The Mipro's Guide to Starting a Business in Japan
~Preparation for Start-up~
How to use this guidebook

_The Mipro’s Guide to Starting a Business in Japan_ explains the matters, listed by subject, that are necessary for foreign nationals to start up a business in Japan as a business owner.

This edition of Preparation for Start-up introduces what and how soon essential preparatory activities by foreign nationals need to be done prior to the opening of a business in Japan.

Immediately after the table of contents, we have posted a Flow of Start-up Preparatory Activities and Timetable for Start-up as a quick reference of various steps of procedures you need to perform before you actually engage in intended business activities. Such procedures include immigration formalities to obtain an appropriate status of residence to suit your need and documentation for the incorporation of your corporation. We suggest that you should first take a look at these pages in order to get a good grasp of the whole picture of business start-up. The key terms appearing in these pages are explained in detail in the following pages of this guidebook.

If you need more detailed information regarding business start-up in Japan after reading this edition of Preparation for Start-up, you can refer to other editions of the _Mipro’s Guide to Starting a Business in Japan_ series, namely Incorporation; Tax Edition; Public Insurance/Hiring and Employment; and Status of Residence.

Other publications of MIPRO provide you with further detailed information on trade business and how to establish companies in Japan. In addition, MIPRO provides free consulting services to answer questions of foreign nationals regarding company incorporation, business start-up and immigration status of residence. Please feel free to contact us.

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Serves as a counselor for free consulting services and as a lecturer of business start-up seminars for foreigners at MIPRO.

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December 2014  
Manufactured Imports and Investment Promotion Organization (MIPRO)
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Flow of Start-up Preparatory Activities

**Identification of right status of residence**
Examine whether your current status of residence is allowed to start a business in Japan. Then, determine the appropriate status of residence and prepare the application to the competent regional immigration bureau for the status.

**Business Plan**
Identify and evaluate your type and contents of business, founder(s)/collaborator(s) of business, revenue and expenditure projection, and financing plan.

**Establishing a Company**
Examine the advantages and disadvantages of beginning your business as a sole proprietorship or a corporation. If you choose to establish a corporation, determine whether it should be a limited liability company or a stock company or any other form of corporation.

**Procedures with Public Offices**
Prepare applications to relevant public offices regarding the incorporation of a company, obtaining the right immigration status of residence, the license for one of the designated business categories and other approvals.

**Utilization of Public Support Organizations**
Consider taking advantage of consultation services, subsidies and grants provided by public support organizations regarding business start-ups.

**Utilization of Professional Services**
Consider utilizing attorneys, certified tax accountants, administrative scriveners, etc. regarding business start-ups.

Start taking necessary procedures
## Timetable for Start-up

| Status of Residence | Prepare a Timetable for Start-up.  
(Refer to relevant checkpoints in I.) |
|---------------------|----------------------------------------------------------------------------------|
| Business Plan       | Check the current status of residence.  
(Refer to relevant checkpoints in II.) |
|                     | Determine the right status of residence.                                       |
|                     | Determine the type of business.                                                 |
|                     | Determine founder(s) and collaborator(s).                                        |
|                     | Compile a revenue and expenditure projection.  
(Refer to relevant checkpoints in V.) |
|                     | Determine financing plan.                                                       |
|                     | Determine the outline of the company.                                            |
| Establishing a Company | Consider business start-up either as a sole proprietorship or a corporation.  
(Refer to relevant checkpoints in VII.) |
| Precedures with Public Offices | Confirm matters requiring government authorization.  
(Refer to relevant checkpoints in III.) |
| Utilization of Public Support Organization | Consult with public organizations regarding start-ups.  
(Refer to relevant checkpoints in VIII.) |
| Utilization of Professional Services | Consult with professionals regarding start-ups.  
(Refer to relevant checkpoints in IX.) |
Start preparing for business start-up

Prepare a Timetable for Start-up.
(Refer to relevant checkpoints in I.)

Review constantly

Start taking necessary procedures

Status of Residence
Check the current status of residence.
(Refer to relevant checkpoints in II.)

Determine the right status of residence.
Prepare application for the status of residence.
Apply for the status of residence required for starting a business with the immigration bureau.
Obtain permission for the status of residence.

Business Plan
Examine types and contents of business.
(Refer to relevant checkpoints in III.)

Determine the type of business.
Consider with whom to start a business as founder/collaborator.
(Refer to relevant checkpoints in IV.)

Determine founder(s) and collaborator(s).
Consider a revenue and expenditure projection.
(Refer to relevant checkpoints in V.)

Compile a revenue and expenditure projection.
Consider financing.
(Refer to relevant checkpoints in VI.)

Determine financing plan.
Reserve capital funds.
Apply for financing.

Establishing a Company
Consider business start-up either as a sole proprietorship or a corporation.
(Refer to relevant checkpoints in VII.)

Determine the outline of the company.
Prepare necessary documentation for company incorporation.
Apply for registration of company incorporation.
Complete incorporation processes.
Apply for financing.

Submit procedures to professionals.
Submit procedures at the immigration bureau and other relevant public offices to professionals.
Obtain authorization for starting a business. Procedures for registration of company incorporation.

Initiate business operation

Approval for the status of residence required for starting a business with the immigration bureau.
Obtain permission for the status of residence.
Obtain authorization for starting a business.
Submit procedures at the immigration bureau and other relevant public offices to professionals.
Submit company incorporation procedures to professionals.
I. Preparation of Timetable for Start-up

Consider what and how soon you need to do in order to start a business in time for your intended time of the initiation of the business. Taking into account these factors, create a rough timetable for that purpose.

Checkpoints for preparing a start-up schedule

1. Period of time required for obtaining permission for the status of residence

   Estimate the amount of time needed to obtain a certificate of eligibility for the applied immigration status of residence or to obtain permission for a change of the status of residence to an appropriate one. In estimating it, you need to consider the time needed to prepare all the necessary documentations and the time required for the regional immigration bureau to examine the application.

   The periods of evaluation at the regional immigration bureau differ between the case where the foreign national has no status of residence and the case where he/she has one of the statuses of residence permitting to work.

   In other words, you should keep in mind that applying for the first time for a certificate of eligibility of a status of residence would take a much longer period of examination than applying for a change of existing status of residence at the regional immigration bureau.

   Depending on the situation, it would take more than two months for an application for certificate of eligibility to be processed and examined.

2. Period of time required for evaluating desired business and preparing for the business

   Estimate the amount of time needed to prepare for the determination of the type and contents of business and for the compilation of a revenue and expenditure projection and a financing plan.

3. Period of time required for securing necessary personnel requirements

   Consider who should be the founder(s) and collaborator(s) for your desired business and estimate the time required for securing the necessary human support. Depending on the type of business, examine whether you can start the business by yourself or whether you need someone’s collaboration.

   Special attention must be paid to the fact that at least one founding member of a company must have a registered domicile in Japan. Unless you have a mid-long term immigration status of residence, you cannot register your seal and address in Japan and, therefore, you must have any person, a Japanese or a foreign national, who has his/her residency in Japan. You must allow enough period of time to determine such person(s) and have such person(s) participate in the incorporation process for your intended business.
4. **Period of time required for the registration of your company**

You can start your business either as a sole proprietorship or by establishing a corporation. If you opt for a corporation, you need to properly estimate the time required for the registration procedures. You should take into account the time required to examine the type and structure of your business, to prepare and submit necessary documentation to the legal affairs bureau and to have your application processed.

It is advisable to allow one month or so for that purpose.

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**Reference**

There are some instances where a foreign national has been engaged in activities outside the scope of the status of residence obtained.

**Case 1:** A foreign national staying in Japan on the status of "Specialist in Humanities/International Services" to work for an international trading company recently resigned from the company to start a business by himself. He remains in Japan and has started a preparatory work because his status of residence hasn’t expired yet.

**Case 2:** A foreign national staying in Japan on the status of "Student," but she has graduated (or dropped out) from a university. She intends to start a business in Japan and has begun to prepare for the necessary procedures while her designated period under the status hasn’t expired yet.

Both cases in the above, the foreign nationals have effectively been engaged in activities other than those permitted under their statuses of residence previously granted and, therefore, may be construed as being illegally staying in Japan.

If you have engaged in activities other than those permitted under the status of residence previously granted for three months or more without permission, the current status of residence may well be revoked.
II. Status of Residence

Foreign nationals are allowed to engage in activities in Japan within the scope authorized under the respective statuses of residence. When a foreign national intends to start up a business, he/she must first confirm whether his/her current status of residence allows that.

Checkpoints for statuses of residence

Foreign nationals have to obtain a status of residence corresponding to the details of the activities that they are going to engage in. When a foreign national intends to start up a business, he/she must make sure the type and expiration date of his/her current status of residence and check whether the status allows him/her to engage in business start-ups. If required, he/she must go through necessary procedures.

1. In the case requiring no change of status of residence upon business start-up

One of such statuses of residence as “Permanent Resident,” “Long-term Resident,” “Spouse or Child of Japanese National” and “Spouse or Child of Permanent Resident” does not require to change the status to any other status upon business start-up. Therefore, a foreign national having one of these statuses can prepare a timetable for start-up without waiting for a number of days required for examination of the change of status of residence.

2. In the case requiring a change of status of residence upon business start-up

One of such statuses of residence as “Specialist in Humanities/International Services,” “Engineer,” “Student” and “Temporary Visitor” does not allow the foreign national to engage in business start-up, and he/she needs to apply for an appropriate status of residence permitting to work in order not to make him/her being out of status.

In this case, the following points need to be considered:

(i) Applying for appropriate status(es) of residence

What should be the right status(es) of residence allowable to engage in the proposed business activities?

(ii) Conditions for obtaining permission for the status(es) of residence

Who is/are the investor(s)? How much is the amount of investment? Are there any foreign affiliated companies involved?

Does the currently contemplating business start-up plan satisfy the conditions for permission of the applying status(es) of residence?

(iii) Expected time required for obtaining the appropriate status(es) of residence

The expiration date of the current status of residence and the amount of time required for changing the status of residence or obtaining the certificate of eligibility have been identified?
3. **Examples of change of status of residence**

(1) With the status of “Student”, applying for the permission to engage in activities outside the scope of the status

Points to be confirmed: What should you do with respect to your intended business at the time of graduation (when the term of “Student” status expires)?
If you intend to start a business upon graduation, do you change your status to the status of “Investor/Business Manager”?
Are there any other appropriate statuses to suit your intended activities?

(2) From the status of “Specialist in Humanities/International Services” or “Engineer” to “Investor/Business Manager”

Points to be confirmed: Does the business start-up plan satisfy the conditions for permission of the status of “Investor/Business Manager” among other things as the amount of investment and securing of office space?

(3) From the status of “Temporary Visitor” to “Investor/Business Manager”

Points to be confirmed: Does the business start-up plan satisfy the conditions for permission of the status of “Investor/Business Manager” among other things as the availability of a person having a registered domicile in Japan?
Be sure to obtain the certificate of eligibility allowing enough time to apply for the change of the status of residence within the period of the status of “Temporary Visitor.”

4. **Avoid the risk of illegal residency**

In principle, foreign nationals are allowed to engage in activities in Japan only within the scope authorized under the respective statuses of residence.
Always become mindful of changing to the right status of residence prior to start up a business to avoid illegal residency. You should also make sure that the designated period hasn’t expired before your immigration application has been approved.
III. Types and Contents of Business
Examine closely the key issues of your envisaged business.

Checkpoints for types of business

1. **What are the nature and type of products/services of your business?**
   (i) Determine specific products/services you plan to sell.
   (ii) Determine the supplier(s) of the products.
   (iii) Envisage prospective customers of such products/services.

2. **What kind of place and equipment are required for your business?**
   (i) Determine whether you use an online shopping site or a physical retail outlet.
   (ii) Secure a storage area for merchandise inventory.
   (iii) Determine the method of delivery of the merchandise.
   (iv) Determine the location of your retail outlet.
   (v) Determine the necessary floor area of your retail outlet.
   (vi) In the case of online shopping, determine how to prepare, manage and operate the website.
   (vii) In the case of a retail outlet, list all the necessary equipment.
   (viii) Figure out the overall expenses for the real estate, equipment and website of your business.

3. **Do you understand the necessary procedures to conduct an import and export business?**
   (i) Determine the method of delivery of import/export cargo.
   (ii) Grasp the details of customs formalities.
   (iii) Familiarize yourself with customs duties.
   (iv) Confirm the government import/export license system.

4. **Does your desired business require government authorization?**
   Clarify whether or not government authorization is required for your envisaged business.
   [Business categories requiring authorization]
   Eating and drinking establishment, import/manufacturing and sales of food, alcohol import and sales, travel, hotel/Japanese inn, import/manufacturing and sales of cosmetic/medical products, temporary staff agency, fee-charging employment referral service, real estate agency, etc.
IV. With Whom to Start a Business?

Consider whether you start a business by yourself. If you start a business with one or more persons, determine with whom you collaborate.

**Checkpoints regarding with whom to start a business**

1. Do you intend to start a business only by yourself? Or, would you like to initiate a business with one or more persons?
   
   While you find it easy and convenient to start a business by yourself, under certain circumstances you may conversely find it rather inefficient to handle everything in business by yourself. You should assess the appropriate number of people for the nature of your intended business.

2. In case you start a business by yourself, are you familiar with the Japanese language and social and business practices?
   
   Business communication in Japan is conducted essentially in the Japanese language. In reality, business can hardly be conducted in English or other foreign languages particularly where individual Japanese consumers are its primary target.
   
   If you are not good at the Japanese language, you should gain assistance from persons fluent in the language as your business partners. Furthermore, it will be necessary to become familiar with the Japanese life styles and business practices that may differ from those of your home countries.

3. In case you plan to start a business with your partners, have you decided specifically who those partners are?
   
   It is essential to evaluate various matters with those partners, including their fluency in the Japanese language, their level of familiarity with various Japanese practices, their knowledge and experience of the proposed business itself, and their personnel expenses, as well.
   
   Consider these factors, develop a business start-up plan focusing on the eligibility requirements for human resources that are effective in business operations.
V. Revenue and Expenditure Projection

Estimate expenses, sales amount and profit.

**Checkpoints for a revenue and expenditure projection**

1. **Profit planning**
   Profit can be interpreted in various ways. The most important thing in start-up business is to make a profit that would cover at least your living expenses. In the case of a corporation, you can deduct your salary as a business expense of the corporation for accounting purposes, but it is fundamentally important that the corporation earns a sufficient profit to be able to cover personnel expenses such as salary. Based on the amount of expenses identified in this process of profit planning, formulate a revenue and expenditure projection.

2. **Grasping of expenses**
   (1) **Expenses for merchandise purchase**
   If you intend to sell merchandise in your business, you need to purchase such merchandise in accordance with the sales projection. Cost of purchase represents the largest weight in business expenses. Depending on the suppliers, you may need to pay for the merchandise in advance and, in such case, you need to reserve funds for that purpose before you receive revenues from the sales.

   You need to grasp the estimated cost of purchase of the merchandise you plan to sell. You should also be careful not to incur excess costs for surplus inventory of the merchandise in your profit planning.

   (2) **Expenses for store and website operation**
   Calculate the brokerage and other initial costs for store lease and a monthly rent.

   The interior decoration of your retail outlet entails a large sum of preopening expenses. Particularly in the case of an eating and drinking establishment, you have to allow much larger costs for kitchen fitments and dining room furniture. Since it would take a certain amount of time to finish the intended interior decoration work, you should thoroughly examine what level of decoration work you need when you envisage the time of opening your outlet.

   In either case of a retail outlet or an online shopping website, a website plays an important role as an activity to gather customers and as an advertising medium. If you opt for an online shopping website, the importance of websites, in particular, will further be enhanced. Estimate in detail the cost of acquiring and managing your domain name as well as the cost of preparing, managing and operating the website.
(3) Personnel expenses

If you do not employ any person at the time of starting a business, you can save personnel expenses. However, there are some instances where you cannot handle everything in business by yourself. It is desirable to plan a realistic employment plan and estimate necessary personnel expenses.

Your own salary (living expense) in the case of a sole proprietorship is to be estimated as profit rather than a personnel expense. In the case of a corporation, however, such profit (your own salary) should be treated as a personnel expense.

(4) Selling and administrative expenses including communication expenses

Calculate expenses other than cost of merchandise purchase and labor, such as cost of utilities, telephone charges and postage. Types and weights of expenses may well be different depending on the nature of business, e.g., merchandise sales business or service providing business, such as translation agency.

You may feel it rather difficult to have even a rough indication of these expenses until you experience the business to a certain extent. In that case, you can make a reasonable projection based on various assumptions derived from your daily activities and observations.

3. Sales Projection

When your expense estimate is ready, create a sales projection by counting backward the estimated expenses to figure out how much revenue would be needed to cover all the expenses.

For example, assuming that your monthly salary is 200,000 yen, expenses other than cost of merchandise purchase is 300,000 yen per month, and a gross profit from the sale of one unit of merchandise is 10,000 yen, you need to realize a gross profit of 500,000 yen per month by selling 50 units of the merchandise.

Based on such calculation, formulate the revenue projection of your intended sales and evaluate if such projection is feasible.

<table>
<thead>
<tr>
<th>Example of monthly revenue projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary ¥200,000 + Expenses ¥300,000</td>
</tr>
<tr>
<td>= Gross profit ¥10,000 x 50 units of merchandise</td>
</tr>
</tbody>
</table>
VI. Financing Plan

Secure start-up funds and required capital to obtain the permission for the status of residence of “Investor/Business Manager.”

Checkpoints for financing plan

1. Estimate the amount of funds required to start operating your business
   Calculate the purchase price for merchandise, cost of equipment in your store or office, cost of website preparation/management and operation, selling and administrative cost including communication expenses, personnel expenses (your own living expenses), etc. by taking into account the preceding section of V. Revenue and Expenditure Projection.

2. Secure a sufficient budget to obtain the status of residence of “Investor/Business Manager”
   In order to obtain the permission for the status of residence of “Investor/Business Manager,” a foreign national needs to prepare 5 million yen or more of investment. Therefore, the applicant for the status must prove that he/she has made sufficient investment by documentary evidence attached to the application form. In most cases, the applicant proves that 5 million yen or more has been invested as stated capital in establishing his/her company.

3. Evaluate the possibility of financing the start-up funds
   Are you ready to secure necessary funds from your own money? Or do you plan to receive any funding from your family or companions?
   Devise a clear plan about the person(s) making capital contribution and the timing thereof.

4. Consider utilizing public financing, subsidies and grants
   If you realize that you are in need of additional funds other than your own funds, you may consider taking advantage of the financing available from Japan Finance Corporation as well as the lending services and the financing, subsidies and grants provided by local government agencies.
VII. Business as a Sole Proprietorship or as a Corporation

You need to decide whether you start a business as a sole proprietorship or establish a corporation. If you go with a corporation, you must consider such issue as to whether you establish a limited liability company or a stock company.

Checkpoints for starting a sole proprietorship and a corporation

1. Which of a sole proprietorship or a corporation would you think is suitable for your desired business?

In order to decide which to choose, let’s take a look at the advantages and disadvantages of the respective forms of business.

<table>
<thead>
<tr>
<th></th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole proprietorship</td>
<td>• No incorporation procedures required.</td>
<td>• Difficult to carry out transactions with corporations.</td>
</tr>
<tr>
<td></td>
<td>• May start a business immediately.</td>
<td>• May face unfavorable trade terms.</td>
</tr>
<tr>
<td></td>
<td>(Notification to tax office is required.)</td>
<td>• May not be able to obtain permission depending on types of business.</td>
</tr>
<tr>
<td></td>
<td>• Low cost of start-up.</td>
<td>• Unsuitable for joint management with partners.</td>
</tr>
<tr>
<td></td>
<td>• Simple accounting procedures.</td>
<td>• Succession or selling-off of business is difficult.</td>
</tr>
<tr>
<td>Corporation</td>
<td>• Tax-saving effect is expected by paying remuneration to member of management if profit becomes significantly large.</td>
<td>• Incorporation procedures are necessary.</td>
</tr>
<tr>
<td></td>
<td>• Members of management may enroll in social insurance system.</td>
<td>• Organizational changes, including personnel changes to executive officers require renewal of registration, incurring time and effort.</td>
</tr>
<tr>
<td></td>
<td>• Easy to carry out transactions with corporations.</td>
<td>• Prescribed incorporation fees and costs are required.</td>
</tr>
<tr>
<td></td>
<td>• Some types of business require corporate status to obtain permission.</td>
<td>• Tax returns and accounting procedures are complex and burdensome.</td>
</tr>
<tr>
<td></td>
<td>• Can avoid unnecessary disputes because legal provisions for basic business operations have been stipulated.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Succession or selling-off of business is feasible.</td>
<td></td>
</tr>
</tbody>
</table>
2. If you establish a corporation, would it be a limited liability company or a stock company?

<table>
<thead>
<tr>
<th>Incorporation cost</th>
<th>Limited Liability Company (Godo-Kaisha)</th>
<th>Stock Company (Kabushiki-Kaisha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inexpensive</td>
<td>Expensive</td>
</tr>
</tbody>
</table>

**Investor and manager**

- One individual must be both an investor and a manager unless otherwise stipulated in the articles of incorporation. Therefore, someone joining the management of a business needs to invest in the business. When one individual of the members resigns, his/her capital contribution needs to be paid off.

- Investor and business manager can be a separate individual. Therefore, one can choose to become a manager with capital contribution, or to become an investor without becoming a manager, or to become a manager without investing.

**Term of office of director**

- No limit on the term of office.

- Term of office is 2 years in principle, but can be extended to 10 years. Upon expiration of the term, new registration is required even if the same individual is to assume directorship again.

**Position title of director**

- The title of “director” is not used, as it is in a stock company. Instead, such titles as “representative member” and “functional member” are used. A manager (member of management) is referred to as *shain* in Japanese, including the one representing the company, which is rather confusing because the term *shain* is commonly interpreted as an ordinary employee of a stock company who is not a member of management.

- “Representative director” and “executive director” are used.

**Decision-making**

- Regardless of amounts of investment, decisions are made by the unanimous consent or majority of consent by all the management members, depending on the nature of the matters.

- By a majority of votes representing the investment ratio.

**Incorporation**

- An articles of incorporation can be prepared flexibly.

- Relatively small room for flexibility in preparing articles of incorporation.

**Familiarity of company form**

- The form of a limited liability company is not commonly known.

- Commonly known with its long history and a vast majority in number.
A limited liability company is suitable when you wish to:
- limit the cost of start-up as low as possible.
- invest in and manage the company by yourself or start the company with a small limited number of persons with investment and management responsibility.
- make management decisions not by capital contribution ratio.
- distribute surplus funds independently of capital contribution ratio.
- care nothing about a company form and executive titles.

There is an instance of a major American information technology company that has incorporated a limited liability company as its Japanese entity.

A stock company is suitable when you wish to:
- use a company form and executive titles that are commonly used.
- often raise capital contribution and add or change persons participating in management.
- distribute surplus funds and make management decisions in accordance with capital contribution ratio.
VIII. Utilization of Public Support Organizations

If there is anything you are not sure about business start-ups, consider utilizing consultation services, subsidies and grants provided by public support organizations.

Checkpoints for the utilization of public organizations

A person starting a business must be responsible for all the necessary procedures. However, you, as a foreign individual, may find it difficult to handle every preparatory procedure and documentation by yourself in a timely and appropriate manner. Under such circumstances, you may wish to take advantage of utilizing public support organizations in this regard.

Forms of providing business support involve face-to-face consultation, information provision via website, provision of finance (loans, subsidies and grants) and provision of a temporary office or shop space at your start-up stage.

(1) Topics for consultation
   Preparation for business start-ups
   Immigration statuses of residence
   Procedures for start-up
   Business plan
   Marketing and sales channels exploration
   Introduction of appropriate organization/businesses (support for matching)
   Hiring employees

(2) Financial assistance
   (i) Subsidies and grants
       For industrial development purposes under the auspices of Ministry of Economy, Trade and Industry
       For employment promotion purposes under the auspices of Ministry of Health, Labour and Welfare
       For regional development purposes by local governments
   (ii) Financing
       Business start-up financing by Japan Finance Corporation
       Business start-up financing by local governments

(3) Provision of office spaces and facilities
   Temporary offices and venture incubation offices provided by local governments and Japan External Trade Organization (JETRO)
(4) Major public support organizations

<table>
<thead>
<tr>
<th>Major public organizations providing assistance</th>
<th>Types of Support</th>
<th>URL</th>
</tr>
</thead>
</table>
| Japan Chamber of Commerce and Industry        | Consultation for business start-ups, introduction of related businesses, etc. | http://www.jcci.or.jp/  
http://www.jcci.or.jp/english/ (English) |
| Tokyo Chamber of Commerce and Industry        | Consultation for business start-ups, introduction of related businesses, etc. | http://www.tokyo-cci.or.jp/  
http://www.tokyo-cci.or.jp/english/ (English) |
| Foreign Residents Information Center, Immigration Bureau, Ministry of Justice | Statues of residence | http://www.immi-moj.go.jp/info/i_main.html  
http://www.immi-moj.go.jp/english/info/index.html (English) |
http://www.meti.go.jp/english/index.html (English) |
| Regional Bureaus of Economy, Trade and Industry | Subsidies/grants, recruitment, etc. | http://www.mhlw.go.jp/  
http://www.mhlw.go.jp/english/index.html (English) |
| Local government organizations in charge of industrial promotion | Subsidies/grants, financing, provision of temporary office space | *Refer to local government websites. |
| Organization for Small & Medium Enterprises and Regional Innovation | Consultation for business start-ups, market development, marketing consultation, etc. | http://www.smrj.go.jp/  
http://www.jfc.go.jp/jr/english/index.html (English) |
| Japan Finance Corporation                      | Consultation for business start-ups, financing, etc. | http://www.jetro.go.jp/  
http://www.jetro.go.jp/english/index.html (English) |
| Manufactured Imports and Investment Promotion Organization (MIPRO) | Consultation for import business and business start-ups, etc. | http://www.mipro.or.jp/  
http://www.mipro.or.jp/english/ (English) |

Reference

Temporary offices and venture incubation offices provided by JETRO’s Invest Japan Business Support Center (IBSC) and other similar business support organizations (rendering management consultation and introducing various institutions and organizations providing services necessary for business operations in favor of the foreign start-up business in Japan) are considered to satisfy the immigration requirements of securing appropriate offices for the purpose of obtaining by the foreign nationals the status of residence of “Investor/Business Manager” even if such offices are on a temporary lease.
IX. Utilization of Professional Services
Consider utilizing attorneys, certified tax accountants, administrative scriveners, etc.

Checkpoints for the utilization professional services

In addition to the utilization of public support organizations, you should also consider the use of services by professionals, such as attorneys and certified administrative scriveners.

In starting a business, you will need to submit various documents to several administrative offices, such as a tax office and a pension office. When you establish a corporation, you will need to apply for authorization to the competent legal affairs bureau. Certain types of business require prior authorization from the relevant government administration offices. Foreign nationals are required to obtain appropriate immigration statuses of residence before starting a business.

These procedures can be performed entirely by yourself. However, unless you are well-versed in these procedures, it takes much longer time or may fail to complete the required processes. You may, therefore, wish to consider utilizing professional services.

Unlike the services of public support organizations, the use of private professional services will involve certain fees and charges.

(1) Advantage and disadvantage of utilizing professional services
(i) Advantages
To utilize professionals’ knowledge and experience.
To smoothly expedite necessary procedures.
To utilize the time which otherwise required for the procedures to perform necessary preparation activities.

(ii) Disadvantage
Professional service fees and charges arise.
### (2) Major professional services to be provided

<table>
<thead>
<tr>
<th>Service Provider</th>
<th>Major services provided</th>
<th>URL</th>
</tr>
</thead>
</table>
| Attorney                              | Legal services in general; Negotiation on law suits and/or out-of-court settlements       | Japan Federation of Bar Association  
http://www.nichibenren.or.jp/  
http://www.nichibenren.or.jp/en/  (English) |
| Administrative scrivener              | Application for permission to obtain/change the status of residence; Application for authorization necessary for starting a business; Documentation required for establishing a corporation | Japan Federation of Certified Administrative Procedures Legal Specialists Associations  
http://www.gyosei.or.jp/ |
| Judicial scrivener                    | Commercial registration; Real estate registration                                         | Japan Federation of Shiho-Shoshi Lawyer's Associations  
http://www.shiho-shoshi.or.jp/ |
| Certified tax accountant              | Tax return preparation; Accounting services                                               | Japan Federation of Certified Public Tax Accountants' Associations  
http://www.nichizeiren.or.jp/  
http://www.nichizeiren.or.jp/eng/index.html (English) |
| Labor and social security attorney    | Pension; Health insurance; Labor insurance; Employment insurance                          | Japan Federation of Labor and Social Security Attorneys Associations  
http://www.shakaihokenroumushi.jp/ |
X. Submission of Application/Notification Documents to Public Offices

Confirm all the procedures required before and after starting a business.

**Checkpoints for the submission of application and notification documents to public offices**

There are certain procedures required before and after starting a business in Japan, including obtaining the right immigration status of residence prior to the initiation of your engagement in business activities.

Complete all the necessary application procedures referring to the table below:

<table>
<thead>
<tr>
<th>Application/Notification shall be submitted to:</th>
<th>Types of Application/Notification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procedures required prior to the starting of business</strong></td>
<td></td>
</tr>
<tr>
<td>Immigration Bureau, Ministry of Justice</td>
<td>Application for permission to engage in activity other than that permitted under the status of residence previously granted; Application for change of status of residence; Application for certificate of eligibility</td>
</tr>
<tr>
<td>Legal Affairs Bureau, Ministry of Justice</td>
<td>Application for company registration</td>
</tr>
<tr>
<td><strong>Procedures after starting of business</strong></td>
<td></td>
</tr>
<tr>
<td>Tax Office</td>
<td>Notification of business commencement (sole proprietorship); Notification of incorporation (corporation); Application for blue return filing, etc.</td>
</tr>
<tr>
<td>Prefectural Tax Office</td>
<td>Notification of business commencement</td>
</tr>
<tr>
<td>Municipal Office</td>
<td>Notification of business commencement; Procedures required for national health insurance and national pension systems (sole proprietorship)</td>
</tr>
<tr>
<td>Pension Office</td>
<td>Procedures required for employees’ health insurance and employees’ pension insurance</td>
</tr>
<tr>
<td>Public Employment Security Office <em>(Hello Work)</em></td>
<td>Procedures required for employment insurance</td>
</tr>
<tr>
<td>Labor Standards Inspection Office</td>
<td>Procedures required for industrial accident compensation insurance</td>
</tr>
</tbody>
</table>
Inquiries for Trading and Starting Businesses

TEL. 03-3989-5151  FAX. 03-3590-7585
Open weekdays 10:30 AM - 4:30 PM
http://www.mipro.or.jp/

In compiling this Guidebook, MIPRO paid full attention and endeavored to provide accurate information based on the latest data. However, when you actually undergo the relevant procedures, you are recommended to confirm the necessary documents and matters at a competent public agency or consult with an administrative scrivener or other expert. Please note that MIPRO will not be responsible for any damages directly or indirectly caused through the use of the information or matters contained herein.

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