
Starting a business in Japan

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Introduction

Startupjapan.work is a seamless one-stop resolution platform that provides support for foreign entrepreneurs to start and incorporate business in Japan. Our support ecosystem includes experienced network with governmental sectors, startups, and legal advisors in Japan.

This enables foreign entrepreneurs to engage a comprehensive service which include legal advisory, incorporation, visa applications, loans, and subsidies applications. All communications are in English.

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Launching a STARTUP

- Apply for Startup Visa (BLOG)
 - Business Plan
 - Financial projection
 - Housing Contract
 - Resume
 - Copy of passport
 - Copy of bank passbook (¥5 million - ¥8 million)
- Register a Company (Kabushiki Kaisha / Godo Kaisha)
 - ¥150,000 Company Registration + ¥50,000 Notarization Fee
+ ¥40,000 for Articles of Incorporation
 - ¥60,000 Company Registration
+ ¥40,000 for Articles of Incorporation

Start Freelancing

- Make sure that you can earn ¥200,000+ monthly
 - Contract letter with Compensation/Fee, contract period
- Organization (that sponsors your visa) has to file some papers for you
 - Financial Records (Capital, Sales record from the last year)
 - Hanko from the employer
- “Application for Permission to Engage in Activity other than that Permitted under the Status of Residence Previously Granted”
 - 資格外活動許可 *Shikaku gai katsudo kyoka*
- TAX FILING RECORDS
 - Residential Tax
 - Kakutei Shinkoku, etc.

Incorporation plan based on VISA types

Engineering/Humanities/International Services (技術・人文・国際業務)

- Switch to Business Manager Visa if you are managing a company
- Some municipalities allow the visa holders to switch to Startup Visa
- Best to submit 資格外活動許可 *Shikaku gai katsudo kyoka* for side-business

Highly Skilled Professional (高度専門職)

- Can manage a company without having Business Manager Visa
- Pretty flexible

Short term period of stay/Tourist visa (短期滞在)

- Startup Visa
- Start as an employee → freelancer
- Start as a freelancer

Side Business with Engineering/Humanities/International Services

1. Ask your company sponsoring your visa
 - a. Is *Fukugyo* permitted?
2. If you want to get some tax benefit, register yourself as a sole-proprietor
3. Submit “Blue Taxation Form” for tax deduction
 - a. 青色申告承認申請書 *Aoiro Shinkoku*
 - b. Deduct Max. ¥650,000 (¥550,000 from 2020)
 - c. Carry over deficit
4. Don't forget to file tax by mid-March
5. Immigration - 資格外活動許可 (*Shikaku gai Katsudo Kyoka*)

Personal Liability

1. Company (Kabushiki Kaisha / Godo Kaisha)
 - a. Responsibility within the capital that you have invested
2. Sole-proprietor
 - a. No capital investment - unlimited personal liability

Taxation

1. Company with Revenue
 - a. Once in a year - set in Articles of Incorporation
2. Employee/Executives - Year-End Adjustment
 - a. 年末調整 *Nenmatsu Chosei* - by December
 - b. Company has to submit everything by January 31st
3. Freelancers/Sole-Proprietor - Kakutei Shinkoku
 - a. 確定申告 *Kakutei Shinkoku* - by Mid-March
4. Working as an employee and operating a side-business
 - a. 確定申告 *Kakutei Shinkoku* - by Mid-March

Company vs. Sole-Proprietorship

COMPANY

1. Easier to get
 - a. Credibility
 - b. Investment (Kabushiki Kaisha)
2. More tax benefit
 - a. House rent
 - b. Proportional tax rate
 - c. HIRE A TAX ACCOUNTANT!

Sole-Proprietorship

1. Easier to start
 - a. Submit 5 pages of paper - DONE!
 - b. No need to hire tax accountant
2. Avoid extra expense
 - a. If the income is less than ¥8 million
 - b. Progressive tax rate
 - c. Corporate tax = min. ¥70,000 per year

Working as a software developer without having computer science degree

Answer = Possible, but may have difficult time receiving CoE.

NOTE:

1. **Engineering/Humanities/International Services** is for everything.
2. Immigration Bureau does care about the **credibility of the organization**.
3. Credibility is equal to the record of **tax payment**.
4. If you prioritize to secure your visa status, target **listed companies**.