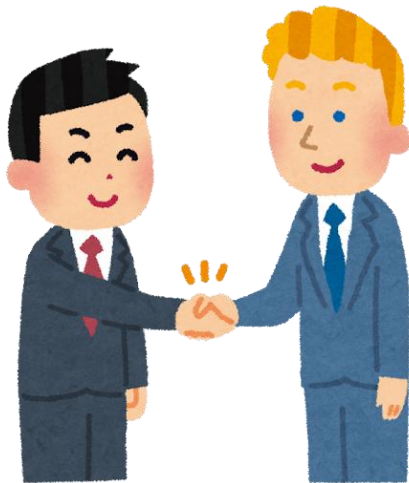


# Business Operating & Start-ups *and your* Status of Residence & Life Plan



**Oct. 14<sup>th</sup> 2021**

Kanagawa Administrative Lawyers Association  
International Dept. Startup visa Support Team

Public Notary KASAMA Yumiko  
Public Notary SEKIYA Sanae

# Today's Main Points

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- ① Case studies of foreign residents running/starting up businesses
- ② What to think of when you decide to start/run a business (making a business plan)
- ③ Business start-up procedures
- ④ Work hard to run your business
- ⑤ Summary
- ⑥ Q&A



# Section 1:

Case studies of foreign residents  
running/starting up businesses

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What businesses are commonly run by foreign nationals in Japan?

# Overview of Foreign Residents in Japan

▶ Total **2,887,116**

\*1.6% reduction from prev. year

\*2.29% of total pop. 125,770,000

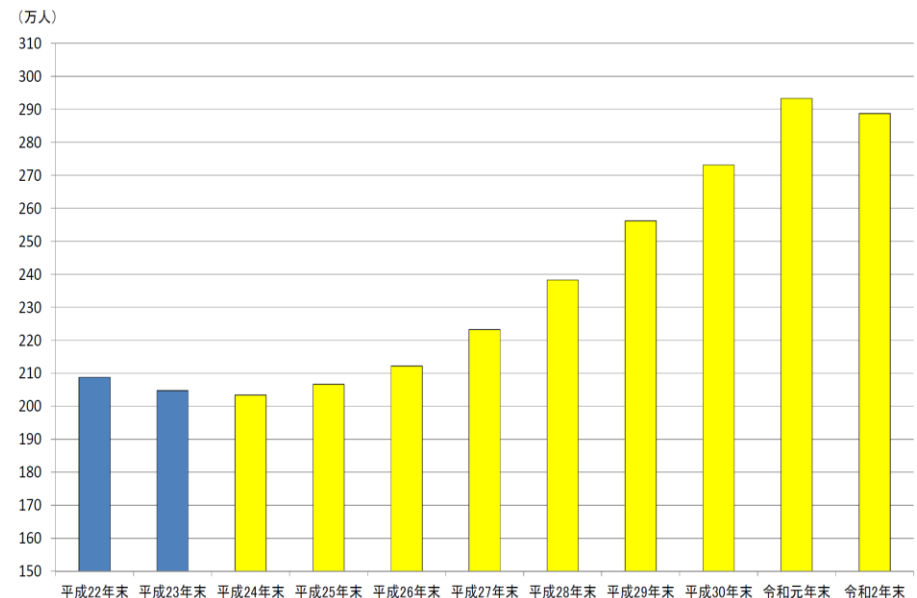
(as calculated by Kasama late Dec. 2020)

\*Kanagawa Pref. 235,369 (4<sup>th</sup> nationwide)

▶	Nationality / Country		of total / from previous yr	
▶	1	China	778,112	27.0% (－ 4.4%)
	2	Vietnam	448,053	15.5% (＋ 8.8%)
	3	Korea	426,908	14.8% (－ 4.4%)
	4	Philippines	279,660	9.7% (－ 1.1%)
	5	Brazil	208,538	7.2% (－ 1.5%)
	6	Nepal	95,982	3.3% (－ 0.9%)

Chart 1.1 Progression of Foreign Residents in Japan by Year

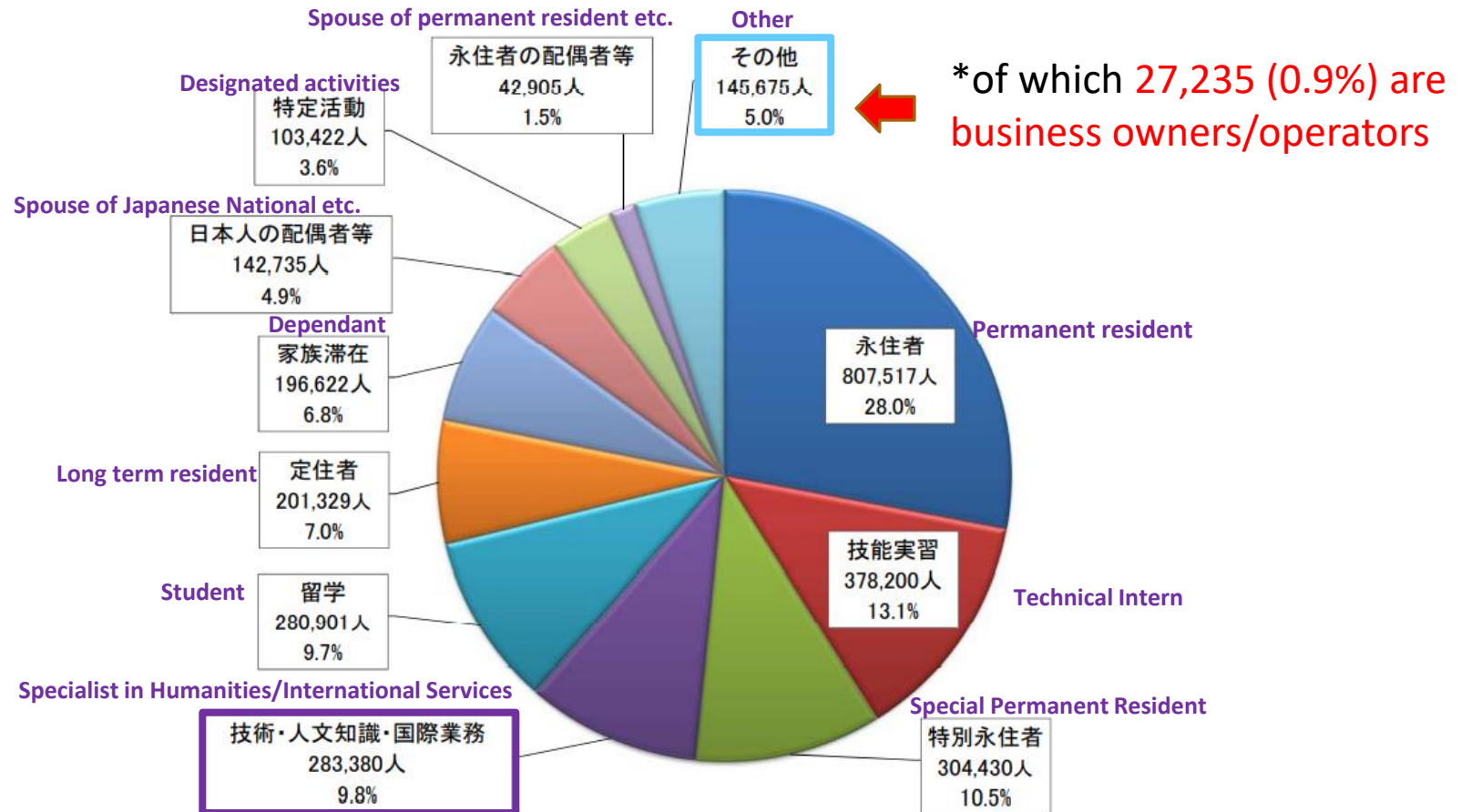
【第1－1図】在留外国人数の推移(総数)



(Statistics issued by Ministry of Justice 2020/ calculated late Dec. annually)

# Composition and population of foreign residents by status of residence (%)

(as of late Dec. 2020)



# Working in Japan

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## ① Employment

(finding employment at a company)

## ② Starting/running a business

(Start and work at your own business)

# Pros & Cons

	Employment	Entrepreneurship
Job details	Work as decided by employer	Decide freely what work to do
Working hours	Fixed/designated	Non-fixed (free to set own)
Time off	Fixed/designated (2 days per week / Paid leave etc.)	Non-fixed (free to set own)
Income	Stable	Unstable but with possibility of high income
Age of retirement	Yes	No
Overall evaluation	<b>Stability!</b>	<b>Freedom!</b>

# Do you have a **career plan** and **life plan**?

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- **What** working style **suits you**?
- If you want to start a business, do you want to
  - start **immediately**?
  - start at a **later date**?
  - start **in Japan**?
  - start **in Vietnam**?





## ◆ Restaurant Owner

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Vietnamese / Chinese/ Indian Restaurant  
Café / Bar / Pub etc.

- Location: Restaurant + Office
- Staff: Business owner, cook, service staff
- Licence:

**Restaurant Business Licence** (Public Health Dept.)



# ◆ Imports/Exports Trade

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**Japan->Overseas : Export Sales**

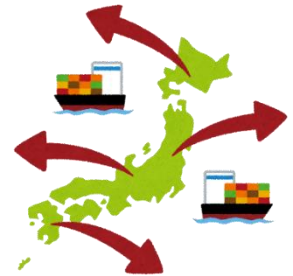
**Overseas->Japan : Import Sales**

Deal in all kinds of goods!

Such as food items, electronics, and cars (new and used)

《Important》

- Import Sales: Licence/qualification not required.  
However, certain rules apply to certain goods.  
Ex.: Food items → Food Sanitation Act (labelling, import procedures etc.)
- Export Sales: Only 'Importers/Exporter Code' issued  
However, licence required for certain goods.  
Ex.: Used cars requires second-hand dealer licence





## Recruiting Business

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- Recruitment Agency: **Paid/free recruiting agency licence**  
Receive (one-time) payment for introducing employee to company
  - \*Staffing in Japan/overseas
  - \*Mainly full-time
- Dispatch Staff: **Labour dispatch business licence**  
Dispatch own employees to companies  
Receive dispatch fee (monthly)
  - \*Full-time, part-time

## ◆ Real Estate Related Business

- Buying/selling and renting real estate (brokerage)  
⇒ Building Lots and Building Transactions Business  
Licence
- Real estate rental business  
⇒ licence not required
- Real estate management business  
⇒ licence not required



# ◆ Travel Related Business

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Transport and accommodation arrangements for travellers, guide at destination etc., and provide variety of service to create profits.



## 1) Agent organised tour

① Agent organised: Package tour

② Agent organised : Customised tour

## 2) Arranged tour

Transport/accommodation arrangements made on behalf of client

Ex.) Flight ticket sales, ryokan bookings, charter bus arrangements

○ **Travel business registration** required!

(conditions such as Certified General Travel Services Manager and Standard assets apply)

## ◆ IT Business

### Providing IT related systems and services

Includes a wide range of fields such as internet and communications, software and hardware, information processing industries and more.

### Now is the era of DX (digital transformation)!

**Movement towards digital across industries for improvements in the lives of all through the dispersion of IT**

Fintech (Financial), Proptech (Real Estate)

Agritech (Farming), Edutech (Education)

HRtech (Human Resources) etc.



## ◆ Support Services for Foreign Residents in Japan

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There are approx. 3,000,000 foreign residents in Japan.

This has resulted in the creation of companies providing a range of services to help foreign residents with living in Japan.

- Japanese Language Study Support ▪ Study Support ▪ Daily Life Support
- Job Seekers Assistance ▪ Housing Search Assistance
- Overseas Funds Transfer Assistance ▪ Translation & Interpreting Services
- Residence Status Application Assistance



We (public notaries) do this!



# Real examples of business owners

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## ● PHAM Duc Phong

Start Again Corporation  
(Human Resources Consulting)

## ● KATANO Thoan

JV Solutions Co. Ltd  
(Import Sales Business)



## Section 2:

What to think of when you decide to start/run a business

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Making a business plan

# Step No. 1

## Make a 'business plan'

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Think of what kind of business you want to run.

Ms. Lan, Vietnam

(Currently a salaried worker at  
a Japanese company)



I want to import coconut sugar  
from Vietnam and sell it in  
Japan!

# ① Why that business?

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- **Why** do *you* want to do that kind of business?
- Do you have applicable **experience or knowledge**?



My family makes coconut sugar back home in Vietnam.

I have experience with exporting and overseas sales.

## ② Check your residence status

- Do you have the **correct** visa to start/run a business?
- If not, does it seem **possible to change your status of residence as needed?**



I'll see if its possible to change to 'business manager' visa.

I might get permanent residency in another 4 yrs!

Once I marry, I might get a dependant visa!



## List of Status of Residence

### Status of Residence Eligible for Work (With Restrictions on Activity)

Status of Residence	Examples
Diplomat	Ambassador or minister of a foreign government and their families
Official	Employee of a foreign government engaged in public affairs and their families
Professor	College professor
Artist	Composer, painter or writer
Religious Activities	Missionary assigned by a foreign religious organization
Journalist	Reporter or photographer of foreign press
Highly Skilled Professional	Highly-skilled human resources in accordance with the points' system
Business Manager	Manager or administrator of a company
Legal/Accounting Services	Attorney or certified public accountant
Medical Services	Physician, dentist or registered nurse
Researcher	Researcher at a government-related institution or company
Instructor	Language instructor at a senior high school or junior high school
Engineer/Specialist in Humanities/ International Services	Engineer such as of mechanical engineering, interpreter, designer, language instructor
Intra-company Transferee	Transferee from an office abroad
Nursing carer	Care worker
Entertainer	Actor, singer, or professional athlete
Skilled Labor	Chef of foreign cuisine or sports instructor
Specified Skilled Worker (Note 1)	Foreign nationals engaging in works requiring the proficient skills belonging to a specified industrial field (Note 2)
Technical Intern Training	Technical intern trainee

Note 1: From April 1, 2019

Note 2 : Nursing care, Building cleaning management, Machine parts & tooling industries, Industrial machinery industry, 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 (Cabinet Decision on Dec. 25, 2018).

### Status of residence based on personal status or position (Without Restrictions)

Status of Residence	Examples
Permanent Resident	Individual who is permitted permanent residence
Spouse or Child of Japanese National	Spouse, biological child, or child adopted by a Japanese national
Spouse or Child of Permanent Resident	Spouse or biological child of permanent resident or special permanent resident who was born and continues to reside in Japan
Long Term Resident	Third generation Japanese or child of foreign national spouse from a previous marriage

### Status of residence which is specifically designated

Status of Residence	Examples
Designated Activities	Domestic staff of a diplomat or working holiday

### Status of residence not to permit work activities (\*)

Status of Residence	Examples
Cultural Activities	Researcher of Japanese culture
Temporary Visitor	Tourist or conference participant
Student	Student or pupil of a university, junior college, or language school
Trainee	Trainee
Dependent	Spouse or child supported by the foreign resident

\*When accepted for residence not permitting to work, a certain amount of work is allowed.

# **‘Business Manager’ Visa**

## **4 requirements to apply**

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### **1) Must be business operator**

Not just active in business as investor/cook/programmer etc.

### **2) Business stability and continuity (strong business plan required)**

### **3) Independent office required**

### **4) Must be above certain scale**

- Total capital/investment funds must be more than 5,000,000 JPY.

OR

- Employ two or more permanent staff

(Japanese national, Special permanent resident, permanent resident, Spouse of Japanese national, etc. Spouse of permanent resident etc., Long term resident)

# Other visas that allow business start-ups/operation

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① Permanent residents, spouses of Japanese national, spouses of permanent residents etc, long term residents

⇒ Free to carry out business (dedicated office / 5,000,000 JPY not required)

② Dependent + Permission to Engage in Activity Other than that Permitted by the Status of Residence Previously Granted

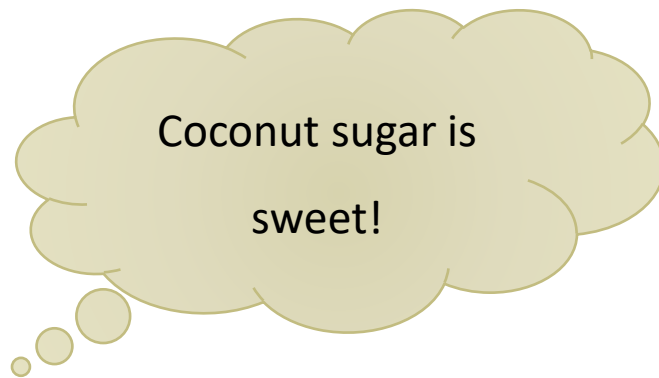
⇒ Can carry out small business

③ Other

⇒ Consult according to your circumstances

### ③ Decide on your service/product

What kind of **product** / **service** will you provide?





## ④ Who are your customers?

Who will you aim your product (service) at?



Vietnamese  
restaurants!

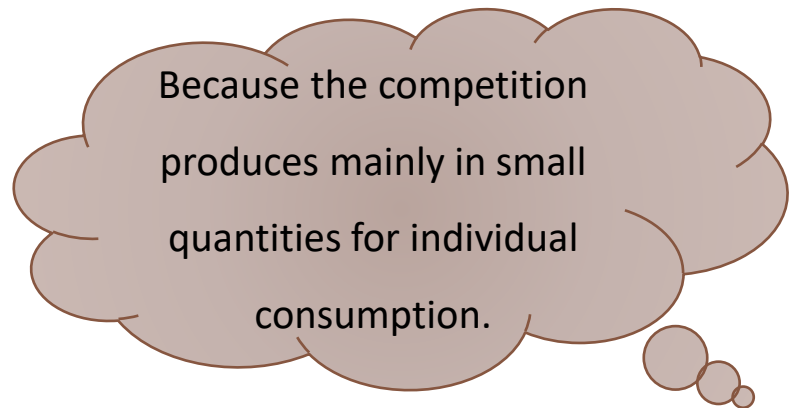


Health-conscious  
bakeries /  
cakeshops

# ⑤ What is your **strength / USP** that \*unique selling proposition makes you stand out from your rivals?

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## Why do you think people would buy a product from you?



## ⑥ How will you sell it?

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- Where will you source your product?
- How will you sell it?



I'll buy coconut  
sugar produced in  
Vietnam and  
transport it by sea.



I'll visit Vietnamese  
restaurants and  
bakeries/cake shops  
to find those  
interested.

# ⑦ How much will you sell it for?



- **What price** do you need to sell at to produce a profit?
- **How much** are your **competition** selling for?

Competition sells 1kg for  
2500 yen.

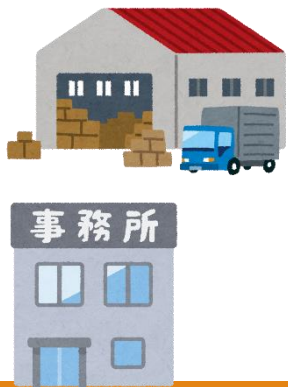
I'll sell in bulk with 1kg going  
for 2200 yen, and 10kg for  
20,000 yen perhaps.

30% profit is the goal for  
import sales business.  
(calculate costs later)

## ⑧ What will your business structure look like?

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- Where will you have your **office**?
- Will you employ **staff**?
- Will you set up **a company**? Or operate as a sole proprietor?



I need office and storage space!

I want to start out on my own.

## ⑨ Planning Income/Expenses

-Once you know your expenses, check if a profit will be produced!-

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- How much in **sales**?
- How much in **costs**?
- How much **profit**?



(contd.)

### ◆ Sales

10 Viet. restaurants × 20kg @40,000 JPY = 400,000 JPY/month

5 cakeshops/bakeries × 40kg @80,000 JPY = 400,000 JPY/month

→ 800,000 JPY × 12 months = **9,600,000 JPY**

◆ Costs    9,600,000 JPY × 70% = **6,720,000 JPY**

◆ Profit    9,600,000 JPY — 6,720,000 JPY = **2,880,000 JPY**

[Sales]

Do your best in  
sales!

[Costs]

Try to minimise  
where possible!

[Profit]

Try to make as  
much as possible!

# ⑩ How much capital is needed?

-Calculate **how much money** you need to start your business!-

- Office and storage space
- Products to sell (stock purchase and shipping)
- Pamphlet and website creation
- Fees to establish a company
- Operating costs for the first several months etc.



I've saved up  
3,000,000 yen!

5,000,000 + yen is  
required for a business  
manager visa; so what  
about the other  
2,000,000...

Getting financed will be  
difficult, so its best to  
prepare the capital  
oneself.



# 11 Summary

-Make a **plan** for the business you want to start-



Question	Lan's Answers
What kind of business?	Import sales
What is your product?	Vietnamese coconut sugar (import from Vietnam)
Product sales point?	Beneficial to health and beauty, diet and detox.
Target customers?	<ul style="list-style-type: none"><li>▪ Vietnamese restaurants</li><li>▪ Stores making cakes &amp; sweets that are health/beauty conscious</li></ul>
Sales method?	Create sales pipeline through referrals from Vietnamese restaurants
Income/expenses plan?	Sales (9,600,000 JPY) — Costs (6,720,000 JPY)= 2,880,000 JPY *Start small, with a strategy to produce a profit after 1 yr
Start-up capital?	3,000,000 JPY from own funds + 2,000,000 JPY borrowed from family/boyfriend
Visa/residence status?	Will change to Business Manager visa  *If not possible, will wait 3 years to apply for permanent residence, or will marry and apply for permission to engage in other activities as a dependent.

# Interviewing other business owners!

Why did you choose that kind of business?



# **Section 3**

## **Business Start-up Procedures**

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-There are many procedures-

# 1) Procedure to establish a company

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## ① Decide on **type of company**

- Ltd. / LLC
- Board of directors
- Headquarters (rent office as needed) etc.

## ② **Articles of Incorporation** (Rules for company operation) creation/certification

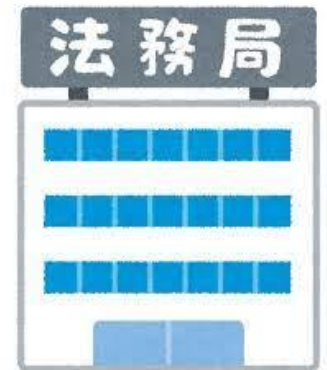
\*LLC does not require certification

\*Important to write down 'business goals' thoroughly

## ③ **Establishment General Meeting / Board of Directors Meeting**

## ④ **Capital** investment payment

## ⑤ **Company registration** ⇒ Incorporation



## 2) Procedures after establishment

- ① **Tax Office** • Notification of incorporation • Application for approval to file blue tax returns  
• Salary payment office establishment notification  
• Application for payment of withholding income tax (semi-annual)

- ② **Prefectural Tax Office** • Notification of incorporation

- ③ **City/Ward/Town Office** • Notification of incorporation

If employees are present from start

- ④ **Labour Standards Inspection Office**

- Notice of establishment of insurance affiliation • Tax return for estimated insurance premium for labour insurance

- ⑤ **Public Employment Security Office (Hellowork)**

- Workplace covered by employment insurance registration • Acquisition of employment insurance eligibility confirmation

- ⑥ **Social Insurance Office** • New applicable business registration • New applicable business status report

- Confirmation of acquisition of eligibility for insurance

If investor residing outside of Japan contributes more than 10% of capital

- ⑦ **Bank of Japan** Advance registration or notification afterwards



## 2) Business Licences

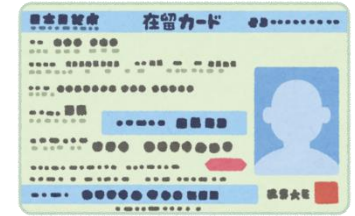
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- ① **Restaurant Operator** Restaurant business licence (Public Health Dept.)
- ② **Import/Export Business** Licence not required; however, regulations apply to certain products Ex.) Food Sanitation Act for food items, Second hand dealer licence for exporting used items, etc.
- ③ **Real Estate Related Businesses** Building Lots and Building Transactions Business Licence (Brokerage)
- ④ **Travel Business** Registration required
- ⑤ **IT Business** No licence required
- ⑥ **Support services for foreign residents in Japan** No licence required



\*Register as Support Organisation for assisting specified skilled workers

# 4) Visa/Status of Residence Procedures



- Application for **change** of residential status (to business manager etc.)

\*Apply after establishing company \*Commonly takes longer to process application than other visas

- Application for **permanent residency**

\*Permanent residence application process takes up to 1 year so consider period required when applying!

- Permission to Engage in Activity Other than that Permitted by the Status of Residence Previously Granted (**permission granted per individual**)

\*Applicable to **dependents** or **students** starting **small businesses**

\*Make application when starting business; after making business plan

Consider your visa/residence status when drawing up your business plan, and make the necessary application when the time comes!

# **Section 4:**

**Work hard to run your business!**

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# 1) Continue to create sales & profits!

Sales = No. of clients x acquisition x rate per client

## ◆ Increase **number of clients**

### ① Cultivate **new clients**

Create a marketing strategy that matches the actions/thoughts of your clients

### ② Increase **repeat sales** to current clients

Issues coupons for use in next purchase, send out newsletters etc.

### ③ **Get referrals** from current customers



(contd.)

## ◆ Make your **product more attractive**

- ④ Actively seek the opinions of your customers, **improve your product**  
make a product more suitable for your clients
- ⑤ Develop **new products / services**, increase **variety of product line up**  
Provide more options that meet the clients' needs
- ⑥ Emphasize your products **strengths / benefits**



(contd.)

## ◆ Consider **pricing**

### ⑦ **Reconsider the price** of your product

Lower the price and sell more, or raise the price...

### ⑧ **Increase client value**

Increase the amount sold per purchase, increase the selling amount per person/company

### ⑨ **Reduce costs** to increase remaining profits



In order to retain a business manager visa/residence status...

Must produce consistent sales, profits, and remuneration for yourself!

## 2) When you want employees

### 《Procedures to take on employees》

- **Work contract** to be concluded
- **Social Insurance** procedure
- **Labour Insurance** procedure
- Monthly **Salary calculations**



etc.

Avail of the services of a Social Insurance Labour and Social Security Attorney so you can continue to focus on your business.

When employing **foreign residents**, you must take care regarding **residence status...**

→ Business owners can also be charged with the crime of promoting illegal employment, resulting in possible deportation!

# 3) Take proper care of accounts and taxes!

- **Accounting books** (record daily income and expenses)
- **File tax returns** and **pay taxes**



Avail of professional services of a **tax accountant** so you can focus on your business.

There are a **variety of other legalities** that you must abide by or risk your business being halted, or even being charged with a crime!

# [Life events while running a business]

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## ① Marriage



→If you have a Business Manager visa, you can bring your spouse to Japan as a dependent.

## ② Children



→On a Business Manager visa, your children can get dependent visas. (It is also possible to bring them from your home country to Japan.)

If your business sales / profits, and your remuneration are low...  
...permission may not be granted so it is necessary to take care.

# [Life events while running a business]

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## ③ Applying for permanent residency

\*Status of Residence at time of application must have been issued for 3-5 years!

In order to acquire this, you must create sales, profits, and own remuneration

\*If your company is not registered for **social insurance** (health insurance, pension) or **labour insurance**, your application may be rejected!

## ④ Applying for permanent residency as a salaried worker

\*You may be asked to be a 'Guarantor'

\*If your company is not enrolled with labour insurance and social insurance, you may negatively affect your employee's application.

## Listening to business owners who have come before!

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- How was starting up a business?
- Do you feel **free**? Do you feel a **sense of purpose**?
- Was there anything **difficult**?
- What is your **dream** for the future?
- Do you have a **message** for those considering starting a business in Japan?





# Summary

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- ◆ Starting/running a business is **one of the options** available! It does not only create **abundance** in your life, but also invigorate Japan!
- ◆ In order to start and run a business, you must constantly consider **products / clients / pricing** etc. things important to business.  
You must also know about the variety of **systems and rules** in Japanese society.
- ◆ Proceed with **courage and determination!**
- ◆ Give it your all and follow in the footsteps of the others who have started their own businesses in Japan!

# Q&A

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All questions welcome!

- Starting / running a business
- Seeking employment
- Visa/residence status etc.

# Thank you for your time!

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