenda item in management meetings. Triggers for response include Russia’s invasion of Ukraine, semiconductor regulations against China, and deterioration of the Middle East situation. Economic security is transitioning beyond mere risk management to a phase where it is positioned at the core of corporate strategy.

## 2 Progresses Seen in Utilization of Support Measures Based on the Economic Security Promotion Act

The utilization rate of support measures based on the Economic Security Promotion Act has increased, with companies “not utilizing anything” decreasing to less than 30% (compared to 53.8% in the previous year). Responses to the “K-Program (Key and Advanced Technology R&D through Cross Community Collaboration Program)” and “Critical Infrastructure Notification System (notification or report on the System for Ensuring Stable Provision of Specific Infrastructure Services),” as well as institutional initiatives such as the patent application non-disclosure system, have also expanded. However, concerns remain regarding understanding of institutional content and the practical burden of applications, necessitating deeper dialogue between the government and industry.

## 3 Impact of U.S.-China Confrontation Expands and Deepens

73% of companies report “conflict between the US and China had an impact,” representing four consecutive years of increase. Particularly notable are cost increases and decision-making pressures from U.S. regulations (CFIUS, CHIPS Act, IRA, etc.). An increasing number of companies are selecting businesses based on “future business prospects” and “relationship with stakeholders,” or adopting different strategies for the U.S. and China depending on business content. In competition with the Chinese market, companies emphasizing “strengthening technological R&D” remain the majority, with securing technological superiority holding the key.



## **4 Preparations for Geopolitical Risks Shifts from Simulation to Concrete Action**

Simulation implementation rates assuming a Taiwan contingency continue to maintain high levels. In 2024, companies that have “finished simulations and prepared a business continuity plan (BCP)” and “conducted multiple simulations, and reviewed existing BCP” have emerged. Particularly regarding China, concerns about anti-espionage laws, detention of Japanese nationals, and safety of Japanese staffs and their families have surged, with efforts to ensure human safety advancing.

## **5 Prevention of Technology and Human Resource Drain and Security Clearance System Development Accelerates**

Corporate responses such as “centralized understanding and management of in-house personnel who handle advanced technical information” and “installing information protection compartments” are expanding. Preparations in anticipation of security clearance system establishment are also becoming concrete, with corporate interests shifting from “system development” to the “operational phase.”

## **6 Japan Re-shoring and Supply Chain Strategy Complexity**

Japan ranks highest as a “destination” for diversifying suppliers, changing or diversifying sales destinations, or transferring production sites. Interest in Southeast Asia is strengthening in addition to the U.S. and India, showing preferences of friend-shoring. However, many companies remain in a cautious phase overall, as they must also consider U.S. tariff responses. Particularly in sectors with high dependence on China, such as critical mineral refining, securing alternative bases involves high costs and high risks, with multiple respondents noted that there are limits to individual corporate efforts and that government involvement and international cooperation are essential. In destination selection, tendencies to emphasize “quality and skills of local human resources,” “support from local government,” and “predictability of regulations” were observed.

## 100 Company Survey on Economic Security 2024

# Survey Results

Total number of respondents: 74 companies (inclusive of research institutions)  
Survey period: November 2024–January 2025

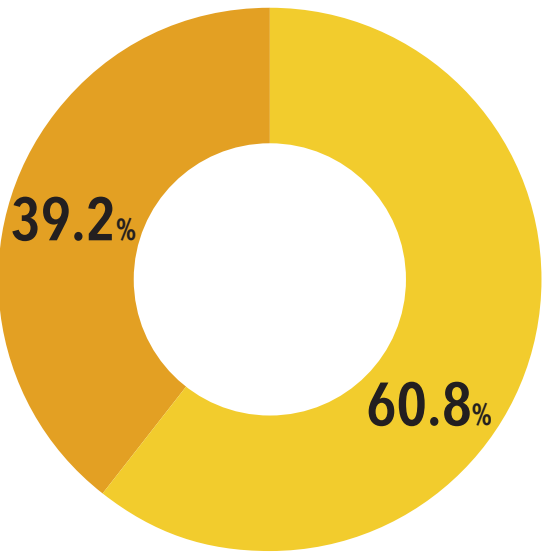
### Respondents:

Ajinomoto Co., Ltd.	KAJIMA Corporation	Ryohin Keikaku Co., Ltd.
ANA Holdings Inc.	Kawasaki Heavy Industries, Ltd.	Shin-Etsu Chemical Co., Ltd.
Canon Inc.	Kioxia Corporation	SMC Corporation
DENSO Corporation	Kobe Steel, Ltd. (KOBELCO), Lasertec Corporation	SoftBank Corp.
DMG MORI Co., Ltd.	Marubeni Corporation	Sony Group Corporation
FRONTEO, Inc.	Mitsubishi Chemical Group Corporation Mitsubishi Electric Corporation	SPARX Group Co., Ltd.
Fuji Electric Co., Ltd.	Mitsubishi UFJ Financial Group, Inc.	SUBARU Corporation
FUJIFILM Holdings Corporation	Mitsui & Co., Ltd.	SUMCO Corporation
Fujitsu Limited	Murata Machinery, Ltd. (Muratec)	Sumitomo Corporation
Furukawa Electric Co., LTD	Narita International Airport Corporation	Sumitomo Mitsui Banking Corporation
Hamamatsu Photonics K.K.	National Institute of Advanced Industrial Science and Technology (AIST)	TDK Corporation
Hitachi, Ltd.	NDIAS, Ltd.	Teijin Limited
HORIBA, Ltd.	NEC Corporation	Tokio Marine Holdings, Inc.
Idemitsu Kosan Co., Ltd.	Nippon Telegraph and Telephone Corporation (NTT)	Tokyo Electron Limited
IHI Corporation	Nippon Yusen Kaisha (NYK)	Toray Industries, Inc.
INPEX Corporation	Nissan Motor Co., Ltd.	Toshiba Corporation;
ITOCHU Corporation	Nissha Co., Ltd	Toyota Boshoku Corporation
Japan Bank for International Cooperation (JBIC)	Nomura Holdings, Inc.	Toyota Motor Corporation
Japan Organization for Metals and Energy Security (JOGMEC)	OMRON Corporation	Trend Micro Incorporated
Japan Tobacco Co., Ltd.	Osaka Gas Co., Ltd.; Panasonic Holdings Corporation	UBE Corporation
JFE Holdings, Inc.	PwC Japan Group	Unison Capital, Inc.
JGC Holdings Corporation	Resonac Holdings	uSonar Co., Ltd.
JERA Co., Ltd.	ROHM Co., Ltd.	Yamato Holdings Co., Ltd.
JSR Corporation		Yokogawa Electric Corporation.

### Industry-sector classification of surveyed companies and institutions [74 responses]

#### Industry-sector classification

● Manufacturing sectors ● Non-manufacturing sectors



#### Industry classifications

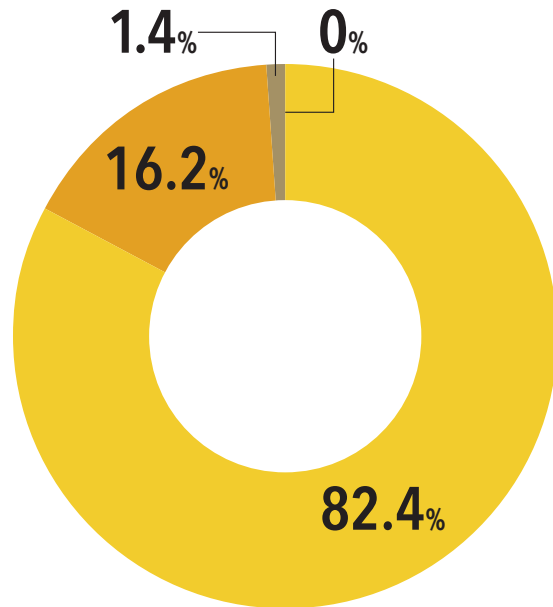
Other manufacturing (11)  
Finance (7)  
Transportation equipment and machinery (6)  
Semiconductors (5)  
Petroleum and petrochemistry (5)  
Trading (4)  
Information and telecommunications (4)  
Iron, steel, and non-ferrous metals (4)  
Transport & storage (4)  
High-precision machines (2)  
Industry and manufacturing production machinery (2)  
Information Technology(IT) (2)  
Food and beverages (2)  
Building materials, textiles, and paper (2)  
Construction and real estate (2)  
Electricity and gas (2)  
Other service industries (2)  
Heavy industry (1)  
Retail (1)  
Others (6)

# 1

## To what degree are you aware/mindful of economic security?

[74 responses]

- Strongly aware
- To a degree
- No answer
- Not very
- Not at all

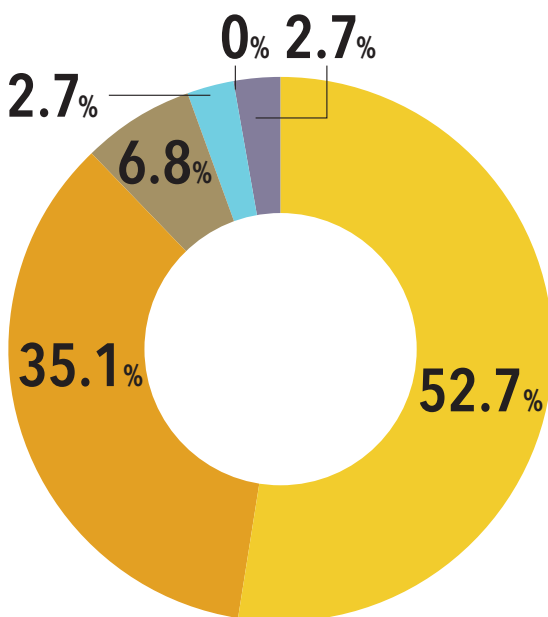


# 2

## Is economic security ever on the agenda when discussing management policies (such as at board of directors and executive meetings)?

[74 responses]

- Often
- Sometimes
- Rarely
- Every time
- Not at all
- No answer

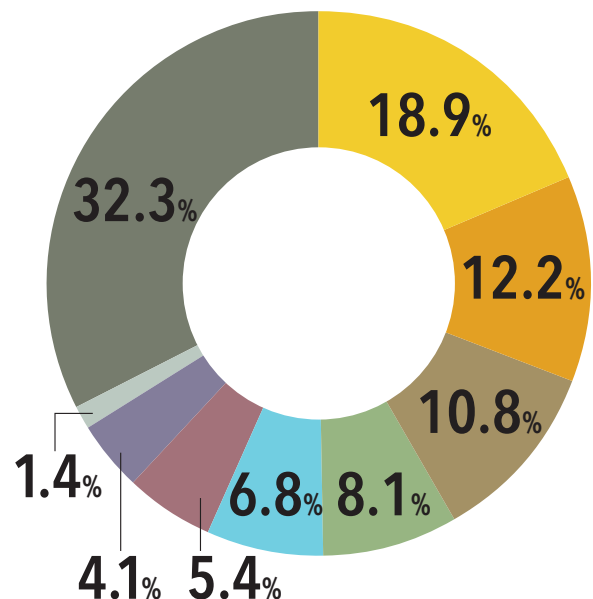


# 3

## When did you start your economic security initiatives?

[74 responses]

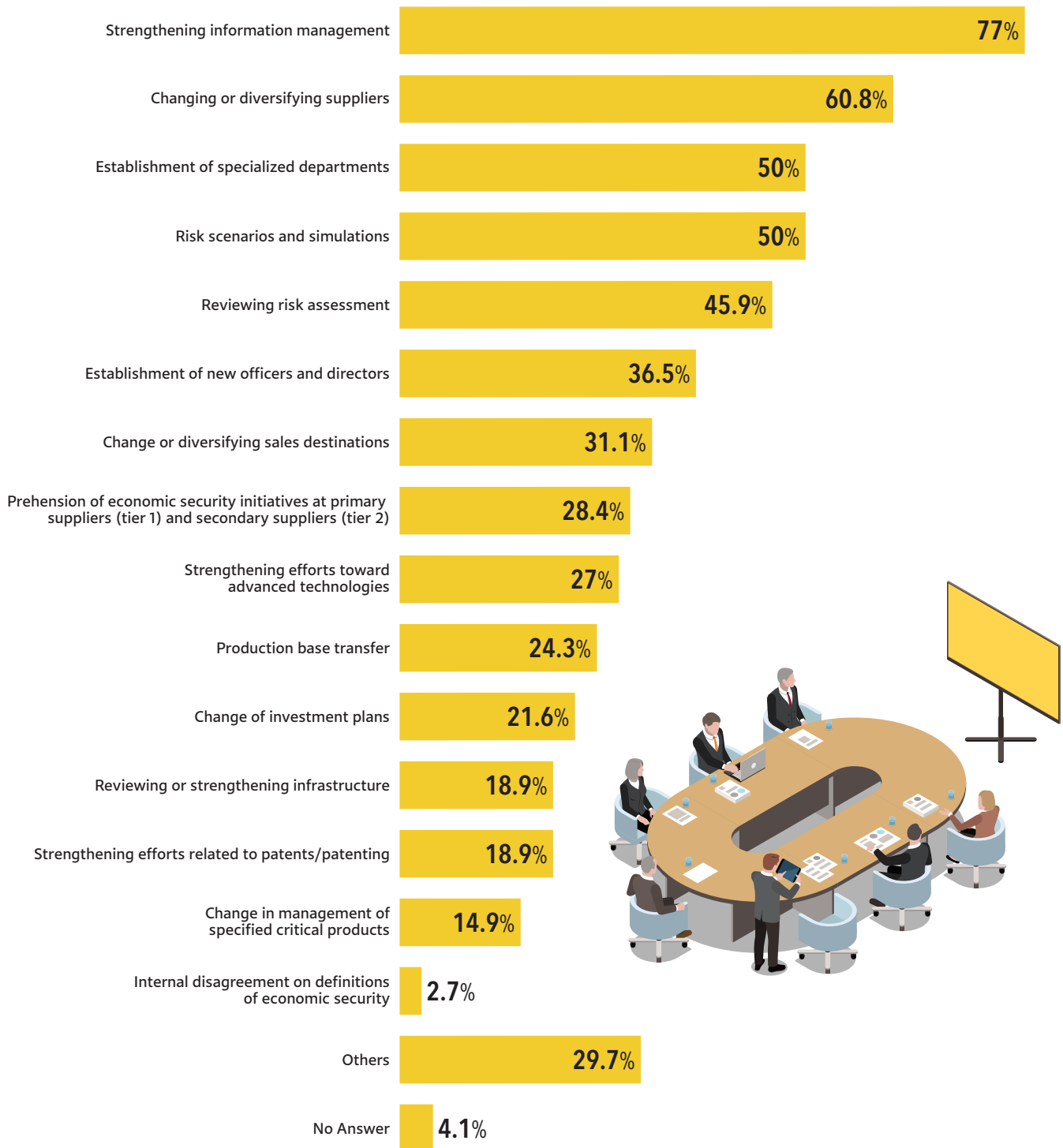
- Export Control Reform Act (ECRA), Foreign Investment Risk Review Modernization Act (FIRRMA) by the U.S. (2018, 2019)
- The National Security Service (NSS) established an "Economy Group" specializing in the economic field (Apr, 2020)
- Economic Security Promotion Act passed into law (May, 2022)
- Russia's invasion of Ukraine (Feb, 2022)
- Export regulation by China regarding rare earth elements (2010)
- Have not started
- Tighter U.S. restrictions on semiconductors to China (Oct, 2022)
- Deteriorating situation in the Middle East (Oct, 2023)
- Others



# 4

## What specific initiative have you taken in your firm? Select all that apply.

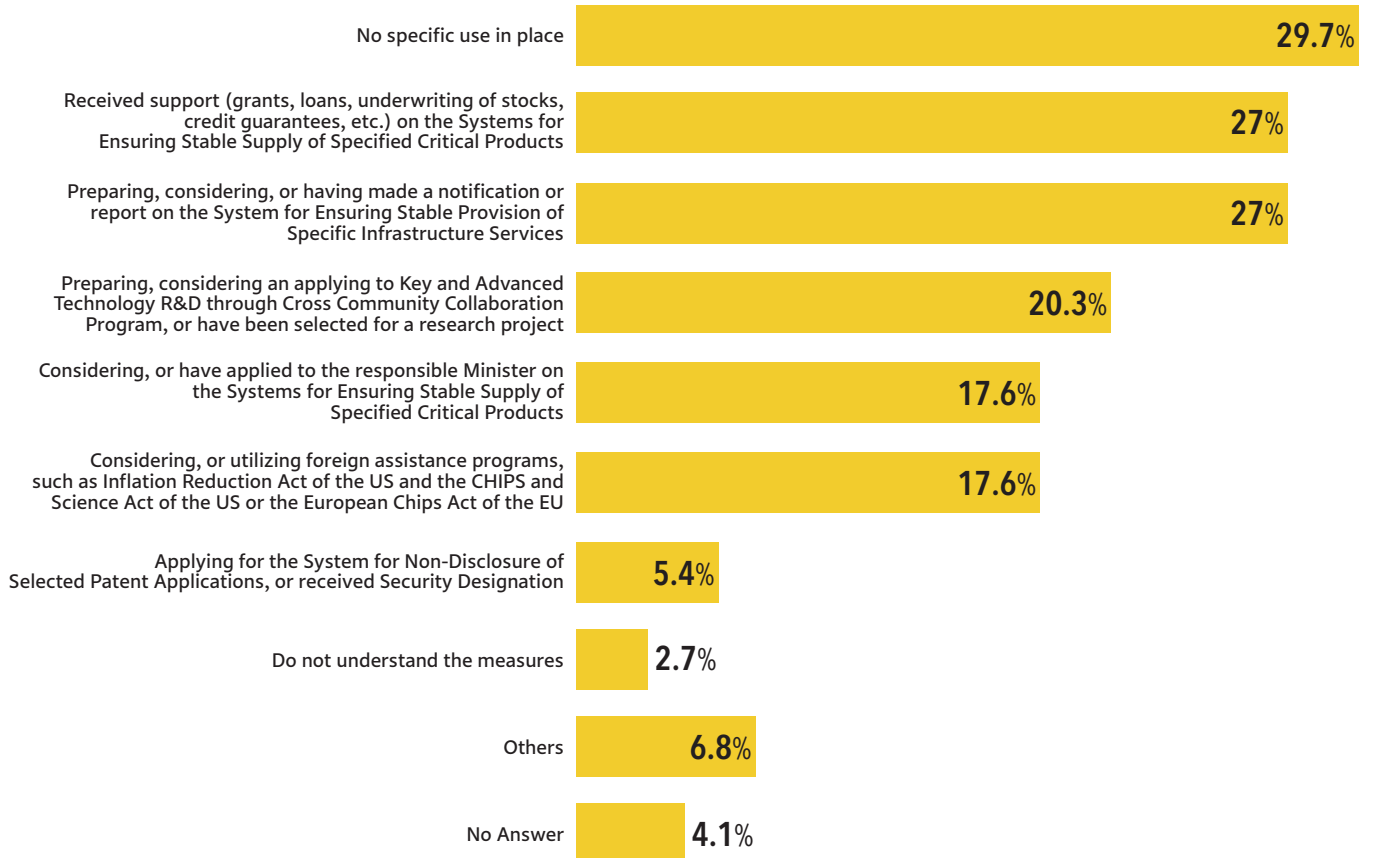
[74 responses]



# 5

## How does your company utilize the support measures under the Economic Security Promotion Act? Select all that apply.

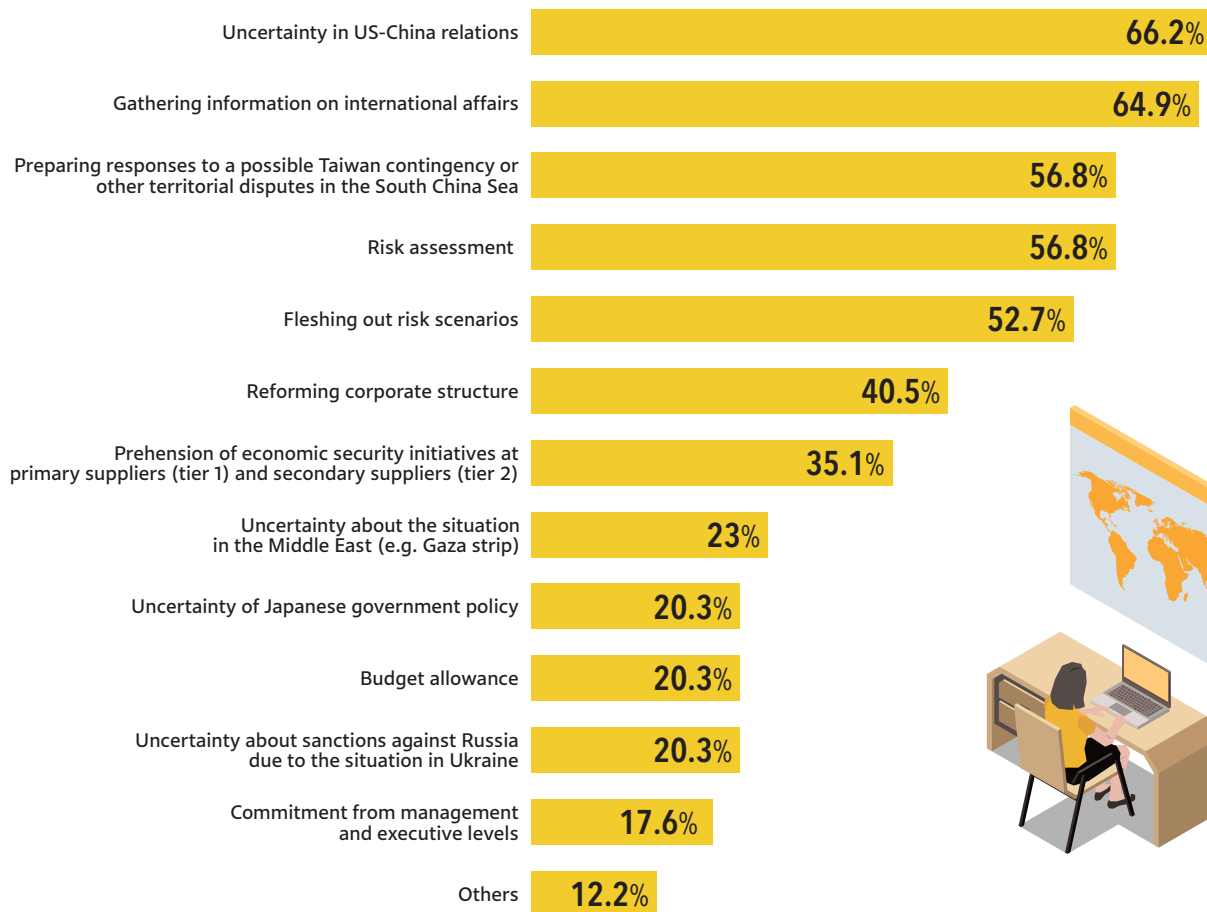
[74 responses]



# 6

## What are the biggest challenges in addressing economic security? Select all that apply.

[74 responses]

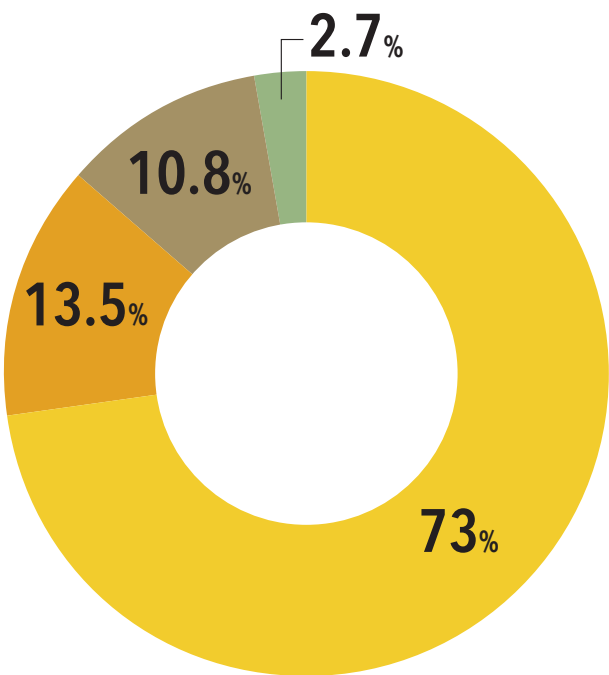


# 7

## Has the current conflict between the US and China had an impact on your business in any way?

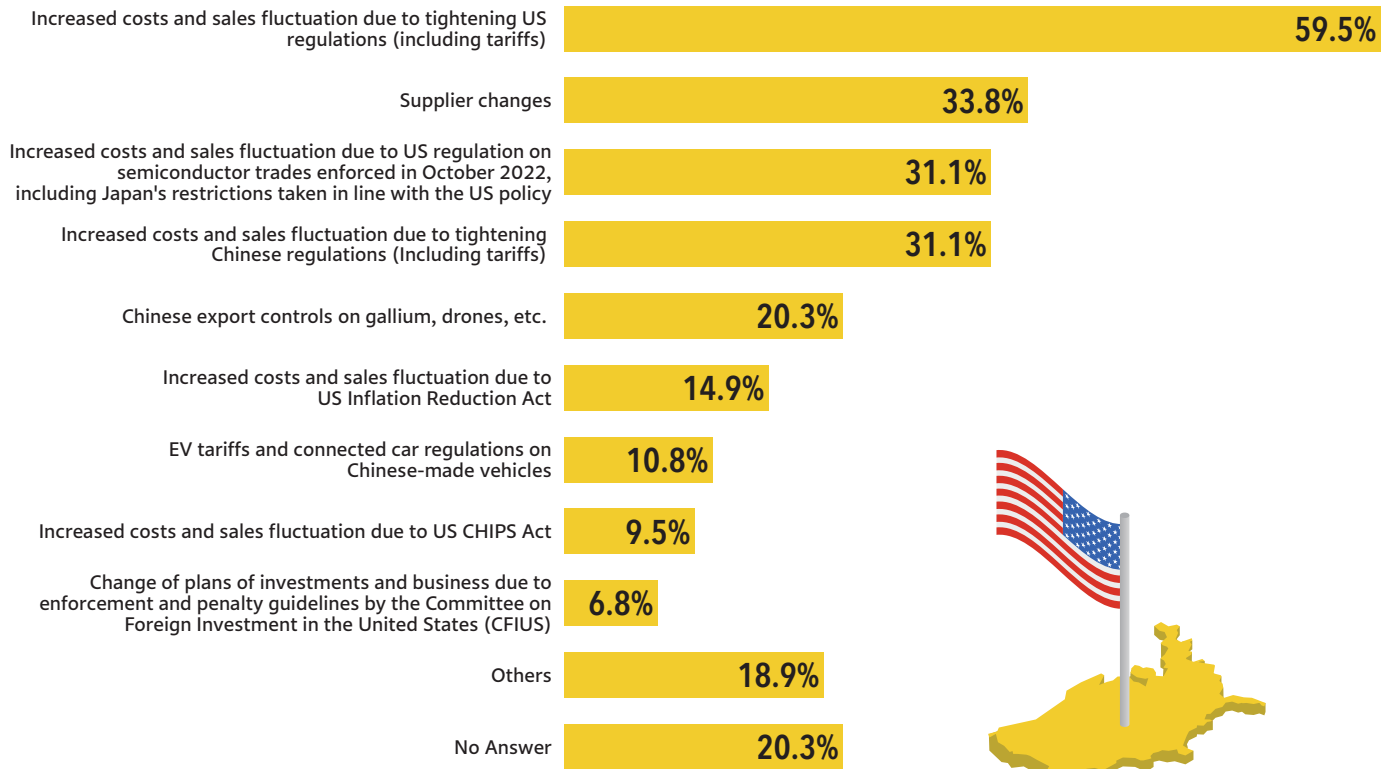
[74 responses]

- Yes, impacted
- Can't say either
- No, not impacted
- No Answer



**For those who answered that there were impacts, what were the specific impacts? For those who have no impact, are there any expected impacts in the future? Select all that apply.**

[74 responses]

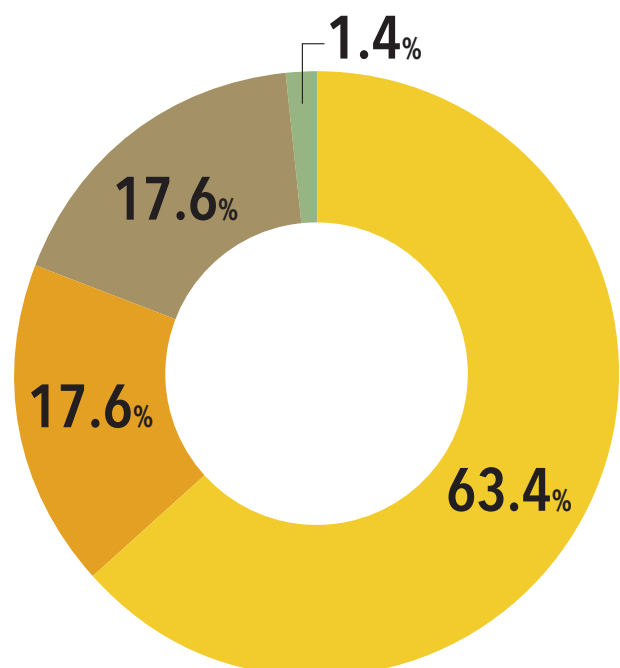


8

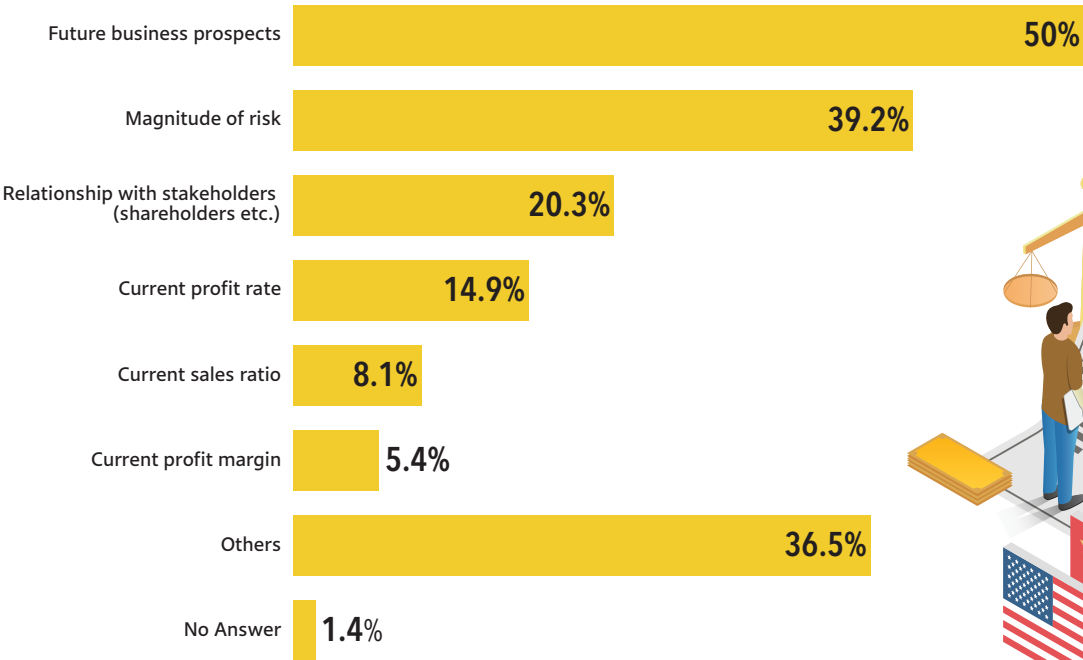
**Have you ever been caught between the US and China, where you had to choose between them in some way?**

[74 responses]

- No
- Yes
- Can't say either
- No Answer



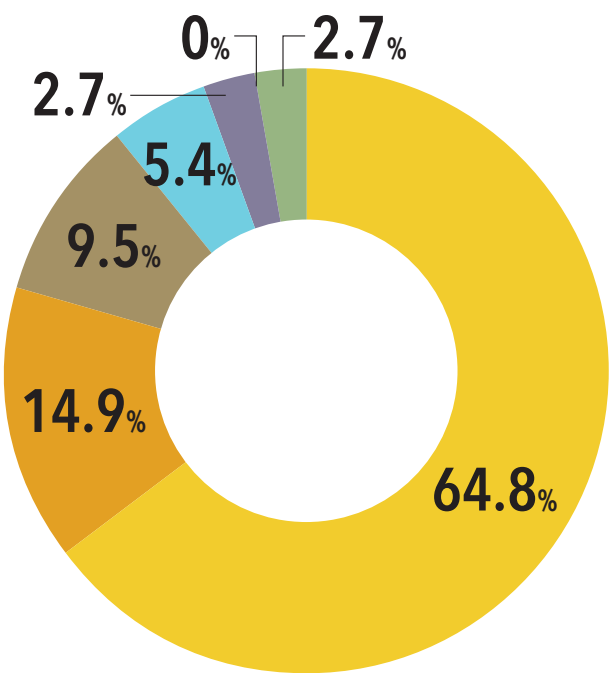
**If you had to choose between US and Chinese business, what would be the criteria to make that decision?**  
[74 responses]



9

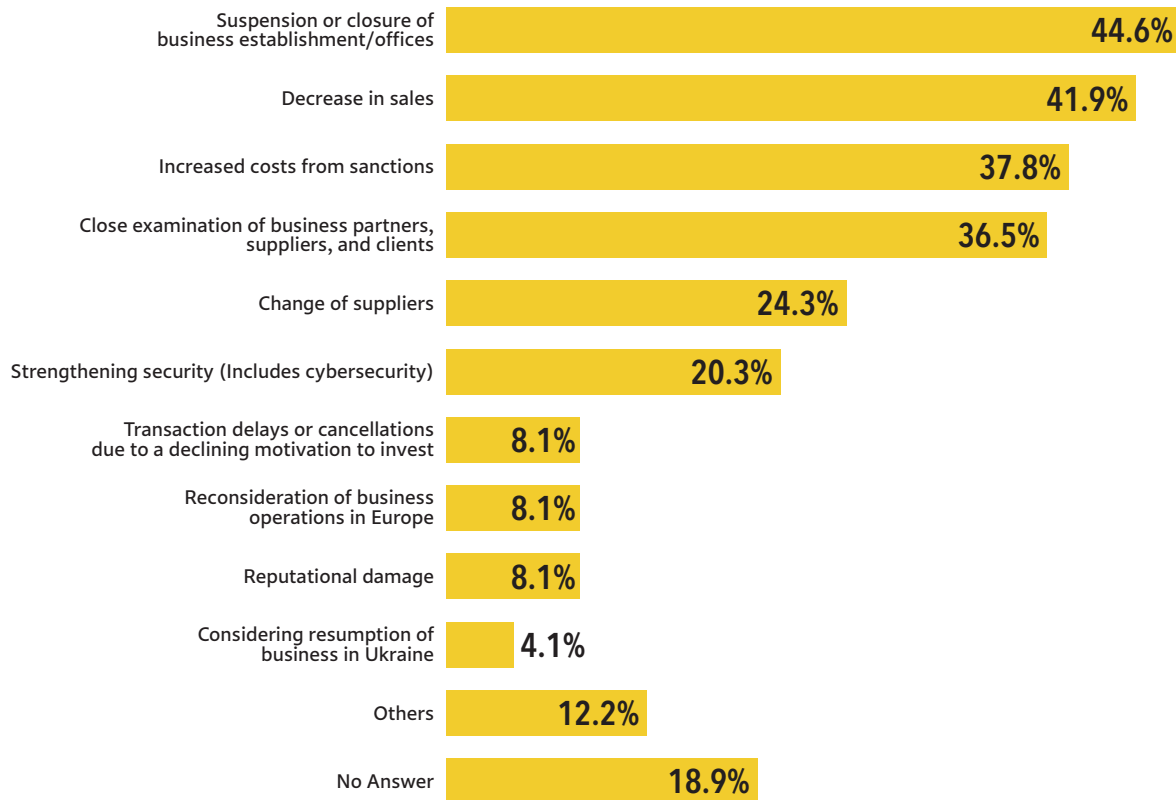
**Has Russia’s invasion of Ukraine and the resulting sanctions against Russia impacted your business in any way?**  
[74 responses]

- Impacted
- Impacted, but diminished
- Not impacted
- Can’t say either
- Impacted, and increased
- Not impacted yet, but expected
- No Answer



**For those “impacted”, how have you specifically been impacted?  
For those who were “not impacted”, are there any specific impacts  
expected for the future? Select all that apply.**

[74 responses]

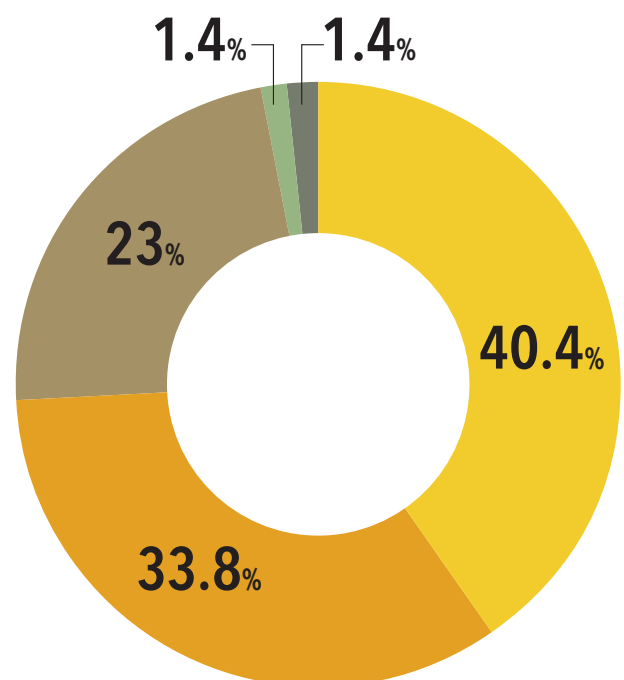


10

**Has the worsening situation in the Middle East over the Gaza strip affected your company's business in any way?**

[74 responses]

- Not impacted
- Impacted
- Can't say either
- Others
- No Answer

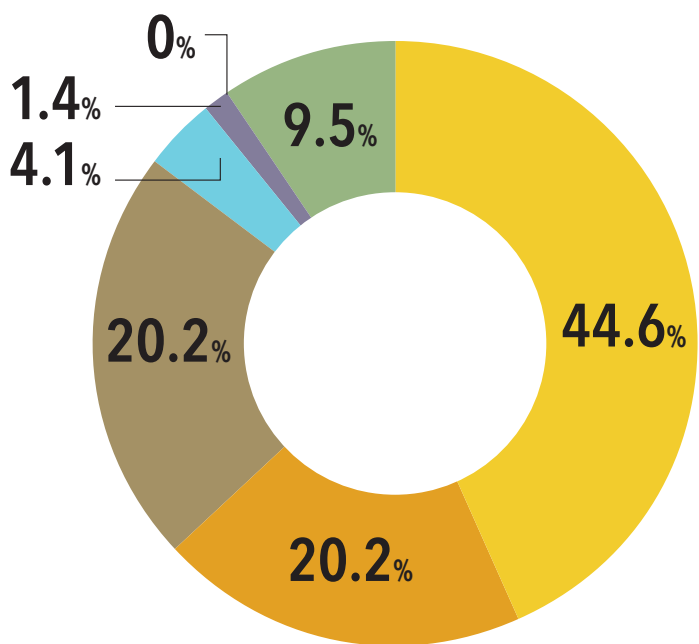


11

To what extent have overall costs increased due to the cost required to handle economic security?

[74 responses]

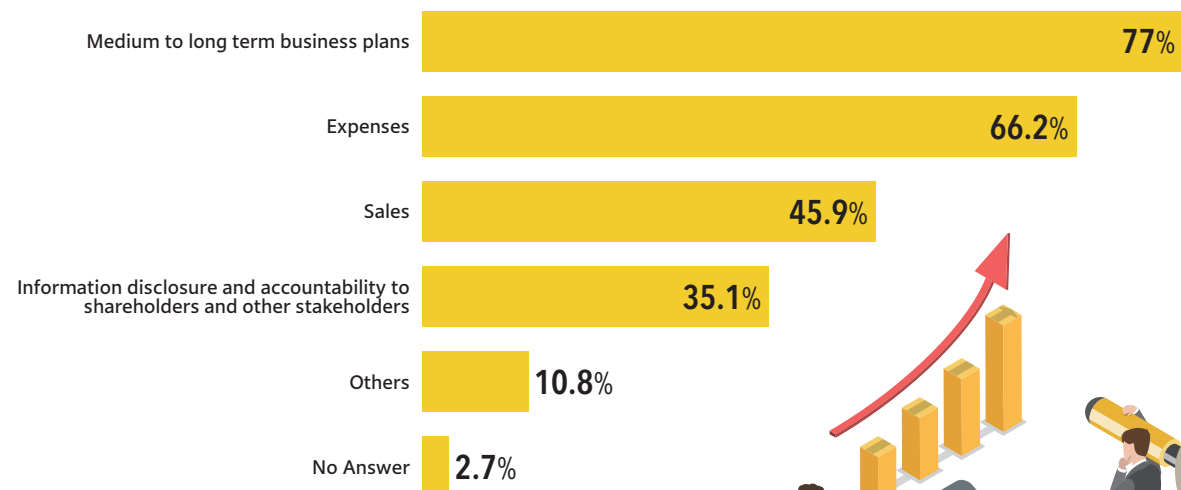
- Increased by under 5%
- No increase
- Not clear
- Increased by at least 10%
- Increased by 5% to less than 10%
- Decreased
- No Answer



12

In the event that further enforcement of Japan's economic security policies proceed, where do you expect to find the biggest impact on your business? Select all that apply.

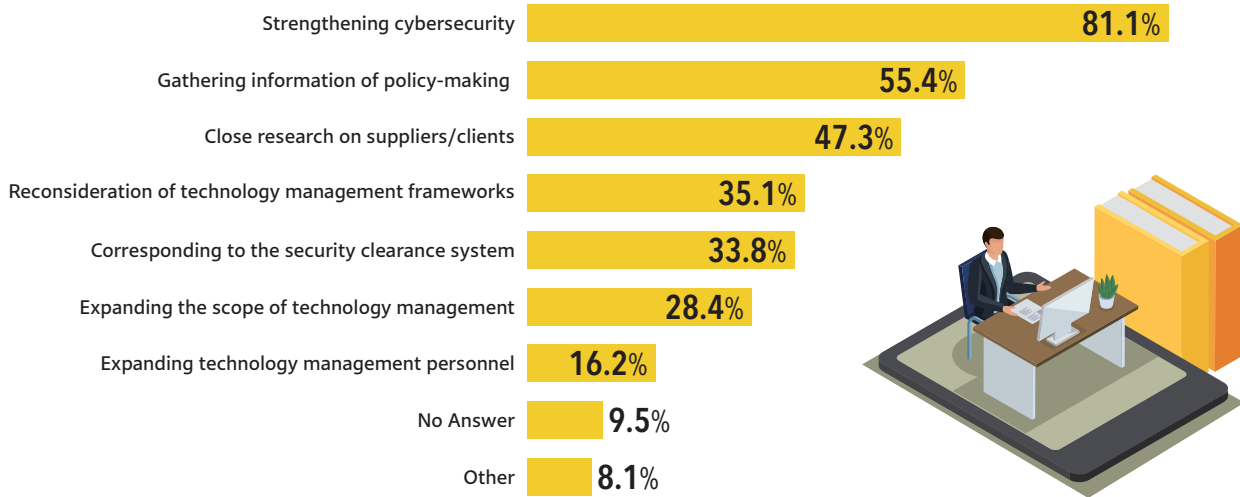
[74 responses]



# 13

**In addition to conventional technology management and export control, what efforts have you made to prevent technology leaks? Select all that apply.**

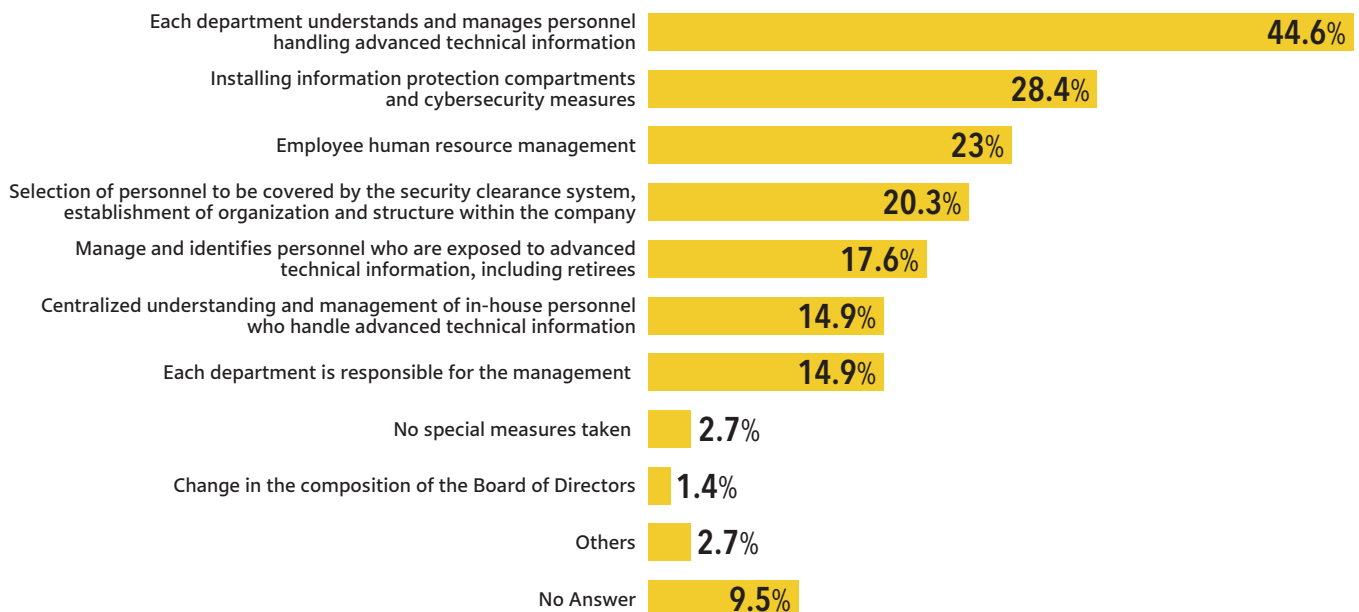
[74 responses]



# 14

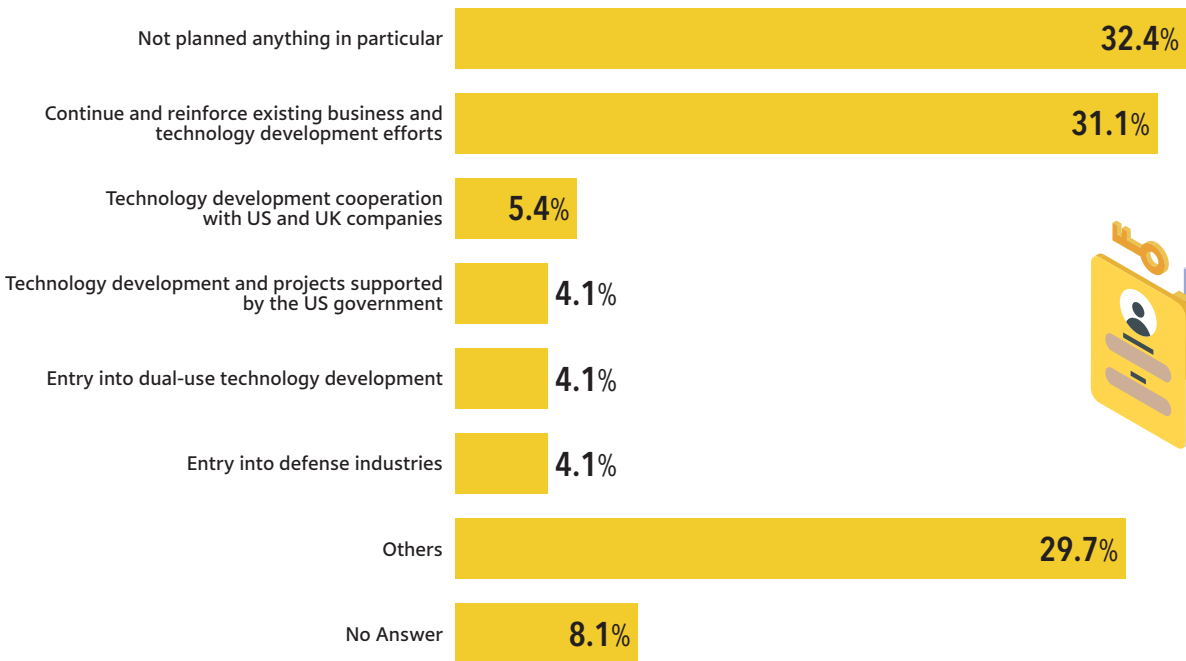
**Regarding sensitive information and technology in your company, to what extent do you manage such information, employees who handle such information, and personnel who have access to highly technical information (e.g., manage such information as trade secrets, limit and control employees who have access to such information)? Select all that apply.**

[74 responses]



How do you plan to utilize the security clearance system?  
Select all that apply.

[74 responses]

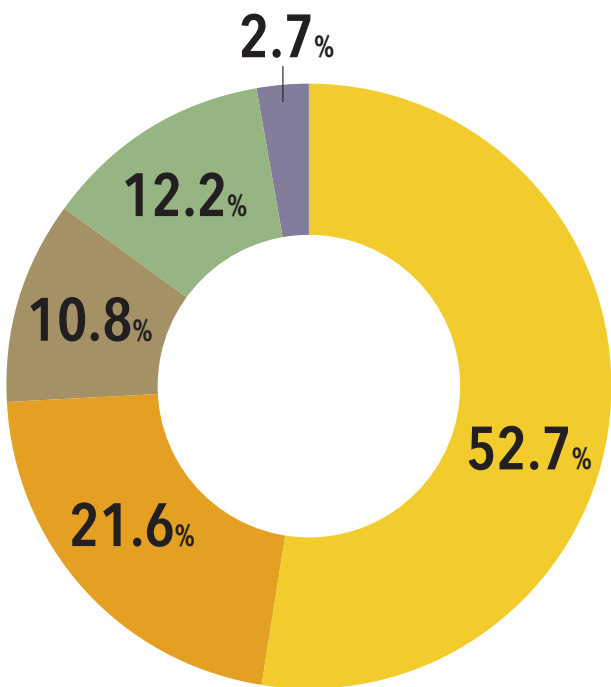


15

Is there a compliance system in place in anticipation of extraterritorial applications of US and Chinese economic sanctions or secondary sanctions?

[74 responses]

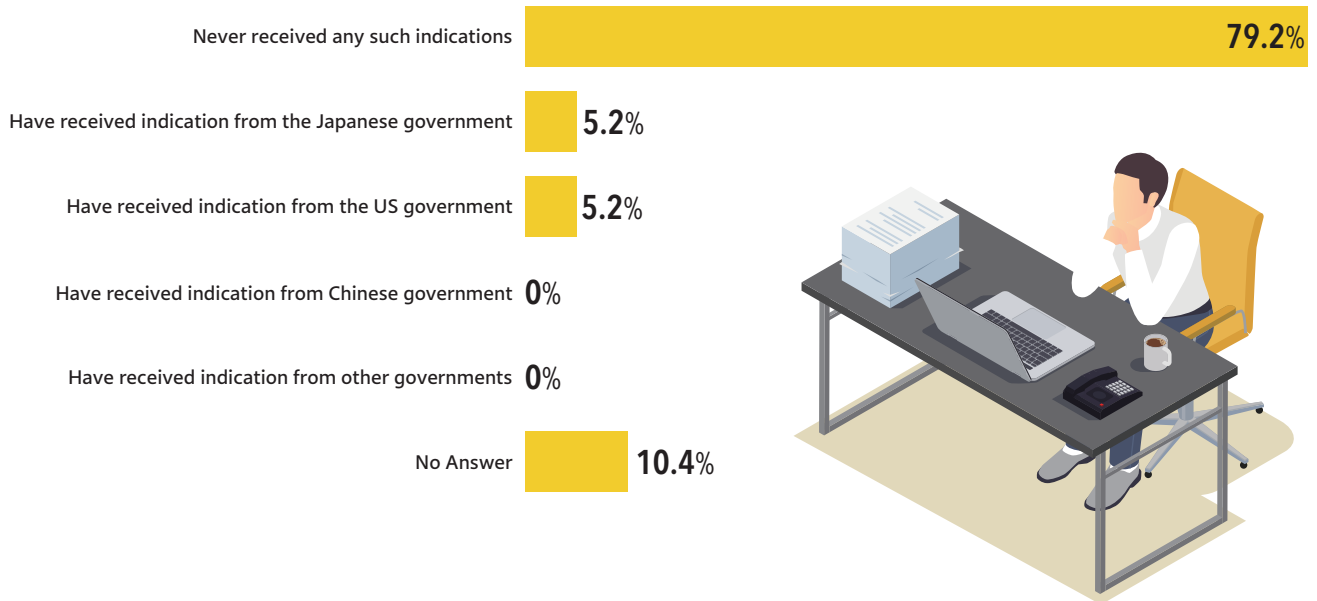
- Yes, such compliance system is in place
- Currently working towards putting such compliance system in place
- No plans to start
- others
- No Answer



# 16

**In the past, have you ever received signals or attestations by Japanese, US, Chinese, or other governments regarding imports, exports, or transaction with sanctioned companies?**

[74 responses]

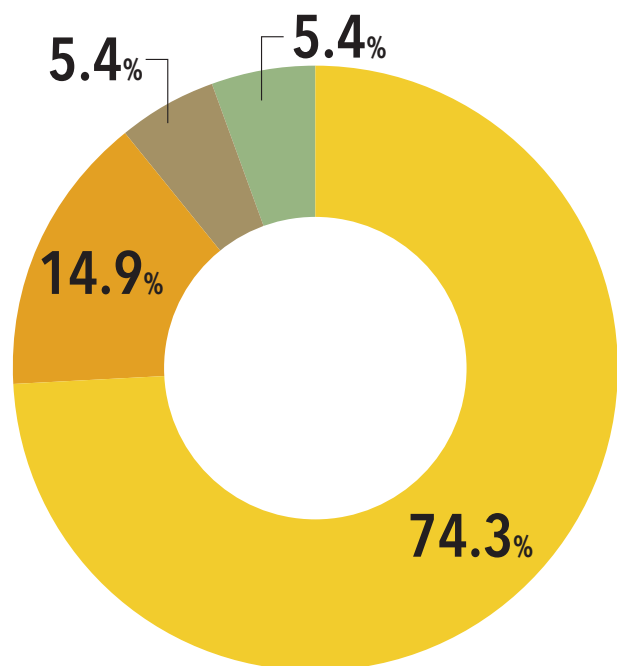


# 17

**Have you ever been subject to fines, transaction suspensions, or import/export suspensions in your business?**

[74 responses]

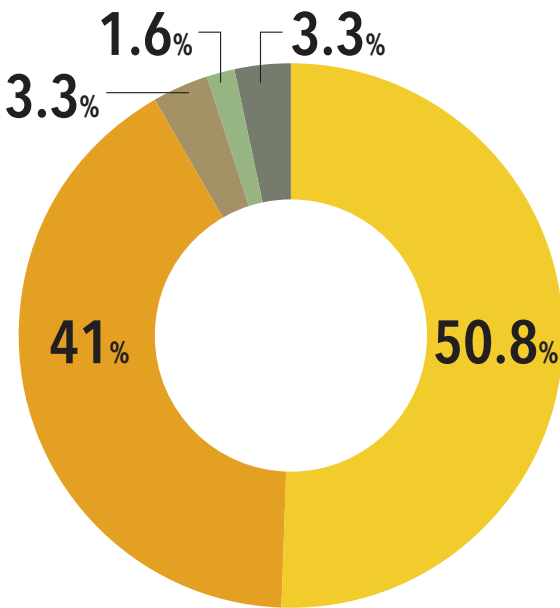
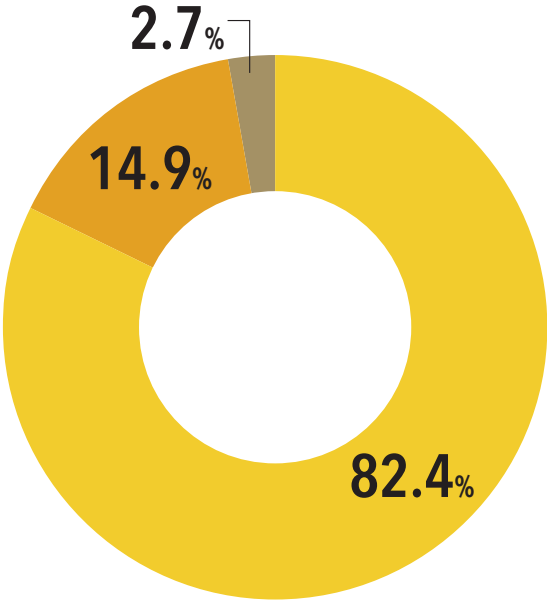
- No and not expecting to be subject in the future
- No but can foresee a possibility of being subject in the future
- Yes
- No Answer



18

Does your business operate in China?  
[74 responses]

- Yes
- No
- No Answer

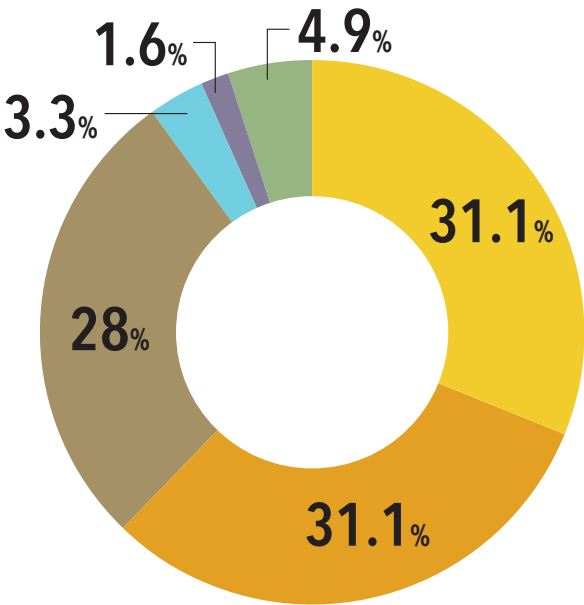


What ratio of your sales are in China?  
[61 responses]

- Under 10%
- 10% to 30%
- 30% to 50%
- 50% and over
- No Answer

If your business includes production process in China, what ratio does this take?  
[61 responses]

- No production process in China
- Under 10%
- 10% to 30%
- 30% to 50%
- 50% and over
- No Answer

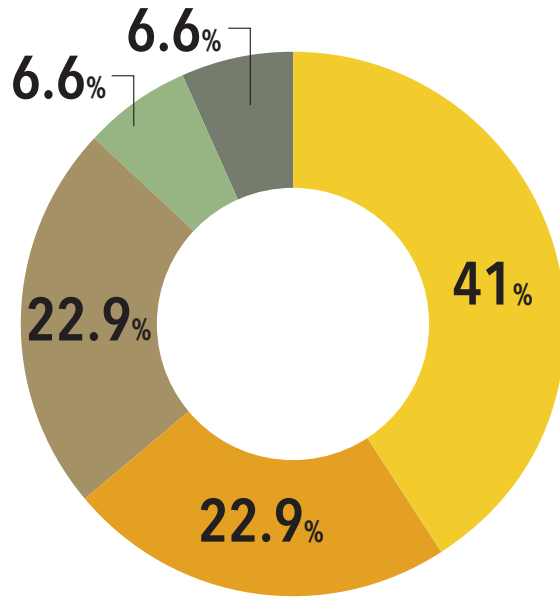


# 19

## Do you have any medium to long term aims to change the sales ratio in China?

[61 responses]

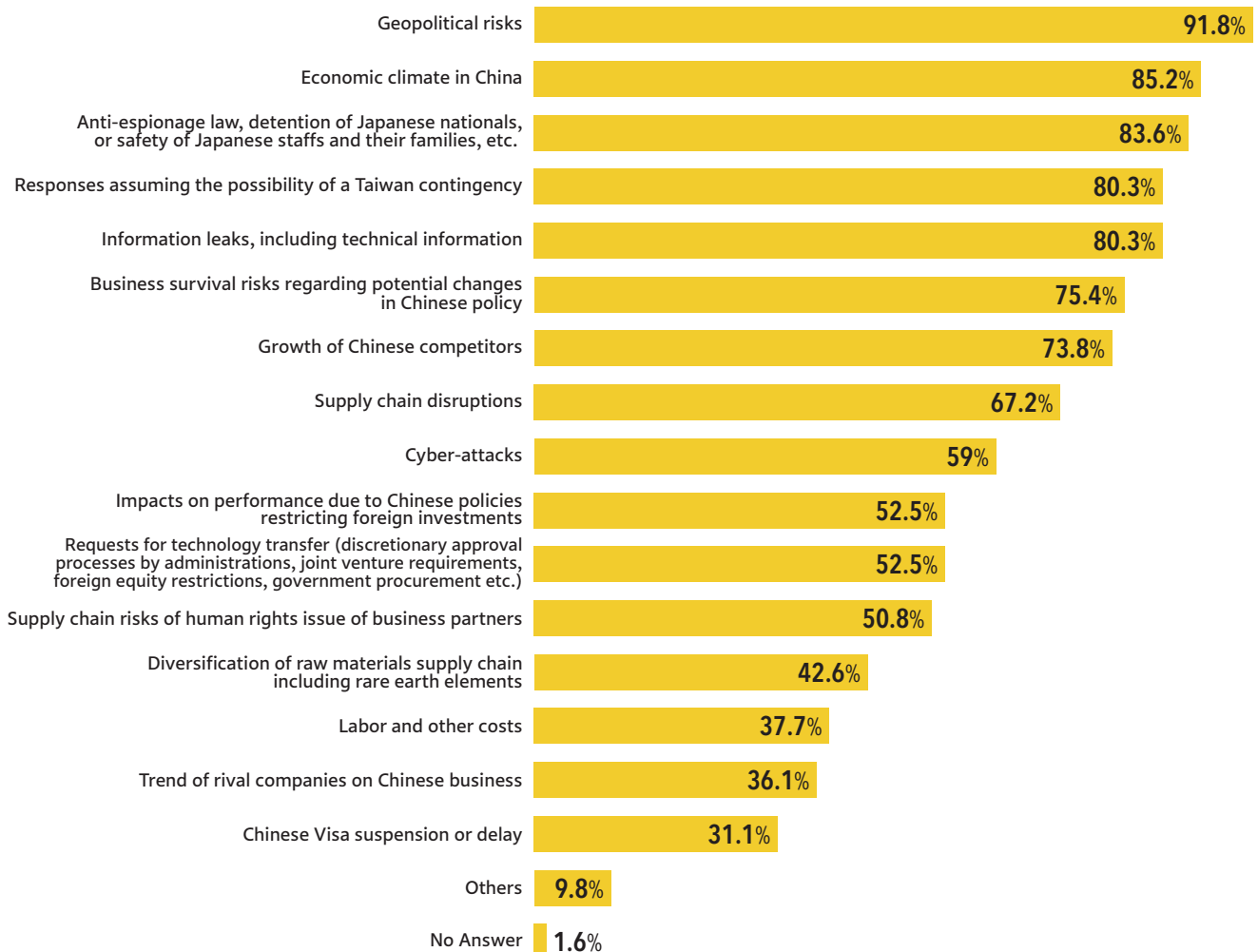
- Not especially
- Aiming to increase the sales ratio in China
- Maintaining the current ratio
- Aiming to reduce the sales ration in China
- No Answer



# 20

## What are important topics to be attentive to for developing business in China? Select all that apply.

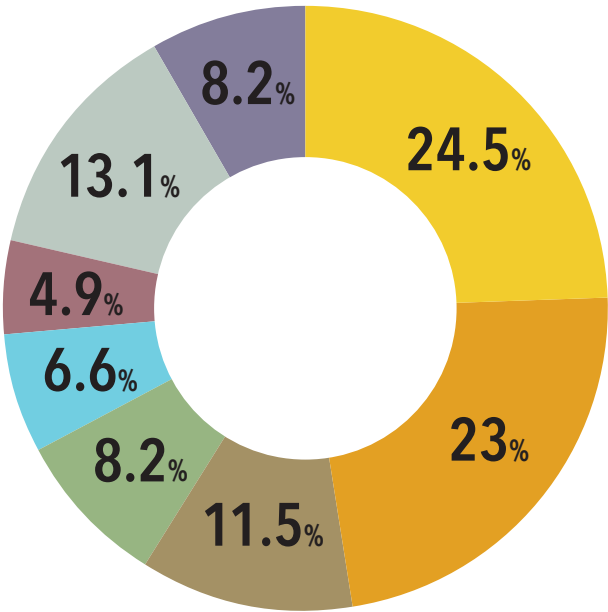
[61 responses]



Is your company prepared for a possible Taiwan contingency and how far?

[61 responses]

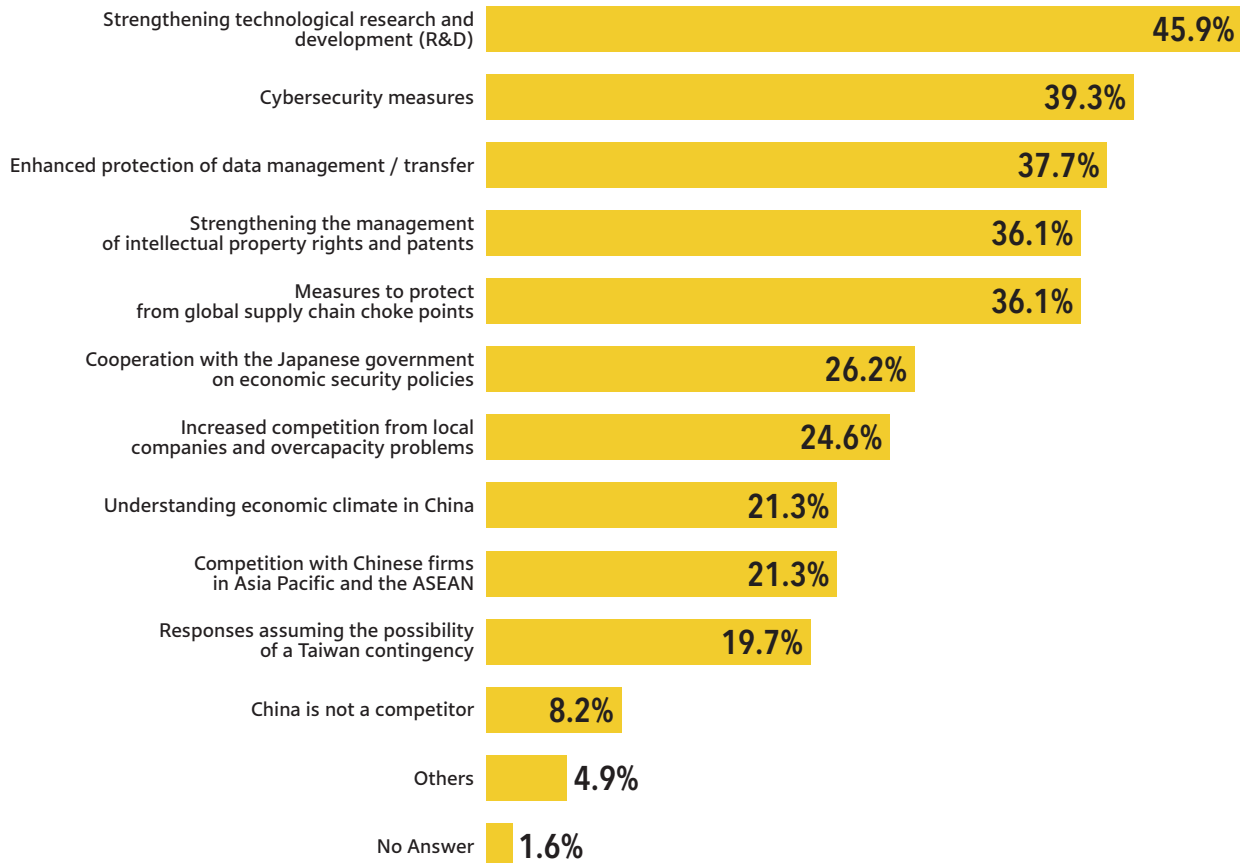
- Finished simulations and preparing a BCP (Business Continuity Plan)
- Planning Taiwan contingency simulation drills
- No simulations planned
- Finished simulations and prepared a BCP
- Conducted multiple simulations, and company-wide preparations are in place based on BCP
- Conducted multiple simulations, and reviewed existing BCP
- Others
- No Answer



21

To maintain a competitive edge in regard to China, where do you place the most value?

[61 responses]

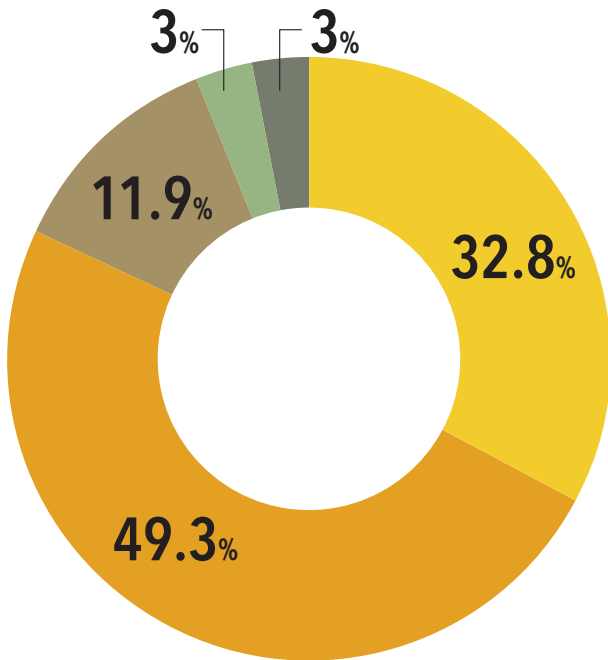
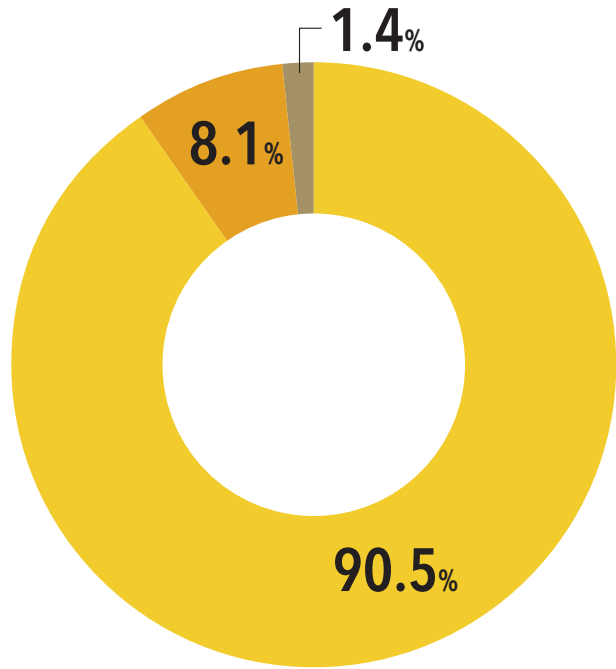


# 22

## Does your company operate in the US?

[74 responses]

- Yes
- No
- No Answer



## What ratio of your sales are in the US?

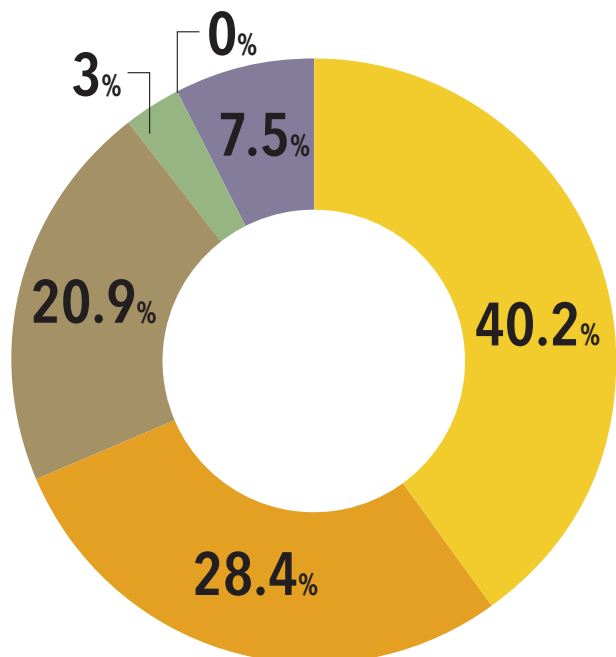
[67 responses]

- Under 10%
- 10% to 30%
- 30% to 50%
- 50% and over
- No Answer

## Additionally if your business includes production processes in the US, what ratio does this take?

[67 responses]

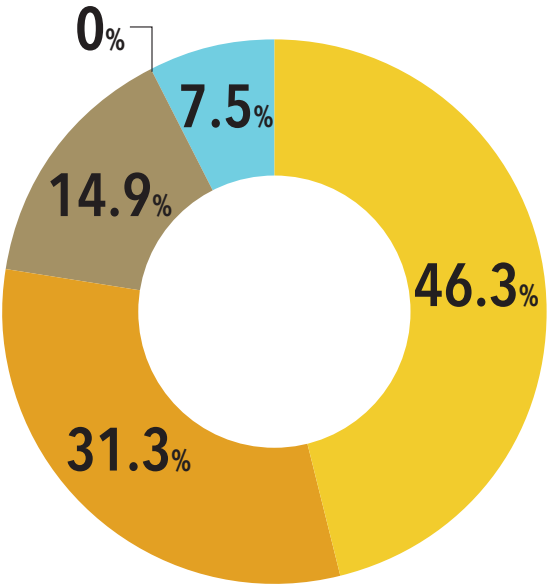
- Under 10%
- No production process included
- 10% to 30%
- 30% to 50%
- 50% and over
- No Answer



23

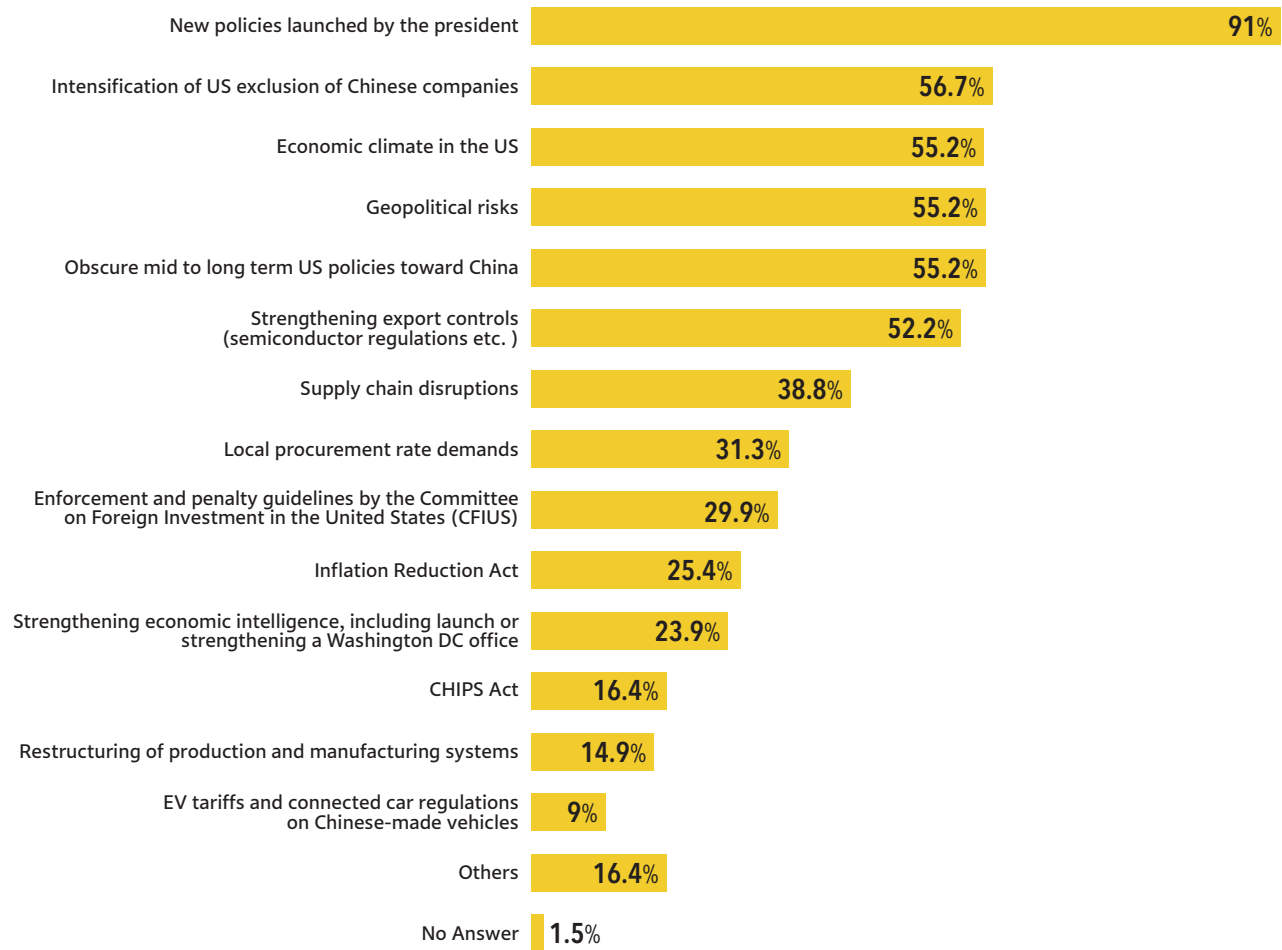
Do you have any medium to long term aims to change the sales ratio in the US?  
[67 responses]

- Aiming to increase the sales ratio in the US
- Not especially
- Maintaining the current ratio
- Aiming to reduce the sales ratio in the US
- No Answer



24

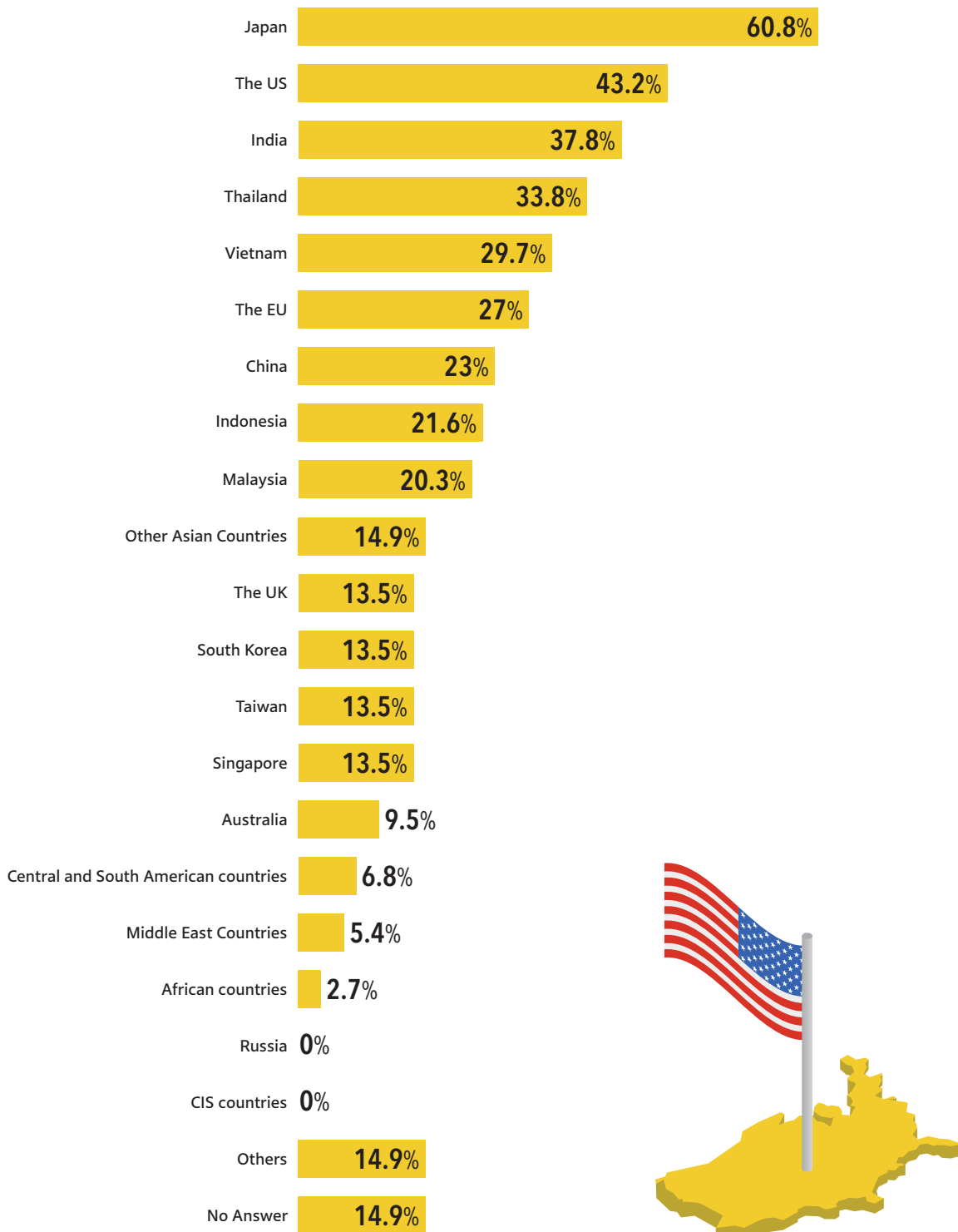
What are important topics to be attentive to for developing business in the US? Select all that apply.  
[67 responses]



# 25

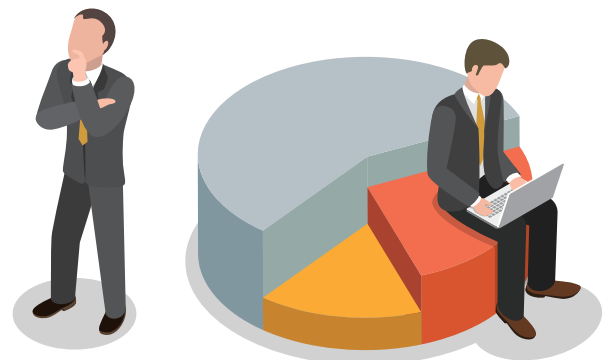
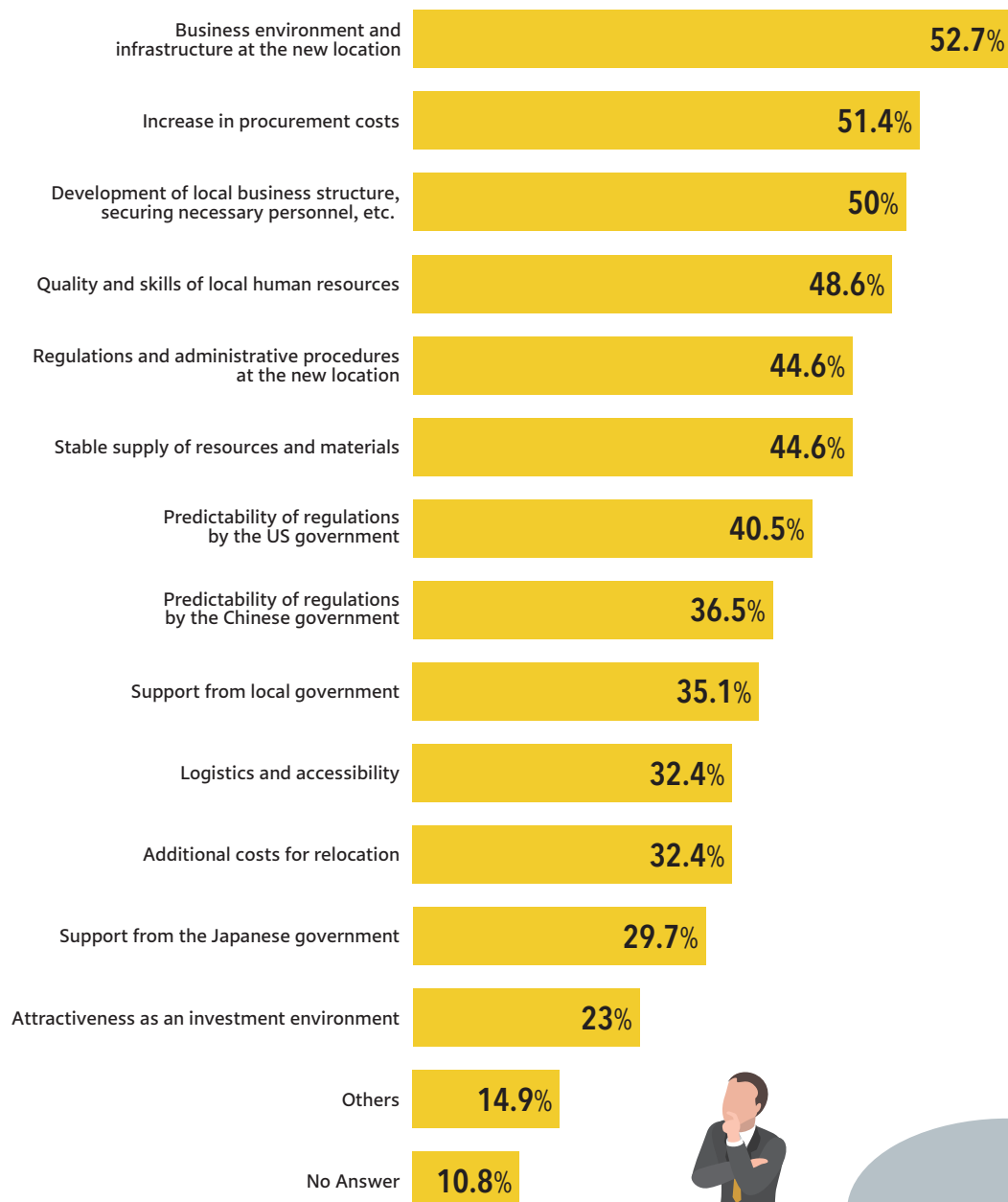
Select a country/region planned or designated for diversifying suppliers, changing or diversifying sales destinations, transferring production sites, or changing investment plans. Select all that apply.

[74 responses]



## What are the important topics to be attentive to for supply chain diversification? Select all that apply.

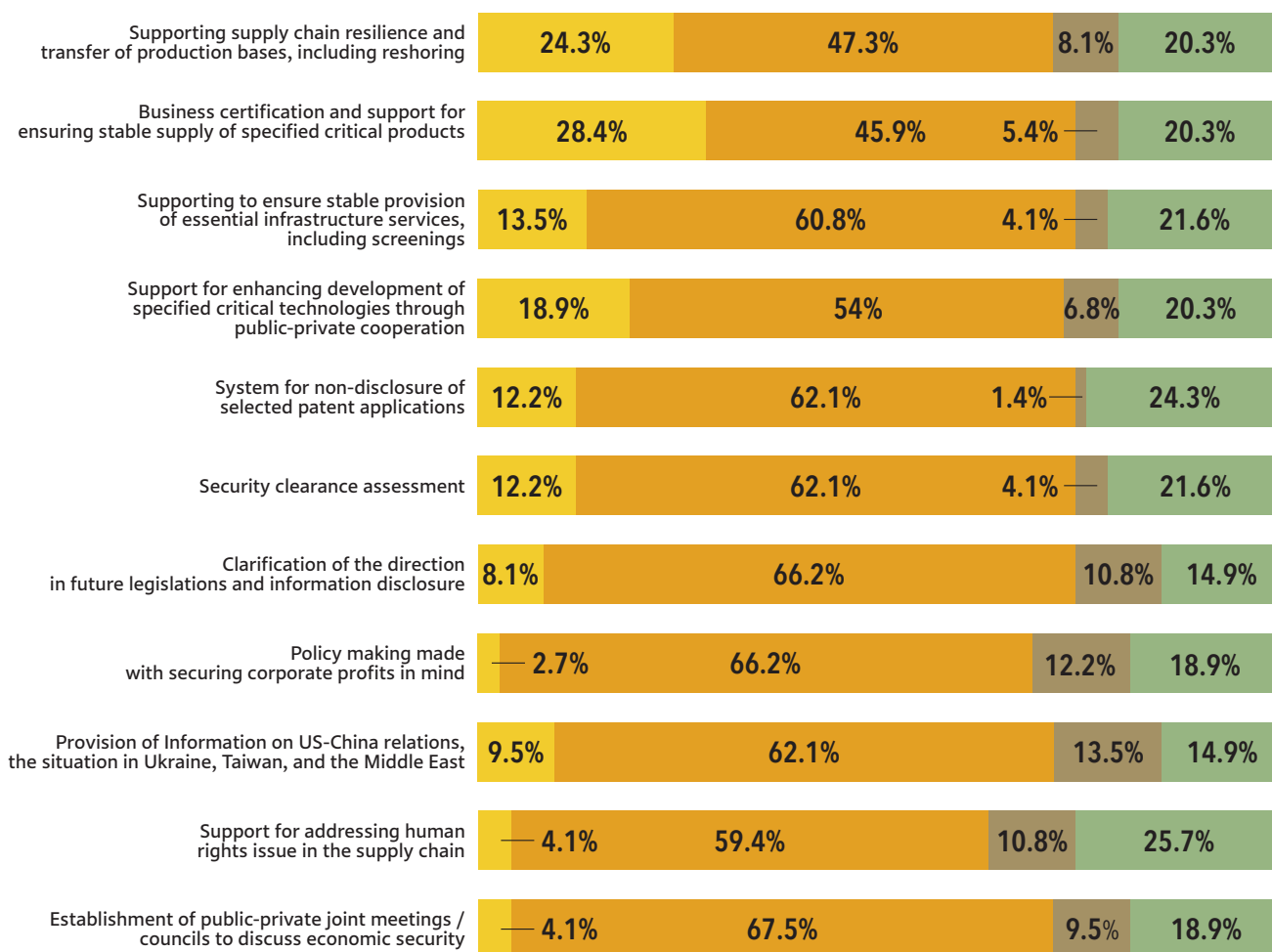
[74 responses]



# 26

Regarding the future economic security policy, please indicate your satisfaction with the Japanese Government's efforts in each of the following topics below. Of the items related, please put "○" to satisfied topics, "×" to unsatisfied topics, and "△" to neither topic.

● Satisfied ● Neither ● Unsatisfied ● No Answer



# 28

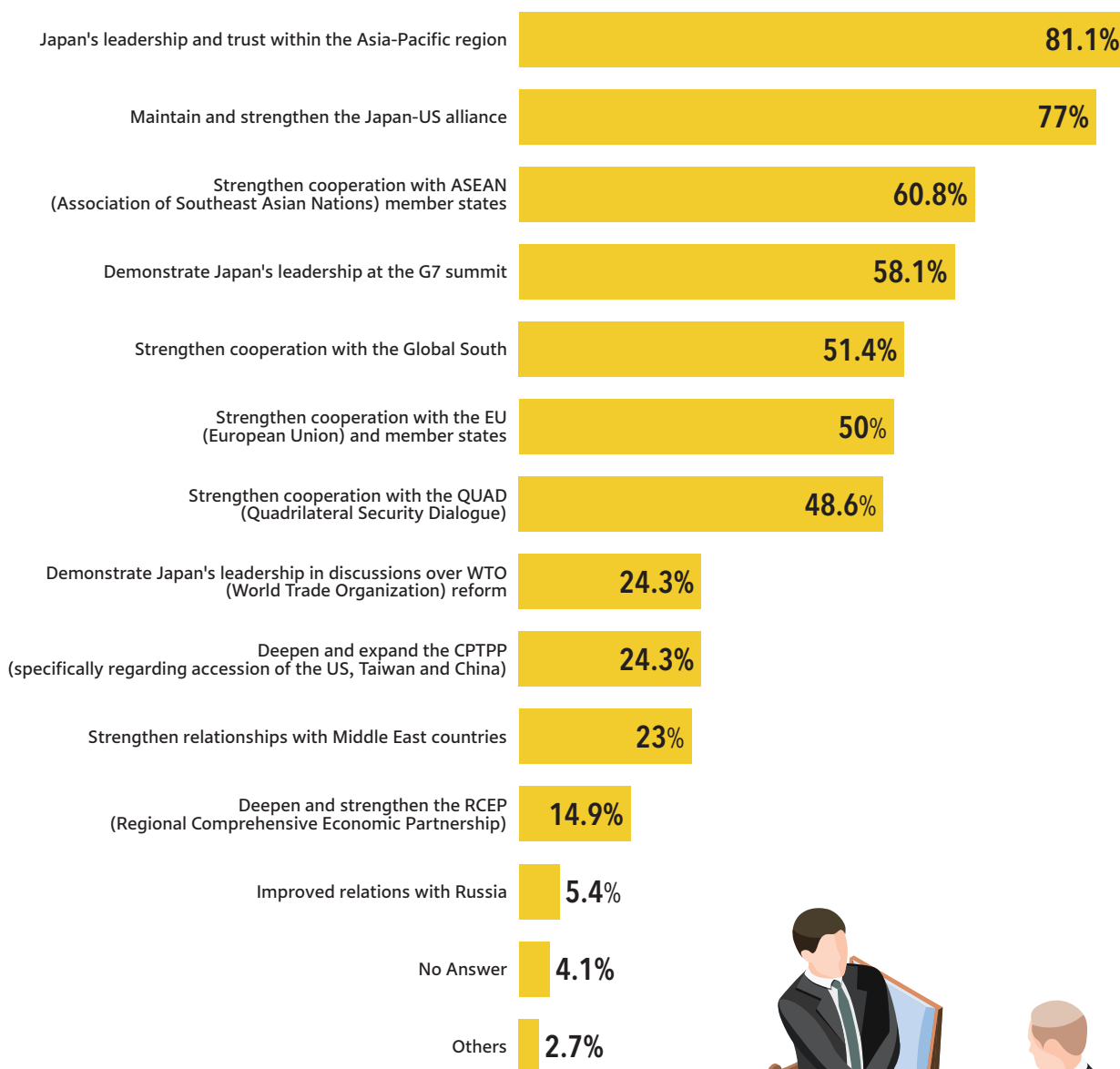
**In promoting Japan's economic security strategy, what should be done to maximize and make the most of Japan's strengths? Select all that apply.**

[74 responses]



## Which of the following frameworks / region do you think Japan should strengthen relations with in advancing economic security strategy? Select all that apply.

[74 responses]



# U.S. Risks and Opportunities:

## Japanese Companies Becoming Proactive Geoeconomic Actors Through Enhancing Long-term Adaptivity



**Mariko Togashi**

Visiting Research Fellow, Economic Security Group

Since the inauguration of the second Trump administration, governments, businesses, and individuals around the world have been affected by U.S. policies. Within just a few months of taking office, the second Trump administration has pushed forward an unprecedented number of initiatives in both domestic and foreign policies. Among these, tariffs have become one of the top priorities for the Japanese government and corporations. Beginning with tariffs on Mexico and Canada, the administration imposed item-by-item tariffs, including on automobiles, and in early April 2025 announced details of reciprocal tariffs. Since then, Japan and the United States held three months of ministerial talks and, at the end of July, reached a non-legally-binding agreement to set reciprocal tariffs at 15% and automobile tariffs at 15%.

U.S. tariffs directly affect the exports of Japanese companies, and if tariffs slow the U.S. economy, Japan's economy—which has high exposure to the U.S. market—will

also be significantly impacted. In fiscal year 2022, sales by overseas affiliates of Japanese companies totaled 361.5 trillion yen (c.a. 2.4 trillion USD), with U.S. affiliates accounting for 31%, a high level that has remained roughly the same over the past decade<sup>1</sup>. The U.S. market is also overwhelmingly important for outward investments by Japanese firms. Japanese direct investments in the U.S. have been on a constant upward trend; in 2024, net direct investment reached 11.7 trillion yen, the highest since statistics began, and could increase further due to the newly imposed tariffs. This indicates Japanese companies' continued emphasis on the U.S. market, while factors, such as changes in the international situation, consequent shifts in national regulations, and the slowdown in direct investments in China, have also contributed to the increase in the investments in the U.S. The high level of exposure to the U.S. market, which cannot be changed overnight, poses a substantial risk to Japanese companies and the Japanese economy.

<sup>1</sup> Ministry of Economy, Trade and Industry, "Basic Survey on Overseas Business Activities: 53rd Survey Results (FY 2022)." e-Stat, May 31, 2024 (Japanese Version). Accessed July 7, 2025. [https://www.e-stat.go.jp/stat-search/files?page=1&layout=datalist&toukei=00550120&kikan=00550&tstat=000001011012&cycle=7&tclass1=000001023635&tclass2=000001218180&stat\\_infid=000040185106&tclass3val=0](https://www.e-stat.go.jp/stat-search/files?page=1&layout=datalist&toukei=00550120&kikan=00550&tstat=000001011012&cycle=7&tclass1=000001023635&tclass2=000001218180&stat_infid=000040185106&tclass3val=0) (English summary) [https://www.meti.go.jp/english/statistics/tyo/kaigaizi/pdf/r5\\_gaiyo\\_53e.pdf](https://www.meti.go.jp/english/statistics/tyo/kaigaizi/pdf/r5_gaiyo_53e.pdf)

### Japanese Companies Pursue Expansion in the U.S. Despite Materializing Risks

Despite the materialization of political and economic risks associated with the U.S., Japanese companies continue to anticipate expansion in the U.S. market. In this 2024 survey asking about "medium to long term



aims to change the sales ratio in the U.S.,” 46.3% of companies responded that they are “Aiming to increase” this ratio, maintaining the previous year’s level (46.5%). Companies that responded “maintain the current ratio” accounted for 14.9%, also showing a slight increase from the previous year’s 14.1%. Companies that responded “aiming to reduce the sales ratio” remained at zero. This revealed that approximately half of the companies aim to expand their U.S. operations despite the business risks in the U.S. market.

Due to Japanese companies’ aim to expand in the U.S. market, there is a high level of interest in the Trump administration’s policies. In the 2024 survey, when asked “what are the important points to keep in mind when expanding business in the U.S.? (multiple choices allowed),” over 90% of responding companies chose “policies announced by the new president.” In addition, more than half of the companies also noted China policy and export controls as matters of concern, while 55.2% of companies also responded that “economic climate in the U.S.” were a matter of attention. Furthermore, approximately one in four companies responded with “strengthening economic intelligence, including launch or strengthening a Washington DC office.” Japanese companies’ awareness of political risks in the U.S. market is extremely high, revealing companies that are systematically strengthening their information gathering.

While Japanese companies continue to aim for business expansion in the U.S. market and pay closer attention to policy trends, signs of change were also observed in their views toward the U.S. When asked “which frameworks / region do you think Japan

should strengthen relations with in advancing economic security strategy? (multiple choices allowed),” the option “maintain and strengthen the Japan–U.S. alliance,” which ranked first in 2023, fell to second place at 77%, while “Japan’s leadership and trust within the Asia-Pacific region” rose to first place at 81%. This resulted in a reversal of first and second place between 2023 and 2024<sup>2</sup>. While both are extremely important to Japan and the importance of the Japan–U.S. alliance remains unchanged, it is interesting that this ranking reversed following the inauguration of the second Trump administration.

<sup>2</sup> Institute of Geoeconomics, “2023 Economic Security Survey of 100 Companies,” September 6, 2024, [https://instituteofgeoeconomics.org/wp-content/uploads/2025/02/economic\\_security\\_survey\\_2023\\_web.pdf](https://instituteofgeoeconomics.org/wp-content/uploads/2025/02/economic_security_survey_2023_web.pdf)

## Japanese Companies Shoring Up “Defense”

What drives Japanese companies to aim for business strengthening in the U.S. market is by no means optimism about the impact of Trump administration policies, but rather the reinforcement of their own systems. In the 2024 survey, when questioned “If one had to choose between U.S. and Chinese business, what would be the criteria to make that decision” (multiple choices allowed), the option “future business prospects” ranked first at 50.0% but significantly decreased from the previous year’s 64.9%, while “magnitude of risk” increased to 39.2% from the previous year’s 31.2%. This suggests that even when medium- to long-term market requirements for “business prospects”—such as market size and competitive environment—are met, companies may not decide on market expansion as they previously would, if risks are significant.

## U.S. Risks and Opportunities:

Japanese Companies Becoming Proactive Geoeconomic Actors Through Enhancing Long-term Adaptivity

Even while aiming for expansion in the U.S. market, their approach is cautious rather than optimistic.

In fact, an increasing number of companies are bolstering their efforts in economic security measures. In the 2024 survey asking about “in-firm specific initiatives” for economic security, “establishment of specialized departments” reached 50%, a substantial increase from the previous year’s 38.3%. This indicates that more companies are beginning to undertake economic security initiatives in earnest. From a business impact perspective, the deepening of economic security efforts is also evident. When asked about matters that affect business operations while advancing economic security measures, “medium- to long-term business plans” remained in first place as in the previous year but decreased from 82.1% to 77.0%, while “sales” and “expenses” increased significantly to 45.9% (26.9% in 2023) and 66.2% (53.8% in 2023), respectively. This suggests that economic security initiatives are progressing from the planning phase to the implementation phase.

However, there appear to be ongoing challenges in translating these efforts into organizational frameworks. When asked about “the biggest challenges in addressing economic security,” “gathering information on international affairs” and “uncertainty in U.S.–China relations” continued to be cited by over 60% of companies, maintaining their top positions from the previous year. Meanwhile, “reforming corporate structure” increased significantly to 40.5% from the previous year’s 28.9%. Companies continue to face challenges in reading future global trends, which is essential for determining long-term business

strategies, and additionally, concerns about developing internal organizational systems for addressing economic security are growing.

### U.S. Risk Enhances Japanese Companies’ Adaptability

The responses of Japanese companies to immediate U.S. risks revealed by the 2024 survey suggest not only efforts to avoid misreading business strategies for the coming years, but also the longer-term corporate posture required, including corporate’s role and approaches to geoeconomic risks. What this survey highlighted is that even in markets where risks have increased, as long as there are opportunities, companies strengthen their internal systems and monitor more carefully, while continuing to pursue aggressive strategies rather than simply seeking to reduce exposure. While the size of the U.S. market and their high exposure may leave companies without other choices, it is noteworthy that not a single company seeks to reduce its U.S. sales in the medium to long term.

The stance of Japanese companies—strengthening information gathering and risk management in the U.S. market while continuing investments and maintaining their commitment to business expansion—has not only economic value for Japan but also political value in maintaining and strengthening Japan’s leverage with the U.S. In an era when great power relations are adversarial and the international trade order is unstable, economic interdependence becomes weaponized and economic security becomes ever more crucial<sup>3</sup>. This “economic security” includes not only the “defensive” measures that Japanese



companies are strengthening, as reflected in this survey, but also “offensive” elements that maintain and strengthen other countries’ dependence on Japan. What can be discerned from the 2024 survey is that Japanese companies have already begun practicing this, transforming into proactive geoeconomic actors that play a larger role in Japan’s diplomacy and security.

However, it is important to note that this transformation produces political value as a result of strengthening companies’ adaptability to the risks they face today, but not the other way around. In other words, companies are by no means prioritizing political roles over business profits; rather, their actions to generate profits are also creating political value.

U.S. risk is prompting Japanese companies to respond to risks that deviate from conventional wisdom within a short timeframe and to deepen dialogue with the government. In this regard, the U.S. risk stemming from the Trump administration’s “America First” policy will, ironically and inevitably, contribute to strengthening Japanese companies’ adaptability to economic security risks that are expected to continue occurring in the future.

3 Yasuyuki Todo and Osamu Nishiwaki, “Economic Security and Semiconductor Supply Chains,” in *Economic Security and Semiconductor Supply Chains* (Tokyo: Bunshindo, 2023, in Japanese), pp.10–12.

## What Companies Demand the Government

What do companies that are transforming into proactive geoeconomic actors demand the government? When asked about satisfaction levels with the Japanese government’s

efforts on economic security policies by item, “provide information on US–China relations, the situation in Ukraine, Taiwan, and the Middle East” gained the highest percentage of “unsatisfied” responses at 13.5%. Over 60% of companies cited “gathering information on international affairs” as their biggest challenge in addressing economic security, indicating strong concerns and a desire for government support.

On the other hand, Japanese government policies that received many “satisfied” responses were “business certification and support for ensuring stable supply of specified critical products” (28.4%) and “supporting supply chain resilience and transfer of production bases, including reshoring” (24.3%). This suggests that the intent of the Economic Security Promotion Act is understood and meets corporate needs to some degree. As companies deepen their economic security initiatives on both offensive and defensive fronts, Japan’s economic security policy focus is approaching a time when it should shift from support measures to address immediate challenges toward more comprehensive and medium- to long-term policies that support companies in acting more proactively.

### Publication by Mariko Togashi

“Will Trump’s tech policies propel U.S. success against China?,” *Goeconomic Briefing*, Institute of Geoeconomics, August 8, 2025.

<https://instituteofgeoeconomics.org/research/2025030501/>

# Institute of Geoeconomics (IOG) Activities

**April 25, 2025**

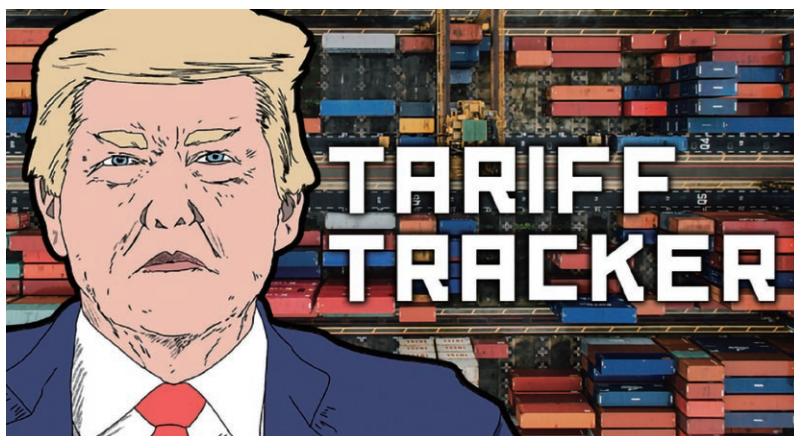
IOG sponsored the 2nd Annual Geopolitics & Business Conference at the London Business School, London, organized by the Geopolitics & Business Club.



<https://clubs.london.edu/geopoliticsandbusiness/conference/>

**From January 2025 onwards:**

IOG regularly publishes real-time updates and analysis on the Trump administration: Trump Tracker ('Tora-tora' in Japanese), Tariff Tracker (Tari-tora), and How The World Sees the Trump Administration (Seka-Tora).



<https://instituteofgeoeconomics.org/en/research/tag/trump-administration-2025-en/>



## **Project Members** (Titles are at the time of enrollment)

**Kazuto Suzuki**

(Director, Institute of Geoeconomics, Group Head of Economic Security / Professor, School of Public Policy, The University of Tokyo)

**Hitoshi Suzuki**

(Senior Research Fellow / Project Manager)

**Kasumi Yamazaki**

(Senior Executive Vice President, Secretary General, Institute of Geoeconomics)

**Mariko Togashi**

(Visiting Research Fellow)

**Junko Tasaka**

(Project Coordinator)

## **Student Interns at the Institute of Geoeconomics** (Titles are at the time of enrollment)

**Yuho Shibata**(Keio University)

**Gabriele Maletta**(Keio University)

September 12, 2025,

Published by: International House of Japan, Institute of Geoeconomics (IOG)

Survey of 100 Japanese Companies on Economic Security Project

Design by: hooop



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