



BUSINESS START UP IN OSAKA, JAPAN

Type of Business and Status of Residence

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Introduction

In this pamphlet, we have outlined only general terms, but do not specify great detail. Since starting up an enterprise, accounting and tax treatment depend upon varying circumstances, please forward any specific questions to Osaka Business and Investment Center (O-BIC). We will refer you to an appropriate professional firm.

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Table of Contents

I. ENTERING THE JAPANESE MARKET (Type of Business and Status of Residence).....	1
1. Representative Office.....	1
2. Branch.....	2
3. Japanese Corporate Entity (Kabushiki Kaisha (KK) or Godo Kaisha (LLC))	3
4. Limited Liability Partnership: LLP (Yugen Sekinin Jigyo Kumiai)	8
5. Comparison of a stock company (Kabushiki Kaisha), limited liability company (LLC) and limited liability partnership (LLP)*	8
6. Sample calculations of the costs of establishing a business in Japan.....	10
7. Status of Residence	12
II. BUSINESS START UP	31
1. Opening a bank account.....	31
2. How to find an office location.....	32
3. Recruiting.....	33

I. ENTERING THE JAPANESE MARKET (Type of Business and Status of Residence)

Ordinarily, a foreign enterprise enters the Japanese market using one of the following 4 corporate structures:

1. Representative office
2. Branch (in Japanese legally known as “*Gaikokugaisha no nihon ni okeru eigyousho* (a business office of foreign company in Japan)”); hereinafter called “Branch”). Under the Japanese Corporate Law there are 2 types of branches; those which have a business office in Japan and those which do not. Branch in this pamphlet shall mean a branch which has a business office in Japan.)
3. Japanese Corporate Entity (Kabushiki Kaisha (KK) or Godo Kaisha (LLC))
4. Limited Liability Partnership; LLP

Prior notification to Minister of Finance and Competent Minister through the bank of Japan is required for certain inward direct investment, etc. for security purpose, etc. based on the Foreign Exchange and Foreign Trade Law (hereinafter “Foreign Exchange Law”), and there is a case where change of the content of the investment or cancellation is recommended as a result of the examination.

The following cases are subject to prior notification:

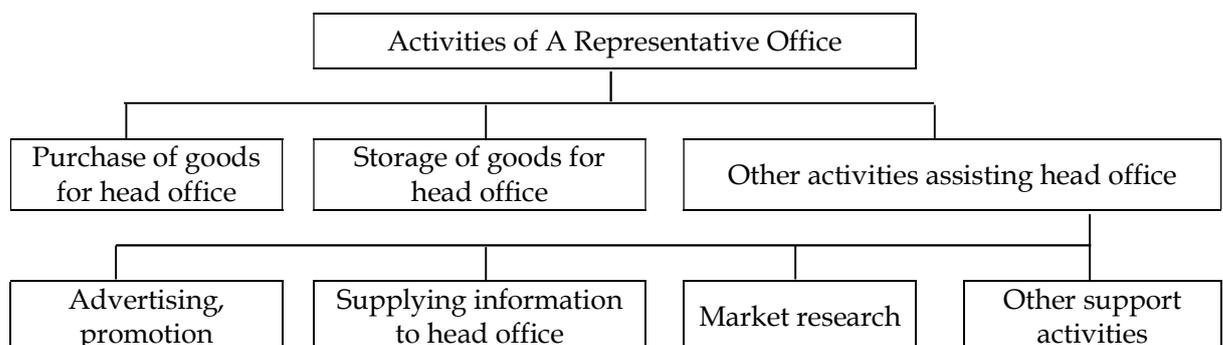
- (1) If the nationality or located country (including region) of foreign investor is country/region other than Japan or listed country in Appended Table 1 of “Order on Inward Direct Investment” (173 countries/region as of May 2023).
- (2) If the business operated by the company to be invested includes any business belonging to designated industries (business types specified by the Minister of Finance and the minister having jurisdiction over the business pursuant to the provision of Article 3, paragraph (3) of the Order on Inward Direct Investment, etc.)

1. Representative Office

In general, a foreign enterprise is free to establish a representative office in Japan for the purpose of collecting and providing information. As such, no permission, notification or registration is required for the establishment of such an office under the Foreign Exchange Law. Since the representative office cannot conclude contracts, it is therefore not subject to Japanese corporate tax.

Chart 1

Ordinary Activities of a Representative Office



The banks in Japan do not allow representative offices to open bank account in the name of foreign companies.

If any representative office in Japan intends to conduct activities other than those listed in the above chart, it must, regardless of its title, implement the procedures necessary to establish a branch or a Japanese corporate entity.

2. Branch

(1) Branch Registration

When a foreign company intends to engage in business on a continuous basis in Japan, it is necessary to appoint a representative in Japan and to have such person registered, as specified in Article 817 and Article 818 of the Corporate Law. Many foreign companies intending to conduct business with Japanese companies establish a business in Japan, which is generally registered as a branch in Japan. This registration enables the applicant to obtain a commercial register certificate from the Legal Affairs Bureau, which is evidence of existence as a corporate entity in Japan and makes it possible to open a corporate bank account at a commercial bank.

To apply for registration of a branch, Article 129 of the Commercial Registration Law requires the following documents to be submitted:

- 1) Document evidencing the existence of the applicant's head office (such as a certified copy of the commercial register in the home country)
- 2) Document certifying the competency of the representative in Japan
- 3) Articles of incorporation of the applicant or such documents as are sufficient to show the business objectives of the applicant
- 4) Document certifying the method of public notice as a foreign company, if such a method exists

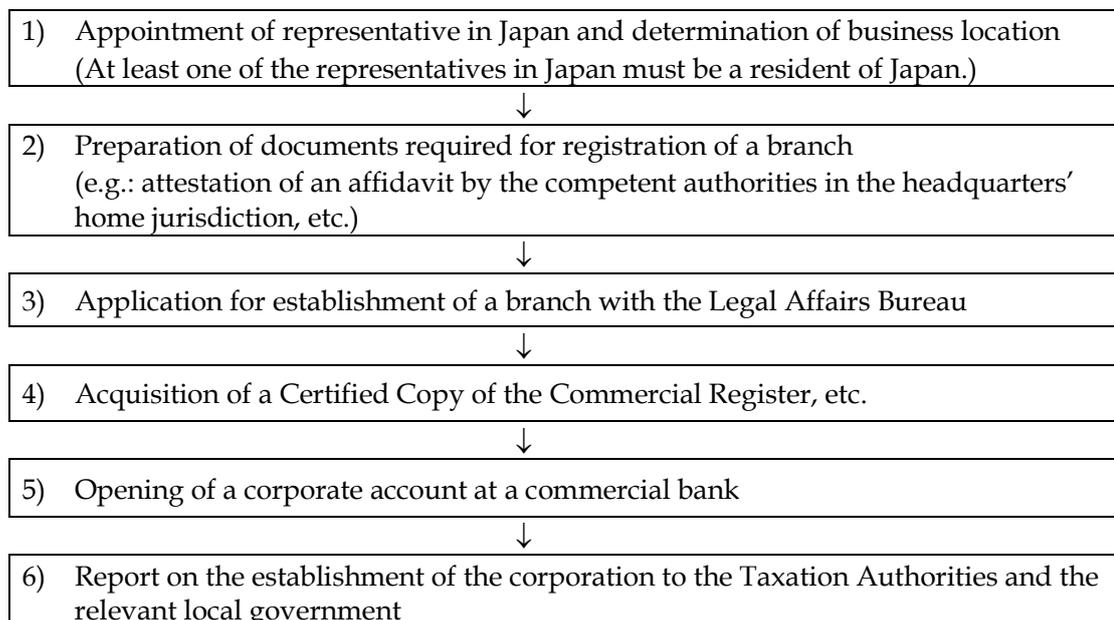
The above documents must be attested to by the competent authorities, such as the consul residing in Japan or a notary public of the applicant's home jurisdiction, etc. It is also possible to apply for registration with such documents attested to by the competent authorities, by affidavit or the like, describing the information required in "1)" to "4)" above.

Registered Branch Manager (legally known as "Representative in Japan") represents the branch and is authorized to conduct business with third parties without headquarters' internal approval (excluding the cases of existence of an agreement between headquarter and branch which prescribing that headquarters' internal approval is required to conduct business with third parties).

However, a change of registration, such as the resignation of Representative in Japan, the appointment of a new Representative in Japan, etc., must be done in each case.

Based on the Foreign Exchange Law, "Notification concerning the Establishment of a Branch, etc." is not required except for the cases where the business operated by the company to be invested includes designated industries. (In the cases where such designated industries are included, "Notification concerning the Establishment of a Branch, etc." shall be submitted to the Minister of Finance and other competent Ministers through the Bank of Japan within the period of 6 months preceding the date of establishment).

(2) A general flow of procedure for registering establishment of a branch



3. Japanese Corporate Entity (Kabushiki Kaisha (KK) or Godo Kaisha (LLC))

If the foreign enterprise incorporates a Japanese corporation, it is treated as a “Direct Domestic Investment” under the Foreign Exchange Law. The enterprise is required to submit notification of its incorporation to the Minister of Finance and other competent Ministers through the Bank of Japan within 45 days from the date of registration (prior notification may also be required in some cases).

Under the Corporate Law, companies are broadly classified into two types according to shareholders’ responsibilities and governance. One type is Kabushiki Kaisha (stock company) and the other is Equity Companies (joint-name company/ joint-fund company/ limited liability company).

- A stock company (Kabushiki Kaisha, KK) consists of shareholders whose liabilities to creditors of the company are limited to the amount of stock purchased in the company.
- A joint-name company (Gomei Kaisha) consists of partners whose liabilities to creditors of the company are unlimited.
- A joint-fund company (Goshi Kaisha) consists of limited and unlimited partners. Limited partners’ liabilities to the creditors of the company are limited to the amount of their contribution to the company.
- A limited liability company (Godo Kaisha, LLC) consists of partners whose liabilities to creditors of the company are limited.

It is necessary to acquire independent corporate status in Japan and to establish the legally required officers (institution) or representatives when incorporating. There are

two corporate structures that a foreign investor can assume with limited liability; a stock company (Kabushiki Kaisha) and a limited liability company (Godo Kaisha, LLC). The other structures specified in the Company Law are a general partnership (Gomei Kaisha) and a limited partnership (Goshi Kaisha), designed for small-scale companies. However, since Gomei Kaisha and Goshi Kaisha require members with unlimited liability, they seem to be seldom utilized by foreign companies for investments in Japan.

(1) Kabushiki Kaisha (KK)

The Corporate Law does not require minimum capital for a Kabushiki Kaisha at the time of incorporation. Accordingly, a Kabushiki Kaisha can be established even with a ¥1 investment. On the other hand, the Corporate Law prohibits dividends distribution unless its net assets are ¥3,000,000 or more.

A Kabushiki Kaisha is classified into Large Company or Company which is not a Large Company (hereinafter called “Small-Medium Company”) by its amount of capital or liability, and Public Company or a Company which is not a Public Company (hereinafter called “Nonpublic Company”) by transferability of stock.

Large Company (LC): The capital is ¥500 million or more

Or total liability is ¥20 billion or more

Small-Medium Company (SMC): Other than Large Company

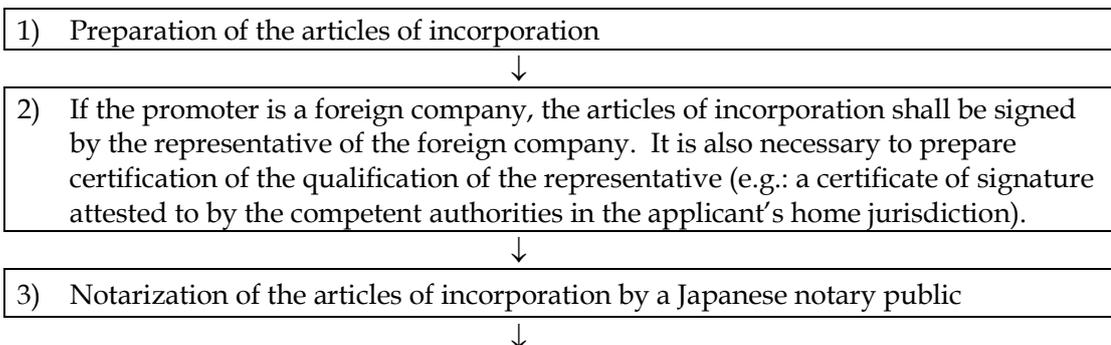
Public Company: Transfer of all or part of shares to be issued does not require the company’s consent

Non-public Company: Transfer of every-class of shares to be issued requires the company’s consent

Under the Corporate Law, the internal organization structure such as director/representative director, board of directors, statutory auditors and accounting counselor can be more flexibly designed depending upon the type of Kabushiki Kaisha.

(2) A general flow of procedure for registering the incorporation of a stock company (Kabushiki Kaisha)

The following is the necessary procedure for foreign investor(s) for establishment of Kabushiki Kaisha. (There are 2 ways, Hokki-setsuritsu and Boshu-setsuritsu, for company establishment stipulated by the Corporate Law. The following outlines the method of incorporation through the Hokki-Setsuritsu; incorporation by subscription of all shares by the promoters.)





Note 1

- Name of Bank Account Holder

Payment of the capital subscription into a Japanese bank account, etc., specified by the promoter is required upon establishment of Kabushiki Kaisha. If a big foreign enterprise is a promoter, it is possible to make a payment into a separate deposit account (*betsudanyokinkoza*) at a commercial bank in Japan. However, since it generally is difficult to open a separate deposit account (*betsudanyokinkoza*) for investment by small/medium foreign enterprises or individuals, such investors shall make payment into “a personal bank account of the initial representative director” as a bank account, etc., specified by the promoter.

However, third person’s bank account (including corporation) other than promoter and representative director upon incorporation is acceptable only when all promoters and directors upon incorporation are non-resident in Japan, as an exception. (Circular notes No. 41 of Civil Affairs Bureau, the Commercial Affairs Division dated March 13, 2017) In this case, promoter’s power of attorney is required to be attached to company establishment registration documents.

- Institution Handling Payments

Not only head office and branch offices of Japanese domestic bank but also branch offices of the foreign banks in Japan (the banks established by permission of the Prime Minister) are included as “institution handling payments”. Further, overseas branch offices of Japanese domestic bank are included as “institution handling payments”. (Circular notes No. 179 of Civil Affairs Bureau, the Commercial Affairs Division dated December 20, 2016)

Note 2

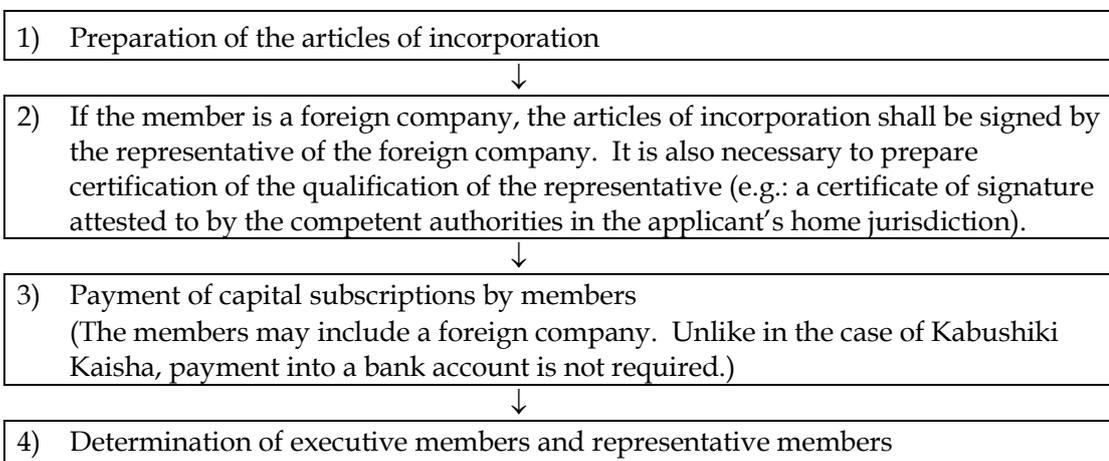
Residence of Representative Director of a Company

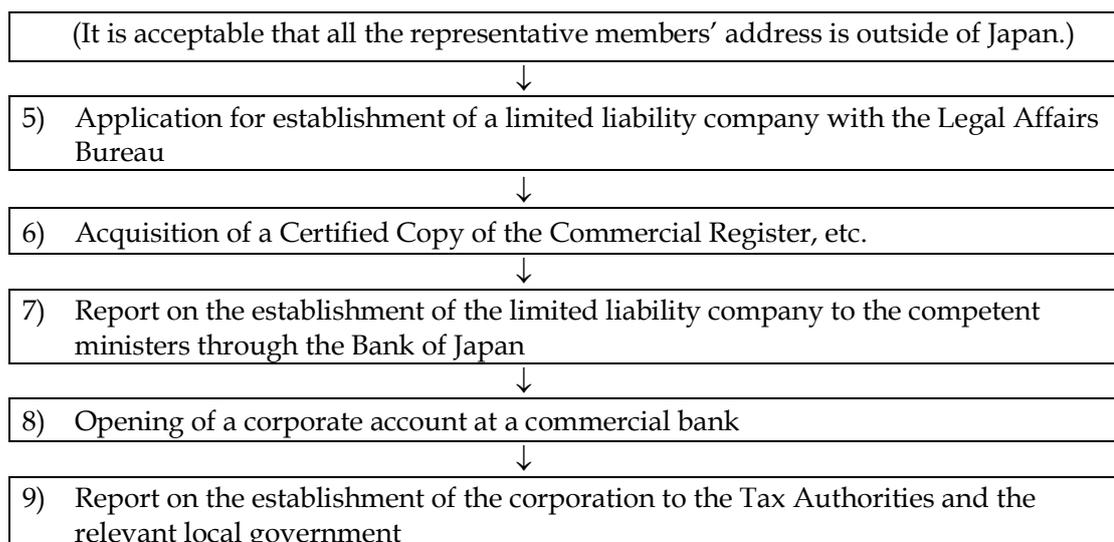
Requirement that at least one representative director of Japanese domestic company must have a residential address in Japan was abolished. Therefore, registrations of company establishment only with non-resident representative directors, and appointment or re-appointment of such directors are acceptable. (Notification No. 29 of Civil Affairs Bureau, the Commercial Affairs Division dated March 16, 2015)
Even if all representative directors live outside of Japan, it is possible to apply for registration of company establishment in Japan (No needs to be Japanese.)

(3) Limited Liability Company: LLC (Godo Kaisha)

In principle, investor(s) of Godo Kaisha shall individually execute business and represent the company. That means that owner(s) (investor(s)) of Godo Kaisha shall manage a company. However, it is possible that some of investors shall execute business and select a representative among from such executive investors. Despite its name “Godo (joint)” Kaisha, Godo Kaisha can be established with even only 1 investor. Godo Kaisha is similar to LLC (Limited Liability Company) in U.S., which is a combination of limited liability of investors and flexible business structure. However, Godo Kaisha is subject to corporate income tax since Godo Kaisha is a corporate entity. Therefore, it should be noted that treatment by the tax law for Godo Kaisha is different from that of LLC in the U.S.

(4) A general flow of procedure for incorporation of a limited liability company: LLC (Godo Kaisha)





Because of the legal issues associated with the formation and registration of a Kabushiki Kaisha or Godo Kaisha, legal advice and assistance by specialists should be sought.

(5) Corporate Number

Designation, publication and notification of 13-digit Corporate Number

Each corporation is assigned a single 13-digit Corporate Number. Basically, the Notification of Corporate Number shall be sent by the Commissioner of the National Tax Agency to registered corporations in two business days after corporate registration completion date. Basic 3 Information (1. trade name or association name, 2. address of head office or principal place of business, 3. Corporate Number) for the corporation, etc. that the Corporate Number is designated are published on the Tax Agency Corporate Number Publication Site at <https://www.houjin-bangou.nta.go.jp/>.

Corporate Number is not automatically designated for foreign companies simply by registering a domestic office as a branch. Only when certain requirements are met, Corporate Number is designated for foreign companies.

Registration and publication in English

Trade name or association name, and address of head office or principal place of business in English as well as Corporate Number may be published on the Tax Agency Corporate Number Publication Site and its English version web page by completing the registration process (optional and free of charge).

Some Economic Partnership Agreement require indication of Corporate Number on the documents to be prepared when exporting goods from Japan, and the customs office of the exporting country may confirm the Corporate Number through an English web page.

Please refer to the Tax Agency Corporate Number Publication Site at <https://www.houjin-bangou.nta.go.jp/> (Japanese), <https://www.houjin-bangou.nta.go.jp/en/> (English) for English registration process and details.

4. Limited Liability Partnership: LLP (Yugen Sekinin Jigyo Kumiai)

(1) Features of LLPs

LLPs may be formed in a case where research institute such as university licenses technology and other partner such as corporate entity, etc. contributes funding to start a new business.

Registration is made according to the location of the main office in accordance with certain prescribed rules. However, please note that an LLP cannot be reorganized into a company such as Kabushiki Kaisha.

(2) A general flow of procedures for establishment of a limited liability partnership: LLP (Yugen Sekinin Jigyo Kumiai)



5. Comparison of a stock company (Kabushiki Kaisha), limited liability company (LLC) and limited liability partnership (LLP)*

Structure	Stock Company (Kabushiki Kaisha)	Limited Liability Company	LLP
Corporate status	Yes	Yes	No
Capital contribution (can be both corporation or individual)	Stockholders (one or more investors)	Members with limited liabilities (one or more investors)	Partners with limited liabilities (two or more investors)
Legally required organization(s)	General meeting of stockholders, directors	(Consensus of members)	(Consensus of partners)
Executive officer	Representative director, etc.	Executive member	Executive partner

Capital (*1)	No restriction on monetary amounts	No restriction on monetary amounts	No restriction on monetary amounts (Contributed amount shall not be registered)
Equity transfers	Generally free	Approval of members	Approval of partners
Modification of articles of incorporation	Special resolution at a general meeting of stockholders	Agreement of all members	Agreement of all partners
Registration	Required	Required	Required
Taxes levied on member(s) (subject to each investor's individual income)	No	No	Yes
Existence with a single member	Possible	Possible	Not possible
Reorganization into different corporate structures	Possible	Possible	Not possible
Merger with another stock company (Kabushiki Kaisha)	Possible	Possible	Not possible

* Stock company (Kabushiki Kaisha); limited liability company: LLC (Godo Kaisha); limited liability partnership: LLP (Yugen Sekinin Jigyō Kumiai)

*1 Stock company (Kabushiki Kaisha) and LLC (Godo Kaisha) can be established with capital of 1 yen or more. However, based on Immigration Regulation, etc., minimum 5 million yen or more investment may be required in order to acquire residential status as a business manager for non-Japanese after establishment of company.

Pros and Cons of Each Structure

Corporate Entity or LLP	Pros	Cons
Kabushiki Kaisha	<ul style="list-style-type: none"> • Generally, Kabushiki Kaisha is the most popular corporate entity in Japan • Many of the Japanese big corporations are Kabushiki Kaisha 	<ul style="list-style-type: none"> • Minimum amount of registration tax is 150,000yen, which is higher than other structures. • Third person's bank account other than promoter and representative director upon incorporation is acceptable only when all promoters and directors upon incorporation are non-resident in Japan as an exception, however, foreign individuals or small sized foreign companies who do not have Japanese partners

		in Japan often have difficulty in opening company bank account after establishment.
Limited Liability Company (Godo Kaisha)	When compared with Kabushiki Kaisha, Godo Kaisha has advantages that: i) payment into a bank account is not required for capital investment; ii) minimum amount of registration tax for company establishment is 60,000yen, which is lower than Kabushiki Kaisha (Registration tax for Kabushiki Kaisha is 150,000yen).	<ul style="list-style-type: none"> • Not so many Japanese know existence of “Godo Kaisha”. • Unlike LLC in U.S., Japanese LLC (Godo Kaisha) is subject to Corporate Income Tax.
LLP	<ul style="list-style-type: none"> • Distribution amount can be decided freely between a partner who licensed technology and a partner who contributed funding by negotiation. 	<ul style="list-style-type: none"> • Entity conversion from LLP to corporate Entity is impossible.

6. Sample calculations of the costs of establishing a business in Japan

The following section gives examples of costs (in yen) incurred in the establishment in Japan of a branch office, a stock company (Kabushiki Kaisha), a limited liability company (LLC) or a limited liability partnership (LLP) by non-Japanese on the assumption residential status as a-business manager is acquired. It should be noted that the amounts, etc. indicated here may vary, depending on different circumstances.

	Document submitted to	Branch	Stock Company (Kabushiki Kaisha)	Limited Liability Company: LLC	Limited Liability Partnership: LLP
Consultation on	Consultation on commercial registration	Free of charge	Free of charge	Free of charge	Free of charge
	Professional advice on incorporation, etc.	10,000 yen	10,000 yen	10,000 yen	10,000 yen
Registration expenses	Revenue stamp (for articles of incorporation)	Not necessary	40,000 yen However, not necessary if notarized electronically	40,000 yen However, not necessary if notarized electronically	Not necessary

Charge for notarization of the articles of incorporation (*1)	Notary public's office	Not necessary	50,000 yen	Not necessary	Not necessary
Charge for issuing a certified copy of the articles of incorporation		Not necessary	1,250 yen (250 yen/copy × 5 × 1 set)	Not necessary	Not necessary
Certificate of registered seal (*2)		Not necessary	300 yen	Not necessary	Not necessary
Registration tax (*3)	Legal Affairs Bureau	300 yen	300 yen	300 yen	600 yen
Certified copy of the commercial register		2,400 yen (600yen/copy × 4 sets)	2,400 yen (600yen/copy × 4 sets)	2,400 yen (600yen/copy × 4 sets)	2,400 yen (600yen/copy × 4 sets)
Corporate representative seal (*4)		10,000 yen	10,000 yen	10,000 yen	10,000 yen
Certificate of registered representative seal (*5)		450 yen (450 yen/copy × 1 set)	450 yen (450 yen/copy × 1 set)	450 yen (450 yen/copy × 1 set)	450 yen (450 yen/copy × 1 set)
Affidavit or notarization (original and Japanese translation)		Varies depending on home country	Not necessary	Not necessary	Not necessary
Confirmation of official approvals and licenses (Varies depending on category of business)	National and prefectural governments	-	-	-	-
Official notification in accordance with the Foreign Exchange Law	Bank of Japan	-	-	-	-
	Document submitted to	Branch	K.K.	LLC	LLP
Professional commissions for registration expenses, confirmation of approvals/licenses, and notification required by the Foreign Exchange Law (Varies depending on professional services)	Professionals	250,000 yen	250,000 yen	250,000 yen	250,000 yen
Total		363,150 yen	514,700 yen	373,150 yen	333,450 yen

- *1 Charge for notarization of the articles of incorporation varies by capital amount of the company to be established. (less than 1 million yen: 30,000yen; 1 million yen or more and less than 3 million yen: 40,000yen; other cases: 50,000yen) Charge in this table is for the company with a capital of 5 million yen or more.
- *2 A certificate of each promoter's registered seal is required at the notary public's office. In the event the promoter is a corporation, a certified copy of the commercial register and a certificate of the registered seal of the corporate representative shall be required. In the case of a foreign nonresident, a certificate of the signature (attested to by a notary public's office in the home country), instead of a certificate of the registered seal shall be required.
A certificate of a registered seal must have been issued within the previous three months by a local government office.
- *3 The registration tax for a stock company (Kabushiki Kaisha) or a limited liability company shall be 7/1000 of the paid-in capital. However, the minimum registration tax shall be 150,000 yen for a stock company (Kabushiki Kaisha) and 60,000 yen for a limited liability company.
- *4, 5 Submission of a seal (registration of company seal) is optional effective on February 15, 2021 when applying for registration online; however, there still are many cases that require company seal and seal certificate, therefore, submission of a seal (registration of company seal) is actually needed.

7. Status of Residence

(1) -① Temporary Visitor Visa

Foreigners wishing to enter Japan to conduct preparations, such as selection of a facility for business, hiring staff, etc., in order to open/establish a representative office, branch, or company are required to obtain a temporary visitor visa at a Japanese diplomatic establishment. Foreigners show such visa at a port of entry of an airport or seaport in order to get landing permission, and then enter Japan. Nationals of countries with visa exemption arrangements with Japan do not require a visa for application for landing permission for short-term stays. However, please note that the waiver of visa requirements is not applicable in the case of stays exceeding the period of time stipulated in each arrangement.

The period of stay granted at the time of the landing permission is as follows:

《Visa waiver country and region》

- Indonesia and Thailand: 15 days
- Brunei: 14 days
- United Arab Emirates: 30 days
- Other countries and regions: 90 days

《Country/region where a visa is required》

15 days, 30 days, or 90 days, which shall be determined depending on the purpose of entry and the results of inspection

Those who fall under the Eligible Applicants below are able to apply for a short-term stay visa for the purpose of Tourism (for a stay of 90 days or less) on JAPAN eVISA website (<https://www.evisa.mofa.go.jp/index>) from March 27, 2023.

《Eligible Applicants》

All foreign nationals/people who reside in the following countries/region.
Brazil, Cambodia, Canada, Mongolia, Saudi Arabia, Singapore, South Africa, Taiwan, United Arab Emirates, United Kingdom, U.S.A. (Only foreign nationals/people who are required to obtain short-term visa.)

Engaging in paid activities in Japan with a temporary visitor visa is prohibited. Please start with the procedure for obtaining status of residence as soon as possible in order to work continually at a representative office, a branch, or a company.

(Engaging in the operation of an income-producing business or paid activities does not fall under the category of “temporary visitor” no matter how short the term of stay in Japan is.)

(1) -② Multiple-entry temporary visitor visa

A Multiple-entry temporary visitor visa may be applied for at Japanese diplomatic offices abroad (Japanese Consulates-General, etc.) for short-term business affairs (business trips, etc.) when an applicant fulfills certain requirements, such as a full-time employee working in a company which is a government enterprise, or a company listed on the stock exchange, etc.

Permitted period of stay in Japan and the validity period of such visa vary by his/her nationality (country/region).

In no case is it permitted to perform activities to undertake revenue-generating business operations or activities to receive remuneration.

The period of stay granted at the time of the landing permission is 15 days, 30 days, or 90 days, which shall be determined depending on the purpose of entry and the results of the inspection.

(1) -③ Visa For Medical Stay

A “Visa for Medical Stay” is a visa issued to foreign patients wishing to visit Japan for medical purposes (including full medical check-ups, etc.). Such visa may also be issued to persons accompanying foreign patients if necessary, and as needed. Under this category, period of stay in Japan is within 90 days, 6 months or 1 year. The period of stay is determined based on the clinical condition of foreign patients and other factors.

However, please note that if the expected period of stay is longer than 90 days, it is premised on hospitalization and such foreign patients are required to obtain a Certificate of Eligibility from the Immigration Bureau of the Ministry of Justice.

The validity period of a Visa for Medical Stay is 3 years as needed.

(2) Types of Status of Residence

When a foreigner wishes to stay in Japan for work, etc., s/he must obtain a status of residence where the activities to be engaged in are applicable from among 29 categories (36 types) of status of residence stipulated in the Immigration Control and Refugee Recognition Act (hereinafter “Immigration Regulation”).

[Status of Residence allowed to work within the designated activities: 27 types]

Diplomat, Official, Professor, Artist, Religious Activities, Journalist, Highly Skilled Professional ((i)a, (i)b, (i)c, (ii)), Business Manager, Legal/Accounting Services, Medical Services, Researcher, Instructor, Engineer/Specialist in Humanities/International Services, Intra-company Transferee, Nursing Care, Entertainer, Skilled Labor, Specified Skilled Worker ((i), (ii)), Technical Intern Training ((i)a, (i)b, (ii)a, (ii)b), Designated Activities (such as working holidays, etc.)

< Highly Skilled Professional (i)a, (i)b, (i)c, and (ii) / Technical Intern Training (i)a, (i)b, (ii)a, and (ii)b / Specified Skilled Worker (i), (ii) are considered as one category.>

[Status of Residence basically not allowed to work: 5 types]

Cultural activities, Temporary Visitor, Student, Trainee, Dependent

[Status of Residence with no restriction on work: 4 types]
 Permanent Resident, Spouse or Child of Japanese National, Spouse or Child of
 Permanent Resident, Long Term Resident

The List of Categories of Status of Residence (Annexed table I and Annexed table II of the
 Immigration Control and Refugee Recognition Act)

Annexed table I

1

Status of Residence	Authorized Activities
Diplomat	Activities on the part of constituent members of diplomatic missions or consular offices of foreign governments hosted by the Government of Japan; activities on the part of those who are provided with similar privileges and/or immunities as is given to diplomatic missions in accordance with treaty or international customary practices; and activities on the part of their family members belonging to the same household.
Official	Activities on the part of those who engage in official business of foreign governments or international organizations recognized by the government of Japan; and activities on the part of their family members belonging to the same household (excluding the activities described in this table's "Diplomat" section).
Professor	Activities for research, direction of research or education at colleges, equivalent educational institutions or "koto-senmongakko."
Artist	Activities for the arts that provide income, including music, the fine arts, literature, etc. (excluding the activities described in the "Entertainer" section of Table 2).
Religious Activities	Missionary and other religious activities conducted by foreign religious organizations.
Journalist	News coverage and other journalistic activities conducted on the basis of a contract with foreign journalistic organizations.

2

Status of Residence	Authorized Activities
Highly Skilled Professional	(i) Activities which fall under any of items (a) through (c) and are expected to contribute to the development of academic research or economy of Japan that foreign human resources with advanced and specialized skills which conforms to the standards provided by Ordinance of the Ministry of Justice engage in. (a) Activities for research, direction of research or education on the basis of a contract with public or private organizations in Japan designated by Minister of Justice, or activities to operate a business relating to said activities by himself/herself in addition to engage in said activities, or activities for research, direction of research or education on the basis of a contract with public or private organizations in Japan other than said organizations. (b) Activities to engage in service which requires knowledge or technology pertinent to natural science or physical science fields based on a contract with public or private organizations in Japan designated

	<p>by Minister of Justice or activities to operate a business relating to said activities by himself/herself in addition to engage in said activities.</p> <p>(c) Activities to operate an international trade or other business or to manage said business at public or private organizations in Japan designated by Minister of Justice or activities to operate a business relating to said activities by himself/herself in addition to engage in said activities.</p> <p>(ii) Activities, which fall under any of the following items, by a person who engaged in the preceding item and whose stay conforms to the standards provided by Ordinance of the Ministry of Justice as serving the interests of Japan:</p> <p>(a) Activities for research, direction of research or education on the basis of a contract with public or private organizations in Japan.</p> <p>(b) Activities to engage in service which requires knowledge or technology pertinent to natural science or physical science fields based on a contract with public or private organizations in Japan.</p> <p>(c) Activities to operate an international trade or other business or to manage said business at public or private organization in Japan.</p> <p>(d) Activities, conducted with any of the preceding item (a) to (c), described in the lower column of "Professor" to "Journalist" sections of Table(1) or the activities described in the lower column of "Legal/ Accounting Services", "Medical Services", "Instructor", "Engineer/Specialist in Humanities/International Services", "Nursing Care", "Entertainer", or "Skilled Labor" sections, or (ii) in the lower column of "Specified Skilled Worker" section of this Table (excluding activities any of the preceding item (a) to (c)).</p>
Business Manager	Activities to operate international trade or other business, or to manage that business (excluding engaging in the operation or management of business which is not allowed without legal qualifications described in this table's "Legal/ Accounting Services" section).
Legal/ Accounting Services	Activities to engage in legal or accounting business which is required to be carried out by attorneys recognized as foreign law specialists under the foreign lawyers' law ("Gaikokuho Jimubengoshi"), certified public accountants recognized as accountants practicing foreign accounting under the Accountant Law ("Gaikokukoninkaikeishi") or those with other legal qualifications.
Medical Services	Activities to engage in medical treatment service which is required to be undertaken by Physicians, dentists or those with other medical qualifications.
Researcher	Activities to engage in research on the basis of a contract with public or private organizations in Japan (excluding the activities described in the "Professor" section of Table (1)).
Instructor	Activities to engage in language instruction and other education at elementary schools, junior high schools, schools for compulsory education, high schools, school for the blind, handicapped children's schools, advanced vocational schools, ("Senshu-gakko") vocational schools ("Kakushu-gakko") or other educational institutions equivalent to vocational schools in facilities and curriculum.
Engineer/Specialist in Humanities/	Activities to engage in service which requires technology and/or knowledge pertinent to physical science, engineering or other natural

International Services	science fields, or technology and/or knowledge pertinent to jurisprudence, economics, sociology or other human science fields, or to engage in service which requires specific ways of thought or sensitivity based on experience with foreign culture, based on a contract with public or private organizations in Japan (excluding the activities described in the lower columns of the “Professor”, “Artist”, and “Journalist” sections of Table 1 and excluding the activities described in the lower columns of the “Business Manager” through “Instructor”, and “Intra-company Transferee” through “Entertainer” sections of this Table).
Intra-company Transferee	Activities on the part of personnel who are transferred to business offices in Japan for a limited period of time from business offices which are established in foreign countries by public or private organizations which have head offices, branch offices or other business offices in Japan and who engage at these business offices in the activities described in the “Engineer/Specialist in Humanities/International Services” section of this Table.
Nursing Care	Activities to engage in nursing or instruction of nursing as certified care worker based on a contract with public or private organizations in Japan.
Entertainer	Activities to engage in theatrical performances, musical performances, sports or any other show business (excluding the activities described in the “Business Manager” section of this Table).
Skilled Labor	Activities to engage in service which requires industrial techniques or skills belonging to special fields on the basis of a contract with public or private organizations in Japan.
Specified Skilled Worker	(i) Activities to engage in service which requires skills with considerable knowledge of or experience as provided by Ordinance of the Ministry of Justice in Specified Industry Fields (Industry fields having difficulties with securing human resources, designated by Ordinance of the Ministry of Justice, require ensuring the shortage of human resources by accepting foreign nationals; the same applies in this item) designated by Minister of Justice based on a contract with public or private organizations in Japan designated by Minister of Justice (limited to those which meet the regulations specified in Article 2-5 (i) to (iv); the same applies in the following item). (ii) Activities to engage in service which requires proficient skills as provided by Ordinance of the Ministry of Justice in Specified Industry Fields designated by Minister of Justice based on a contract with public or private organizations in Japan designated by Minister of Justice.
Technical Intern Training	(i) Activities which fall under any of items (a) or (b) (a) Activities to attend the necessary lectures and engage in work relating to skills, technologies, or knowledge (hereinafter referred to as “Skills, etc.”) based on a technical intern training plan (limited to those for “individual-enterprise-type technical intern training (i)” stipulated in Article 2 (2) (i)) as prescribed in Article 8 (1) of the Technical Intern Training Act whose training has received accreditation (where a change has been approved in accordance with the Article 11 (1), the plan after the change; the same applies hereinafter).

	<p>(b) Activities to attend the necessary lectures and engage in work relating to Skills, etc. based on a technical intern training plan (limited to those for “supervising-organization-type technical intern training (i)” stipulated in Article 2 (4) (i)) as prescribed in the same paragraph whose training has received accreditation.</p> <p>(ii) Activities which fall under (a) or (b).</p> <p>(a) Activities to engage in work relating to Skills, etc. based on a technical intern training plan (limited to those for “individual-enterprise-type technical intern training (ii)” stipulated in Article 2 (2) (ii)) as prescribed in the same paragraph whose training has received accreditation.</p> <p>(b) Activities to engage in work relating to Skills, etc. based on a technical intern training plan (limited to those for “supervising-organization-type technical intern training (ii)” stipulated in Article 2 (4) (ii)) as prescribed in the same paragraph whose training has received accreditation.</p> <p>(iii) Activities which fall under (a) or (b).</p> <p>(a) Activities to engage in work relating to Skills, etc. based on a technical intern training plan (limited to those for “individual-enterprise-type technical intern training (iii)” stipulated in Article 2 (2) (iii)) as prescribed in the same paragraph whose training has received accreditation.</p> <p>(b) Activities to engage in work relating to Skills, etc. based on a technical intern training plan (limited to those for “supervising-organization-type technical intern training (iii)” stipulated in Article 2 (4) (iii)) as prescribed in the same paragraph whose training has received accreditation.</p>
<p>Note: The Minister of Justice shall consult with the heads of the relevant administrative organs in prescribing the ordinance set forth in the bottom of the “Specified Skilled Worker” column.</p>	

3

Status of Residence	Authorized Activities
Cultural activities	Academic or artistic activities that provide no income, or activities for the purpose of pursuing specific studies on Japanese culture or arts, or activities for the purpose of learning and acquiring Japanese culture or arts under the guidance of experts (excluding the activities described in the sections from “College Student” to “Trainee” in Table 4).
Temporary Visitor	Sightseeing, recreation, sports, visiting relatives, going on inspection tours, participating in lectures or meetings, business contact or other similar activities during a short period of stay in Japan.

4

Status of Residence	Authorized Activities
Student	Activities to receive an education at a university, college of technology (kotosenmongakko), senior high school (including a course of study in the latter part of secondary educational school (chutokyoikugakko)), senior high school course of school for special needs education (tokubetsushiengakko), lower secondary school (including a course of study in the latter part of schools for compulsory education

	(gimukyoikugakko) and in former part of secondary educational school (chutokyoikugakko)), lower secondary school for special needs education, elementary school (including a course of study in the former part of schools for compulsory education), elementary school for special needs education, vocational school (senshugakko), miscellaneous educational institution (kakushugakko) or an equivalent educational institution in terms of facilities and organization in Japan.
Trainee	Activities to learn and acquire skills, etc. at public or private organizations in Japan (excluding the activities described in the lower column of “Technical Intern Training (i)” section of Table 2 and the “College Student” and “Pre-college Student” sections of this Table).
Dependent	Daily activities on the part of the spouse or unmarried minor child of those who stay in Japan with the status of residence mentioned in Tables 1, 2 or 3 (excluding “Diplomat,” “Official” “Specified Skilled Worker (limited to the lower column of “Specified Skilled Worker (i)” section of Table 2)”, “Technical Intern Training”, and “Temporary Visitor”) or those who stay with the status of residence of “Student” in this Table.

5

Status of Residence	Authorized Activities
Designated Activities	Activities which are specifically designated by the Minister of Justice for foreign individuals.

Annexed Table II

Status of Residence	Personal relationship or status on which the residence is authorized
Permanent Resident	Those who are permitted for permanent residence by the Minister of Justice.
Spouse or Child of Japanese National	The Spouses of Japanese nationals, the children adopted by Japanese nationals or those born as the children of Japanese nationals.
Spouse or Child of Permanent Resident	The Spouses of permanent residents, etc., or those born as children of permanent residents, etc. in Japan and have been residing in Japan.
Long Term Resident	Those who are authorized to reside in Japan with a designation of period of stay by the Minister of Justice in consideration of special circumstances.

Applicable status of residence and conditions vary depending upon the activity to be engaged in. Also, the required documents, etc. vary in each case, thus, it is advisable to consult with specialists such as *Gyoseishoshi* (Solicitors), etc.

(3) Major Categories of Status of Residence

Criteria and supporting documents for the following 4 major categories of status of residence for work are listed below.

- Business Manager
- Engineer/Specialist in Humanities/International Services
- Intra-company Transferee
- Skilled Labor

(3) -1. Business Manager

<Criteria>

Business must be run properly, and be recognized as stable and continuing.

- ✓ Facility for the business must be reserved.
- ✓ Employment of two or more full-time employees other than the person engaged in operation or management of the business, or 5 million JPY or more capital or investment is required.
*full-time employees must be a Japanese national, permanent resident, spouse of Japanese national or permanent resident, or long-term resident.
- ✓ (For Manager)
Must have three or more years' experience in operations or management and must receive equal or greater compensation when a Japanese national is in the same position.

<Period of Stay>

5 years, 3 years, 1 year, 4 months or 3 months

<Supporting Documents>

■ Material Certifying Business

- Certified Copy of Company Registration (issued within the last 3 months)
<In case, the company is in the process of applying for its registration; documents certifying the process of the company establishment such as articles of incorporation.>
- The latest financial statement (Business plan for a newly established company)
- Brochure, etc.

■ Material Certifying Number of Full-time Staff and Wage Payments of the Staff Concerned

- Copy of employment contract or copy of payroll book
- Residence certificate
- Employment insurance fee payment receipts, etc.

■ Material Certifying Business Place

- Company brochure
- Copy of lease agreement, etc.

■ Documents certifying the activity, its duration, the position, and the remuneration of the person concerned

- A copy of the mandate contract between the applicant and the recipient organization, etc.

(For Manager)

- Documents certifying job history with 3 years or more experience for management

<Important Point for a Payment Required for Establishing an Entity>

The legally required minimum payment to establish a company is one yen. In the case of a limited liability partnership, the minimum amount shall be two yen, as two or more partners are required. No legally stipulated payment is required to establish a branch.

If a non-Japanese intends to acquire “Business Manager” resident status, he or she is required to employ two or more full-time employees, or manage the business sized with five million yen or more, or a minimum payment of five million yen or more.

(3) -2 Engineer/Specialist in Humanities/International Services

<Criteria>

- ✓ Majored in the subject related to the necessary knowledge for the business to engage in and graduated, or having 10 years or more work experience in the business to be engaged in.
(When engaged in interpreting, translation, language teaching, or overseas operations, etc., 3 years or more work experience in the business to be engaged in is required. However, university graduates who wish to engage interpreting, translation or language teaching are not required to have such experience.)
- ✓ Must receive equal or greater compensation when a Japanese national is in the same position.

<Period of Stay>

5 years, 3 years, 1 year or 3 months

<Supporting Documents>

- Material Certifying Business of the recipient organization
 - Certified Copy of Company Registration (issued within the last 3 months)
 - The latest financial statement (Business plan for a newly established company)
 - Brochure, etc.
- A diploma or a certificate of graduation with a major in the subject regarding the activity of the person concerned, and documents certifying his/her professional career.
 - A diploma or a certificate of graduation
 - Documents certifying applicant’s professional career
 - Applicant’s CV, etc.
- Documents certifying the activity, its duration, the position, and the remuneration of the person concerned
 - A copy of the employment contract between the applicant and the recipient organization, etc.

(3) -3 Intra-company transferee

<Criteria>

Activities by personnel who are transferred from business offices in foreign countries to business offices in Japan for a limited period of time and who engage in the activities described in the “Engineer/Specialist in Humanities/International Services” sections.

- ✓ Must be continuously working for more than 1 year for head office, branch offices, or other business offices just before the transfer and engage in the activities described in the “Engineer/Specialist in Humanities/International Services” sections.
- ✓ Must receive equal or greater compensation when a Japanese national is in the same position.

<Period of Stay>

5 years, 3 years, 1 year or 3 months

<Supporting Documents>

- Documents certifying the relationship between the business office in a foreign country and the business office in Japan
 - Notice of commencement of business
 - Brochure, etc.

- Material Certifying Business of the business office in Japan
 - Certified Copy of Company Registration (issued within the last 3 months)
 - The latest financial statement (Business plan for a newly established company)
 - Brochure, etc.

- Documents certifying the activity and its duration in the business office in a foreign country
 - Documents certifying the activity and its duration for the last year before the transfer, such as certificate of employment issued by the business office in a foreign country

- Material Certifying Business of the business office in a foreign country
 - Certified Copy of Company Registration (issued within the last 3 months)
 - The latest financial statement (Business plan for a newly established company)
 - Brochure, etc.

- Documents certifying the activity, its duration, the position, and remuneration
 - Notification of transfer, etc.

- A Diploma and documentation certifying the career
 - A diploma or a certificate of graduation
 - CV, etc.

(3) -4 Skilled Labor

<Criteria>

- ✓ Must receive equal or greater compensation when a Japanese national is in the same position.
- ✓ Activities to engage in service that require industrial techniques or skills belonging to special fields.

E.g.) A person who has more than 10 years work experience in food preparation, or food manufacturing techniques which were invented in a foreign country and to engage in business activities that requires such skills.

(However, based on a treaty such as EPA, etc. between Japan and Thailand, there are some cases where only 5 years work experience is required to engage in business activities requiring such skills.)

<Period of Stay>

5 years, 3 years, 1 year or 3 months

<Supporting Documents>

- Material Certifying Business of the recipient organization

- Certified Copy of Company Registration (issued within the last 3 months)
 - The latest financial statement (Business plan for the newly established company)
 - Brochure
 - List of foreign employees, etc.
- A personal history and documents issued by the official organization which certify the career and the qualifications regarding the activity
 - Applicant's CV
 - If a certificate of qualification issued by the official organization is available, a copy of the certificate
 - Documents certifying the activity and its duration, such as a certificate of employment issued by the business office in a foreign country
 - Documents certifying the activity, its duration, the position, and remuneration
 - A copy of employment contract between the applicant and the recipient organization, etc.

(4) Certificate of Eligibility (COE)

When foreigners wish to enter Japan under the status other than “Temporary Visitor”, the Immigration Regulation stipulates that the Minister of Justice is able to issue a document certifying applicability of status of residence for the activity a foreigner is to engage in by examining compatibility in landing condition for status of residence based on an application by the foreigner. Such document is called a Certificate of Eligibility. A foreigner who has a Certificate of Eligibility will obtain a visa from an embassy or consulate by showing the Certificate of Eligibility. Then, they may enter Japan after obtaining landing permission from an Immigration officer at the port of entry. The advantage of having a Certificate of Eligibility is that the length of time for examination for visa and landing will be shortened, as compatibility in landing condition for applicability of status of residence, etc. can be proved easily.

Application for issuance of a Certificate of Eligibility will be made at the Regional Immigration Bureau which has jurisdiction over the planned residential address or the location of the recipient organization. As stipulated in the Ministry of Justice's ordinance, submission of the application can be done by proxy such as personnel of the recipient organization, or by registered Gyouseishoshi (solicitor) who is authorized to submit the application for the applicant.

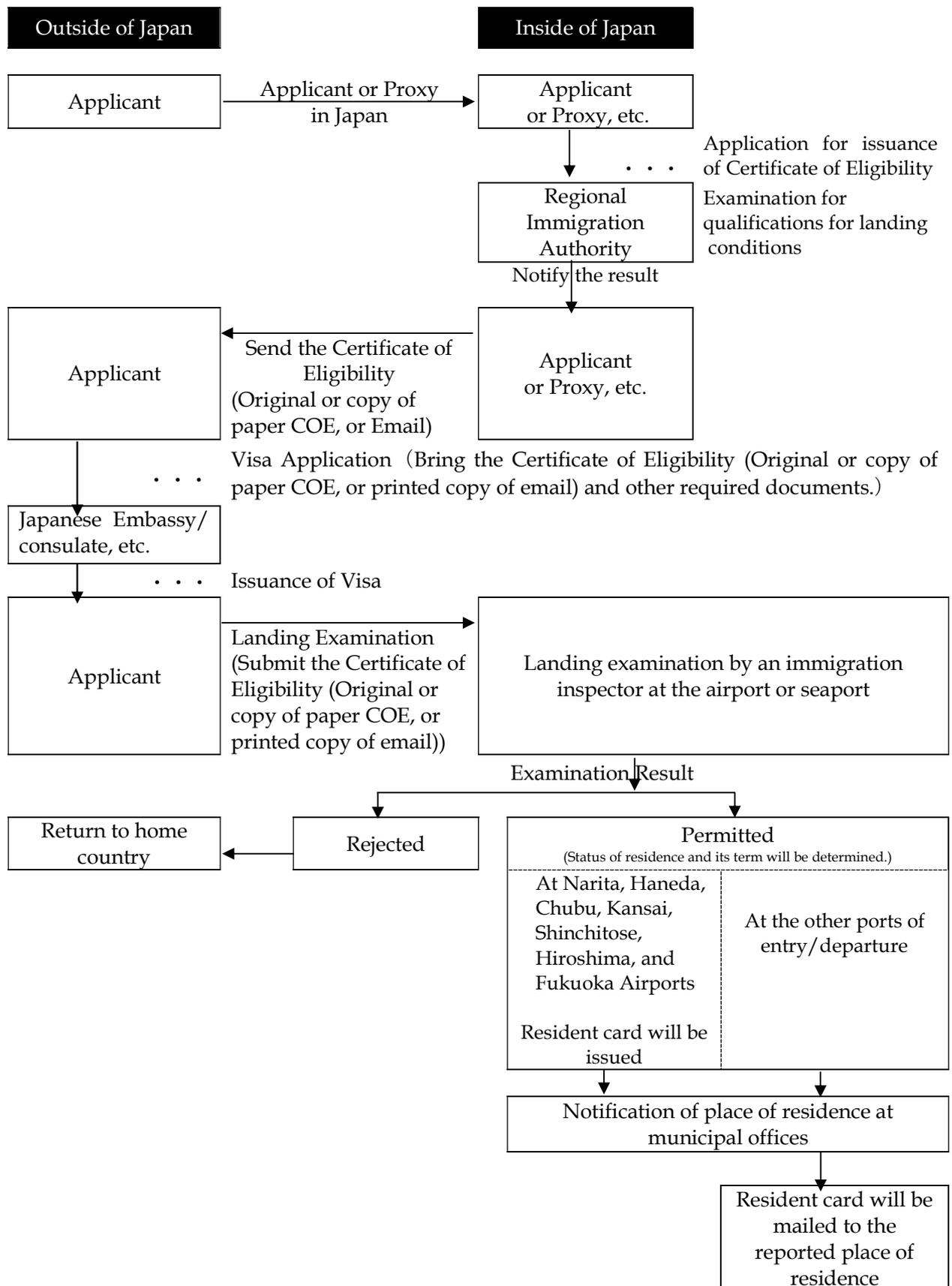
■ Receipt of Certificate of Eligibility by e-mail

From March 17, 2023, it is possible to receive the Certificate of Eligibility by e-mail. In addition, foreign nationals themselves can now apply for visas and landing permission by presenting a copy of the e-mail.

Persons to whom this notification applies are:

- Those who apply for issuing a Certificate of Eligibility online.
- Those who have completed user registration online in advance and visit a regional Immigration Services Bureau to apply for issuing a Certificate of Eligibility

■ General Flow of Application for Certificate of Eligibility (COE)



(5) Preferential immigration treatment for highly skilled foreign professionals

A new status of residence named “Highly Skilled Professional (i)” for foreign human resources with advanced and specialized skills was established in order to promote more acceptances of highly skilled foreign nationals who have advanced abilities since those foreign professionals are expected to contribute to economic growth and creation of new demand and employment in Japan. Moreover, “Highly Skilled Professional (ii)” for foreign nationals who stayed in Japan for certain period with the status of residence as “Highly Skilled Professional (i)” was also established. Under this status, restriction on activities has been substantially loosened and there is no restriction on period of stay. (“The Act for Partial Amendment of the Immigration Control and Refugee Recognition Act” (Act No. 74 of 2014))

Highly skilled foreign professionals’ activities are classified into three as “Advanced academic research activities”, “Advanced specialized/technical activities”, and “Advanced business and management activities”. The following preferential immigration treatment is granted to non-Japanese scoring 70 points or more based on factors such as educational history, work history, annual income, research achievements, and so on, and recognized as highly-skilled foreign professionals.

Highly-Skilled Professional (i)

1. Permission for multiple activities during the stay in Japan

Usually, a non-Japanese is only allowed to engage in the activities permitted under a single status of residence. However, a highly-skilled foreign professional may engage in activities covered by multiple statuses of residence, such as simultaneously engaging in research activities at a university and in the management of a business organization related thereto.

2. Grant of the “5 years” period of stay

The longest period of stay legally permitted (5 years) is granted uniformly to highly-skilled foreign professionals.

3. Relaxation of requirements for grant of the permission for permanent residence concerning the period of stay in Japan

In principle, in order to obtain permission for permanent residence, a foreign national is required to stay continuously in Japan for 10 years or more, but in cases where a foreign national has engaged in activities as a highly-skilled foreign professional for 3 years, or cases where a highly-skilled foreign professional, who is deemed as particularly skilled (a person scoring 80 points or more), has engaged in activities as a highly-skilled foreign professional for 1 year, the foreign national will be eligible to apply for permission for permanent residence.

4. Permission for the spouse of the highly-skilled foreign professional to work

When a foreign national staying in Japan under the status of residence of “Spouse” intends to engage in activities covered by statuses of residence for work, such as “Instructor,” or “Engineer/Specialist in Humanities/International Services,” he/she must satisfy certain requirements with regard to academic background, work experience, and the like, and obtain the relevant status of residence. A spouse of a highly-skilled foreign professional may engage in these activities even if he/she does not have the required academic background or work experience, etc.

5. Permission for bringing the parent(s) to accompany the highly-skilled foreign professional to Japan under certain conditions

Under the current system, parents of foreign nationals staying in Japan under a status of residence for work are not allowed to enter in Japan. However, the parent(s) (including a non-biological parent) of a highly-skilled foreign professional or his/her spouse is allowed to enter and stay in Japan subject to conditions detailed below:

- (i) where the parent will take care of a child younger than 7 years of age of the highly-skilled foreign professional or his/her spouse; or
- (ii) where the parent will take care of a pregnant highly-skilled foreign professional or to a pregnant spouse of a highly-skilled foreign professional

6. Permission for a domestic worker to accompany the highly-skilled foreign professional to Japan under certain conditions

Only foreign nationals who stay in Japan under statuses of residence such as “Business Manager,” “Legal/Accounting Services,” etc., may employ foreign domestic workers. However, a highly-skilled foreign professional may bring a foreign domestic worker to Japan subject to certain conditions.

7. Preferential processing of entry and residence procedures

Applications for entry and stay of highly-skilled foreign professionals are processed more quickly than others.

Applications for preliminary immigration examination (issuance of a certificate of eligibility) are scheduled to be processed within 10 days of receipt.

Applications for the examination the status of residence are scheduled to be processed within 5 days of receipt.

Highly-Skilled Professional (ii)

- a. In conjunction with the activities "Highly-Skilled Professional (i)" permitted to engage in almost all of the activities of statuses of residence based on employment
 - b. Granted an indefinite period of stay
 - c. Eligible for the preferential treatment of the abovementioned (3) to (6)
- * "Highly-Skilled Professional (ii)" is for foreign nations who have engaged in activities of "Highly-Skilled Professional (i)" for three years or more.

Expansion of Preferential Treatment under the Highly Skilled Foreign Professionals Point System for the Realization of an International Financial Center Open to the World

Japanese government is aiming to establish the position as an International Financial Center open to the world, and the following preferential immigration treatment is granted to financial professionals:

1. Grant of additional points in the Point-based system

Of the foreign nationals performing the activities listed in “Highly Skilled Professional” (i)- (b) and (c) of the Annexed table I-2, those who perform the business activities concerning type-II financial instruments business, investment advisory and agency business, or investment management business stipulated in Financial Instruments and Exchange Act (hereinafter “Investment Management Business, etc.”) are eligible for special additional point (10 points) in the Highly-skilled Professionals Point-based System.

2. Relaxation of requirements for employment of domestic worker
Highly-skilled foreign professionals who engage in the business activities concerning Investment Management Business, etc. may employ a certain number of domestic workers who meet certain requirements based on the following annual household income:

- 10 million yen or more and less than 30 million yen: 1 person
- 30 million yen or more: 2 persons

3. Exceptional measures for “Temporary Visitor Visa”

If registration of Investment Management Business, etc. has been completed during the stay in Japan with “Temporary Visitor Visa”, changing the status of residence from “Temporary Visitor Visa” directly to “Highly-skilled Professionals”, “Business Manager”, etc. is permitted.

4. Preferential processing of entry and residence procedures for spouse of the highly-skilled foreign professional who intends to work

Spouse of the highly-skilled foreign professional who intends to work is subject to preferential processing of entry and residence as highly-skilled foreign professionals.

(6) New System for Acceptance of Foreign Human Resources

A new status of residence named “Specified Skilled Worker” was established and started on April 1, 2019 in order to accept experienced foreign human resources with specific expertise and skills in Specified Industry Fields (12 (formerly 14) Industry Fields).

1. The Status of residence “Specified Skilled Worker” has 2 categories: “Specified Skilled Worker (i)” and “Specified Skilled Worker (ii)”.

(1) “Specified Skilled Worker (i)”: A status of residence applicable to foreigners who work in jobs that require considerable knowledge of or experience in Specified Industry Fields.

- Period of Stay: Renewed annually, every 6 months or every 4 months, for a maximum stay up to 5 years in total
- Skill Standard: Confirmed by exams (those who have completed Technical Intern Training (ii) are exempt from the exam)
- Japanese Language Level: Proficiency in Japanese language used in daily life and at the workplace confirmed by tests to measure it (those who have completed the Technical Intern Training (ii) are exempt from the tests)
- Accompaniment by Family Members: Basically not permitted
- Supported by Accepting Organizations or Registered Supporting Organizations

(2) “Specified Skilled Worker (ii)”: A status of residence for foreigners engaged in jobs that require proficient skills in Specified Industry Fields.

- Period of Stay: Renewed every 3 years, annually, or every 6 months
- Skill Standard: Confirmed by exams
- Japanese Language Level: No confirmation by exams, etc. is required
- Accompaniment by Family Members: Permitted if he/she meets requirements (Spouse, Children)
- Not supported by Accepting Organizations or Registered Supporting Organizations

2. The following 12 (formerly 14) Industry Fields are specified as Specified Industry Fields:

Care Worker, Building Cleaning Management, Machine Parts & Tooling/Industrial Machinery/Electric, Electronics and Information Industries, Construction Industry, Shipbuilding and Ship Machinery Industry, Automobile Repair and Maintenance, Aviation Industry, Accommodation Industry, Agriculture, Fishery & Aquaculture, Manufacture of Food and Beverages, Food Service Industry (For Specified Skilled Worker (ii), Construction Industry, and Shipbuilding and Ship Machinery Industry only.)

(7) Foreign Entrepreneurship Activity Promotion Project (known as “Startup Visa”)

The "Foreign Entrepreneurship Activity Promotion Project" is conducted by local governments (Foreign Entrepreneurship Promotion Organizations: hereinafter “FEPO”) who have been certified by the Ministry of Economy, Trade and Industry for the purpose of expanding the acceptance of foreign entrepreneurs and promoting entrepreneurship. As of May 2023, 14 local governments, including Osaka city government, have been certified as FEPO.

In order for a foreigner to operate a business in Japan, he/she needs to obtain a status of residence under the category of "Business Manager", which criteria includes such as:

- ✓ Facility for the business must be reserved.
- ✓ Employment of two or more full-time employees other than the person engaged in operation or management of the business, or 5 million JPY or more capital or investment is required.

(see (3)-1 Business Manager)

However, in this project, before the above-mentioned criteria are met, a certificate of confirmation will be issued by FEPO if such organization confirm that an entrepreneur who submits a New Business Implementation Plan is expected to fulfill the criteria to obtain status of residence “Business Manager” within one year.

By submitting this certificate of confirmation and necessary documents to the Immigration and getting through an inspection process, status of residence "Specific Activities" will be issued for up to one year (which must be renewed after six months) and an entrepreneur is allowed to conduct business startup activities.

Please note that eligible business category and required documents, etc. vary by FEPO. Therefore, please contact with Osaka City's Foreign Enterprise Promotion Support Office by e-mail for detailed requirements and application process.

[Osaka City's Foreign Enterprise Promotion Support Office]

E-mail: startupvisa@sansokan.jp / Tel: 06-6264-9933

Website: <https://www.sansokan.jp/startupvisa/>

Address: 1-4-5 Honmachi, Chuo-ku, Osaka (Business Innovation Center Osaka 13F)

(8) Resident Card and Resident Record for a Foreign Resident

There is the Resident Card and Resident Record issuance system which is applicable to foreign nationals residing legally in Japan for the mid- to long-term with resident status under the Immigration Control Act (hereinafter “mid- to long-term residents”).

Mid- to long-term residents means foreign nationals who do not come under any of the following i) through to vi).

- i) Persons granted permission to stay for 3 months or less;
- ii) Persons granted “Temporary Visitor” status;
- iii) Persons granted “Diplomat” or “Official” status;
- iv) Persons recognized by Ministry of Justice ordinance as equivalent to the foreign nationals in the aforementioned i) to iii);
- v) Special permanent residents;
- vi) Persons with no resident status.

① Resident Card

A resident card will be issued to mid- to a long-term residents when granted permission pertaining to residence, such as landing permission, permission for change of resident status and permission for extension of period of stay. A resident card will contain the holder's picture, name, nationality/region, date of birth, sex, status of residence, period of stay, eligibility to work, etc., and the holders are required to carry it with them at all times.

② Resident Record for a Foreign Resident and Individual Number Card (My Number Card)

For foreign nationals to whom issuance of resident card is applicable, Resident Record will be prepared based on “Basic Registration Act”, and the foreign nationals will be able to obtain a copy of their Resident Record like Japanese nationals.

Foreign nationals to whom issuance of resident card is applicable have obligation to visit the municipal office where they live and notify the place of residence within 14 days of finding a place to settle down.

Foreign nationals who will stay in Japan for longer than three months can apply and obtain an Individual Number Card, so-called “My Number Card” in Japanese. (Foreign nationals with the status of residence of “Temporary Visitor”, “Diplomat” and “Official” are exempted.) The Individual Number Card is a plastic card with IC chip embedded, and the holder’s name, address, date of birth, sex, and the Individual Number printed on the face of the card.

(9) Re-entry Permit

Foreign nationals who will be re-entering Japan by the expiration date of period of stay or within 1 year of their departure, whichever is shorter, are in principle, not required to apply for a re-entry permit.

(10) Permission for Extending Period of Stay

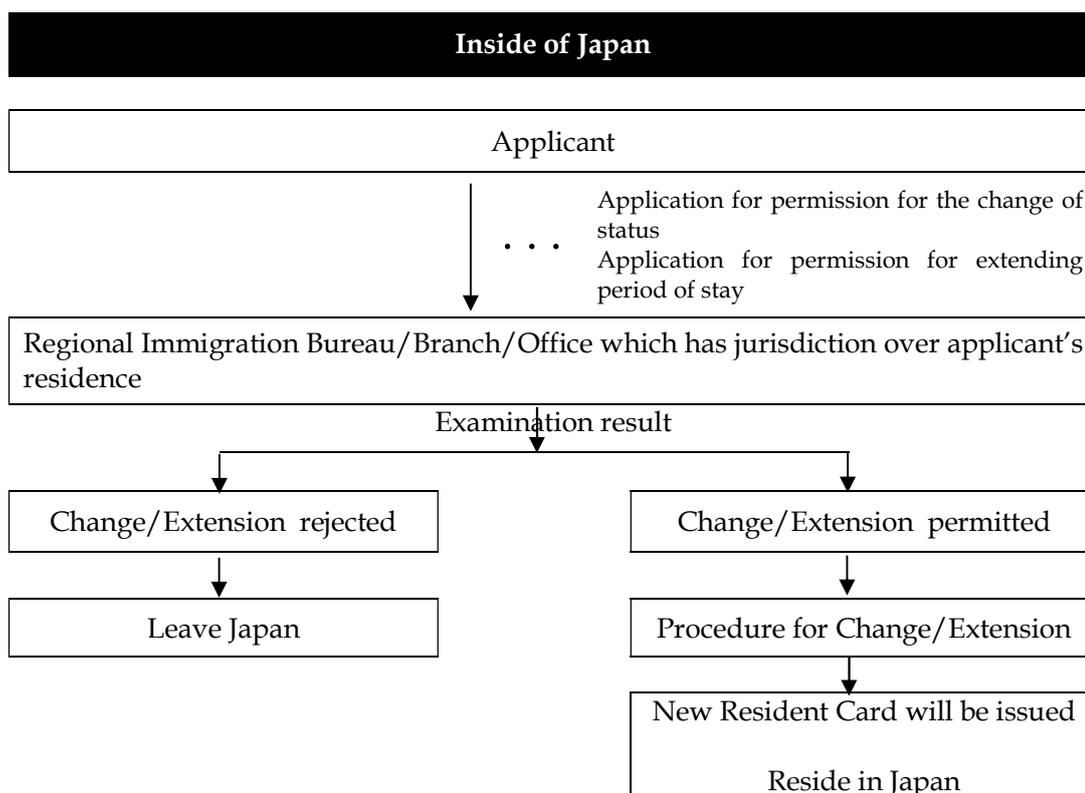
- ① This permission is required when a foreigner wishes to remain in Japan under the same status of residence after the originally authorized term of residence has expired. Applications must be made before the term of residence expires (a foreigner who has a 6 month or longer authorized term of residence can apply for such permission 3 months prior to the expiration date.)
- ② A foreigner who applies for permission for extending period of stay before their term of residence expires may stay in Japan under their current status of residence until the application result is issued, or 2 months after the expiration date of the current status

of residence, whichever comes first, even though the application result is not issued until the expiration date of the current term of residence.

(11) Change of Status of Residence

This permission is required when a foreigner wishes to cease his or her present activity and engage in another activity covered by a status of residence different from the one originally granted.

■ General Flow of Application for permission for the change of status of residence/extending period of stay



(12) Sample calculations of the costs of acquiring resident status

Documents	Document submitted to	Cost
Application for Certificate of Eligibility (*1)	Immigration Bureau / Ministry of Justice	Free of charge
Photos required for Certificate of Eligibility (*2)		Actual expenses incurred
Postage for return mail required for Immigration Bureau (*3)		664 yen
Articles of incorporation or partnership agreement (photocopies acceptable)		Photocopying expenses
Certified copy of the corporate commercial register (*4)		600 yen
Business plan (prepared in the home country)		Actual expenses incurred
Resume and job experience records (original to be returned)		

Certificate of graduation from a university, etc. (original to be returned)		
Certificate of employment (original to be returned)		
Financial statements of the head office (photocopies acceptable)		
Articles of incorporation of the head office (photocopies acceptable)		
Certified copy of the corporate register of the head office (photocopies acceptable)		
Company brochure (photocopies acceptable)		
Product pamphlet (photocopies acceptable)		
Professional service fees for application procedure (*5)		180,000 yen
Total		181,264 yen
<p>Note: Documents to be submitted to the Immigration Bureau, if written in a foreign language, need to be accompanied by translations. Since the documents required may vary in each case, it is recommended one seek professional advice.</p> <p>*1 The application form for the Certificate of Eligibility may be obtained from the Immigration Bureau’s website. If a foreign non-resident engages in business in Japan as a representative of a branch, a stock company (Kabushiki Kaisha) or a limited liability company or a partner of a limited liability partnership, he or she must have a Certificate of Eligibility.</p> <p>*2 If applying online, submit a photo as data.</p> <p>*3 A return mail envelope with postage for a registered express letter shall be enclosed to in order to receive the examination results. Not required if you receive the Certificate of Eligibility by email.</p> <p>*4 A certified copy of the corporate register costs 600yen (when issued at legal affairs bureau’s counter).</p> <p>*5 Professional fees will vary depending on the types of professional services required. The figures shown here are the standard amounts required for an application for one person.</p>		

Attorneys or solicitors (*Gyoseishoshi*) who have notified the Director-General of the relevant Regional Immigration Services Bureau may submit the application on behalf of the applicant. Further, attorneys or solicitors who registered online application system may apply online. If you apply online, you can receive the Certificate of Eligibility by email. (see page 22 “(4) Certificate of Eligibility”)

II. BUSINESS START UP

1. Opening a bank account

(1) Company bank account and Personal bank account

A company, a branch, or an LLP is able to obtain a “certificate of company registry (Tokijikoshoumeisho)” as such entity requires registration at the Legal Affairs Bureau. Therefore, these types of entities can open their own bank account under the name of company, branch, or LLP by certifying their existence in Japan by the certificate aforesaid. (There is a case that the bank account opening is rejected as a result of examination by the bank. Therefore, prior research and meeting with each bank are recommended. You may consider applying to several banks.)

On the other hand, a representative office cannot open its bank account under the name of the representative office as it cannot obtain any public certificate such as a “certificate of company registry (Tokijikoshoumeisho)” certifying its existence in Japan. Only a personal bank account of a representative, etc. can be opened.

(2) Required documents for opening bank account

Required documents for the opening of the bank account vary by each bank, however, generally the following documents are required to newly open a bank account. You will be required to bring original documents for a verification purpose, however, submitting “copies” is sufficient enough for the most of the documents.

- (i) Certified Copy of Company Registration (issued within the last 6 months)
- (ii) Corporate Seal Certificate (issued within the last 6 months)
- (iii) Identification documents of the person who carries out the procedure (e.g. Driver’s License Card, My Number Card, Passport, etc.) In case, a person other than representative carries out the procedure, power of attorney is required.
- (iv) Documents confirming Beneficial Owner* (e.g. (for Kabushiki Kaisha) List of Shareholders with the corporate seal, List of Beneficial Owner issued by Commercial Registry Office, such as Legal Affairs Bureau, etc.)
- (v) Certificate of real estate registration or rental agreement of the office
- (vi) License certificate (if license is required for business)

In addition to the above listed documents (not limited to those documents) the following documents might be requested as needed:

- Notification of Incorporation (copy)
- Application for Approval of Filing a Blue-form Tax Return (copy)
- Articles of Incorporation (copy)
- Business plan
- Resident card when representative of the company or beneficial owner is a foreign national

While the law allows to put corporate bank account opening procedures online, most of the major and local banks ask several visits to their branches when opening a corporate bank account. It takes time for opening a bank account; therefore, it is advised that you should check required documents by the bank where you wish to open an account in advance and prepare them ahead of time.

* Beneficial Owner (BO) means a natural person, etc. who is deemed to directly or indirectly hold more than one-fourth of the total number of voting rights of a corporation.

(3) Foreign bank vs. Japanese bank

Foreign companies generally prefer to open a bank account at a Japanese branch of foreign bank that deals with their headquarters. However, it is advisable to have at least one bank account at a Japanese bank, since using foreign banks is usually inconvenient for daily transactions, etc. because foreign banks do not have many local branches in Japan (even in Tokyo) and are not registered as a national revenue agency which may handle payment of various taxes and social insurance premiums.

(4) Checking account vs. Ordinary account

In the US, checking accounts are commonly used for general cash disbursements, as checks are the primary means of payment there. In Japan, however, we make most payments via cash remittance through ordinary bank accounts rather than checks. Therefore, it is advisable to open an ordinary account at a Japanese bank.

(5) "Hanko" (Seal)

It is not common to register the signature of the authorized company representative at a bank for the purpose of verifying identification like in foreign countries. Instead, we register a personal seal in the case of a representative office, and register a company's seal in the case of a corporation or branch, at the bank. We can withdraw up to a certain amount using a cash card and ATM, however, if the amount required exceeds certain limits, it may be withdrawn only with the registered Hanko and a passbook at the bank in person. The Hanko and the passbook should be stored separately to avoid unauthorized withdrawals.

Currently, the internet banking service is available, however, the service is provided in Japanese only.

(6) Automatic transfer arrangement

In Japan many companies set up automatic bank transfer arrangements for periodic payments such as rent, utilities (electricity, gas and water) and telecommunications. When implemented, an advance notice of the automatic withdrawal is sent to the company for verification purposes together with a receipt for the prior month's charge.

2. How to find an office location

(1) Bilingual real estate agencies

Generally speaking, it is not easy to find an office location without experienced assistance, as it is quite difficult to understand the terms and conditions of lease agreements. And in some cases, office owners are still reluctant to lease their offices to foreign companies.

(2) Leasehold deposit and key money

A leasehold deposit, and, occasionally, payment of key money are required by a landlord for renting an office. Key money, a charge that is very common, especially in Western Japan, is nonrefundable. If a lease agreement states that some or all of the leasehold deposit is also nonrefundable, the non-refundable portion of the leasehold

deposit, as well as the key money, can be treated as a deferred charge and can be amortized in accordance with Japanese tax law.

(3) Sub-lease and social insurance registration

Newly established companies often lease offices from other tenants under sublease agreements. In such cases, a social insurance office usually requests that you should register both the main leasing contract and the sub-lease agreement for social insurance purposes.

3. Recruiting

(1) Regular employees

There are several ways to recruit a new staff, including:

- An Employment Service for university graduates, training schools, etc.
- Public employment security office
- Private employment agency
- Advertisement in the internet job site
- Direct recruiting through personal contact

If you seek a candidate with business experience, professional expertise, or English language ability, private agencies and the internet job site specializing in foreign-affiliated companies, are effective means.

(2) Temporary staff

It has become popular in Japan to use private agencies to hire temporary or part-time staff. Some agencies specialize in recruiting staff from specific professions, e.g. secretarial, clerical, accounting and engineering. One particular benefit of using the staffing service provided by such agencies is that an employer who uses temporary staff does not have to handle social insurance and withholding income tax matters, which are taken care of by the agencies. Therefore, hiring temporary staff from these agencies can be extremely beneficial in the start-up stage of a company when its payroll function has not been established.