

Scaling up your business in Japan - how and why?

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- 1. ‘Why’ - Current challenges and opportunities**
- 2. ‘How’ - Case studies and success stories**
- 3. Policy drivers and scaleup accelerators**



1. 'Why' - Current challenges and opportunities

① Work Style Reform	② Productivity	③ FinTech
④ AI	⑤ Medical Information	⑥ EdTech



Challenges and opportunities ① Work Style Reform

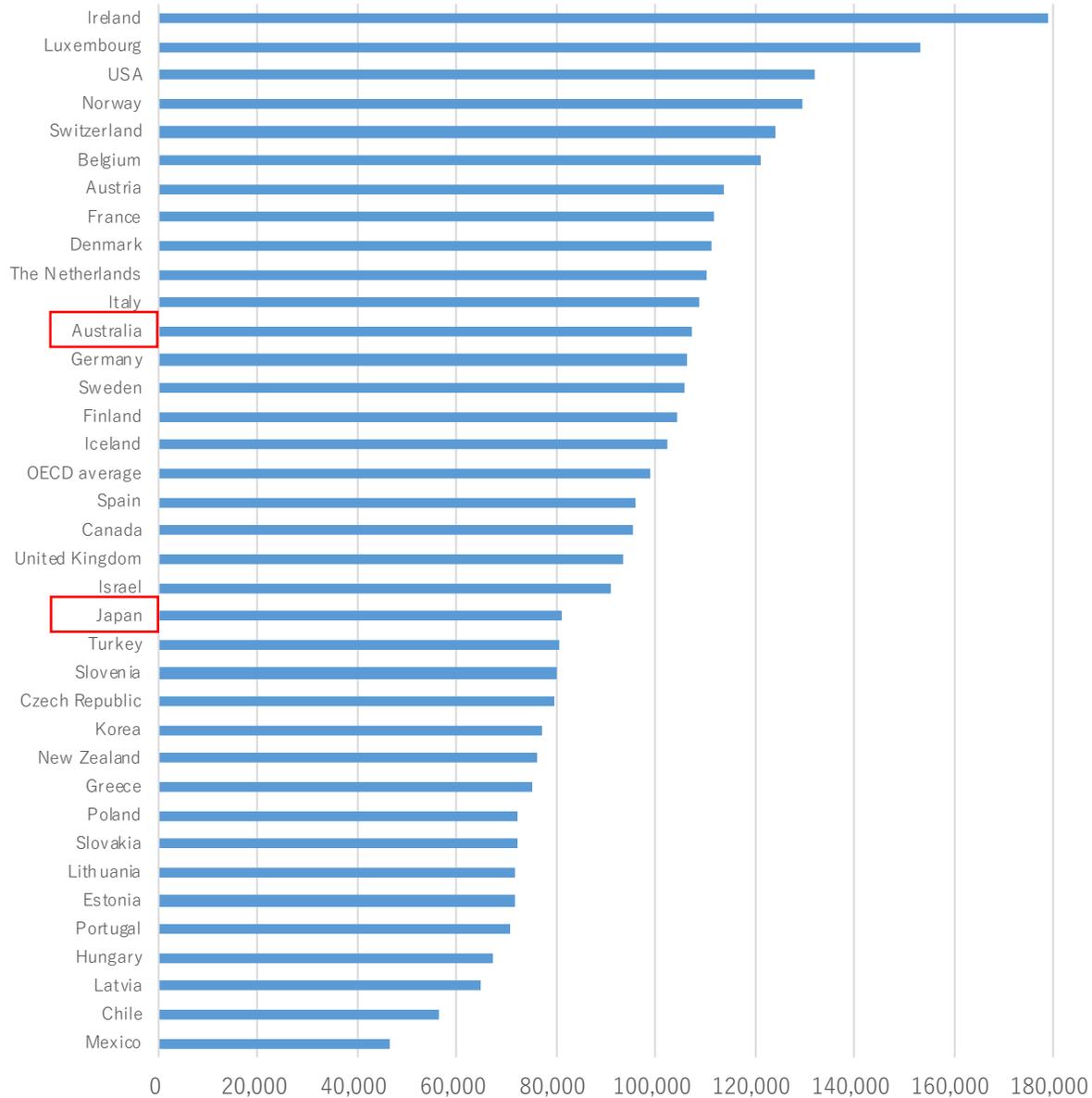
- Digital shift – focus on performance and productivity
- Fujitsu to cut commutation by up to 80% and halve office space by 2023*
- WFH adoption rate: 43% (large companies) vs 16% (SMEs)**
- Cybertech and work-restyling-tech needed

*Source: 'Fujitsu to halve office space in push for remote working amid virus'. Kyodo News, 6 July 2020 (accessed 30 July 2020)

<https://english.kyodonews.net/news/2020/07/37f3477df3b9-fujitsu-to-halve-office-space-in-push-for-remote-working-amid-virus.html>

**Source: 'Results of the third emergency survey on the impact of the new coronavirus on telework'. Persol Research and Consulting Co., Ltd. パーソル総合研究所「第三回・新型コロナウイルス対策によるテレワークへの影響に関する緊急調査」 (accessed 30 July 2020) <https://rc.persol-group.co.jp/research/activity/files/telework-survey3.pdf>

Labor productivity (2018)
(purchasing power parity equivalent in US dollars)



Challenges and opportunities ② Productivity

- 99.7% of Japanese companies – 3.5 million companies – are Small and Medium Enterprises*
- Average corporate size is 60% of that of the US, 2/3 of the size of EU companies
- The larger the corporate size is, the more productive, flexible and diverse in general

*Source: The Small and Medium Enterprise Agency, 2020. 2020 White Papers on Small and Medium Enterprises (中小企業白書2020), p.1-99 (accessed 30 July 2020)
https://www.chusho.meti.go.jp/pamflet/hakusyo/2020/PDF/chusho/99Hakusyo_zentai.pdf

Challenges and opportunities ③ Fintech

- Japan's cashless payment ratio was 26.8% in 2019*
- 107 partnerships between foreign Fintech firms and Japanese financial institutions triggered by investments in 2017-18
 - huge jump from 41 partnerships in seven years from 2010-16 combined**
- Growth markets: personal asset, financial management, payment and money transfer, financing and loans, Accounting, Insurtech, social lending, financial information

*Source: 経済産業省（METI）商務・サービスグループキャッシュレス推進室『「キャッシュレス決済の中小店舗への更なる普及促進に向けた環境整備検討会」第二回資料 資料3「第一回の議論の振り返り、日本のキャッシュレス決済比率、決済事業者及び国の開示の在り方について」』2020年6月23日 (accessed 30 July 2020)
<https://www.meti.go.jp/press/2020/06/20200626014/20200626014-3.pdf>

**Source: : Analyzed by Accenture based on the data from CB Insights.

Challenges and opportunities ④ Artificial Intelligence

- Explainability: needed to overcome hesitation to use AI due to concern over accountability
- Natural Language Processing
- Retailtech/Adtech, agritech, aggregator/demand response
- Aging population: enterprises and startups tackle this issue from different angles using AI

Challenges and opportunities ⑤ Medical Information

- Deregulation on telehealth/telemedicine
- AU\$17M as a supplementary budget against COVID-19 to encourage system of remote health consultation by private companies (METI)*
- Aged-care-tech: remote monitoring with digital/mobile health

*Source: 経済産業省 (METI) 『令和2年度補正予算の事業概要 (PR資料) 令和2年4月』 (accessed 30 July 2020)
https://www.meti.go.jp/main/yosan/yosan_fy2020/hosei/pdf/hosei_yosan_pr.pdf

Challenges and opportunities ⑥ EdTech

- Surging adoption of upskilling technology to support the remote workforce
- 1:1 device: digital divide and discrepancies in access to study resources
- Harnessing potential of personalized, adaptive learning

2. 'How' - Case studies and success stories

① Crimtan	② Catapult Sports
③ HIVERY	④ IMAGR



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Regional News

Jul. 21, 2020	Rising Startups LLC, who connects the New York startups scene with Japanese communities, establishes a Japanese corporation in Osaka
Jul. 17, 2020	2N Finland Oy, a telehealth services provider in Finland, established Tokoi Health Japan K.K. as a joint venture with Kamada Healthcare Informatics Corporation, a medical information technology firm of the Kamada Group
Jul. 09, 2020	Infarm, a Berlin indoor vegetables vertical farming startup established a subsidiary in Tokyo
Jul. 08, 2020	International Design & Engineering company, Segula Technologies, opens its Japanese entity, in Yokohama
Jun. 25, 2020	Arashi Vision Inc., a Chinese company that develops and provides 360-degree panorama cameras and cameras for VR photography, established a Japanese subsidiary in Tokyo
Jun. 17, 2020	Shanghai Qiyan Information Technology, a Chinese start-up company developing blockchain technologies, consulting, and social solutions implementation establishes a company in Tokyo
Jun. 15, 2020	Radar-based non-wearable eldercare device developer Tellus You Care establishes a Japanese subsidiary in Tokyo
Jun. 09, 2020	Royole, a Pioneer in the Flexible Technology Industry Has Established its Japanese Subsidiary in Tokyo
Jun. 02, 2020	Principle Power, a major
Jun. 01, 2020	Singaporean provider
May. 21, 2020	Dutch biotechnology



Invest Japan Success Stories

Investing in Japan

Why JAPAN

Setting Up Business

JETRO's Support

Success Stories

Japanese

"Success Stories" are based on interviews conducted with foreign companies that have successfully come into the Japanese market. The series introduces the companies' experiences entering the Japanese market, their future business plans, and the merits of doing business in Japan.

EPAM Systems Japan GK



EPAM Systems Inc., a product development, digital platform engineering, and digital and product design agency, established its Japanese location in Tokyo in June 2018. EPAM is a global company with over 30,000 employees in 26 countries and regions across North America, Australia, Europe and Asia. We interviewed Hiroshi Takahashi (Country Head, Japan) about opportunities in Japan, one of the world's largest IT markets.

More details

- Industry Biotechnology / Life science Environment / Energy ICT Automotive Other Manufacturing Finance / Insurance Consulting Service / Others Tourism Retail
- Country/Region North America Central and South America Asia Oceania Europe/Russia CIS Middle East/Africa
- Destination Hokkaido/Tohoku Kanto Chubu Kansai Chugoku/Shikoku Kyusyu/Okinawa

Clear

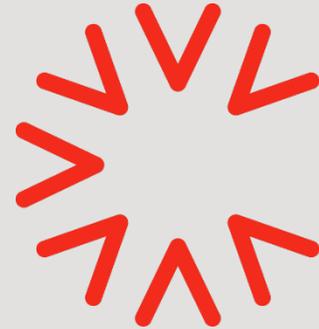
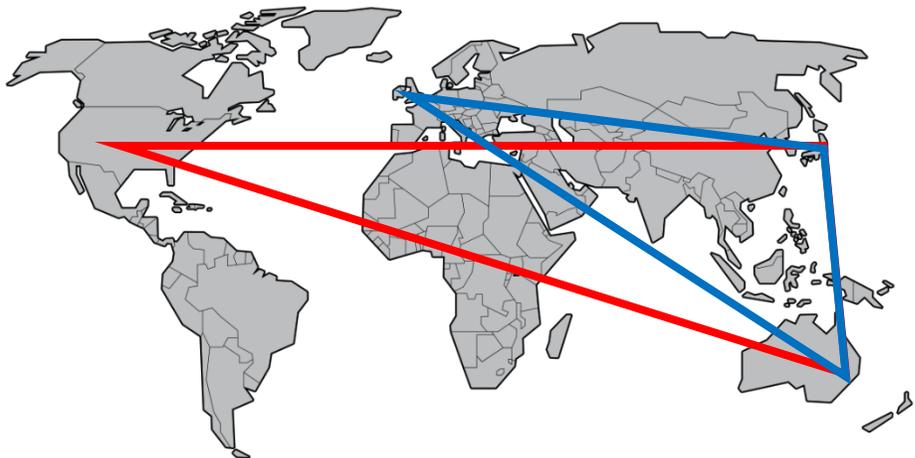
JETRO Denotes firm made use of JETRO support and/or services to set up their business/affiliate in Japan.

JETRO Australia Investment Case Studies

Case studies and success stories

① Crimtan

- Australia-based APAC headquarters to manage business development in Japan
- Relevant creative + high-precision audience targeting for Japan's retail, hospitality and tourism industries



CRIMTAN®
Intelligent lifecycle marketing



Case studies and success stories ②

Catapult Sports

- Scale with Japanese partner through transition
- Keep reconfiguring roles and functions to navigate the growth stage
- Utilize available landing pad

Case studies and success stories ③

HIVERY

- AI-driven hyper-local retailing: enhancement of the Japanese fast-moving consumer goods market
- Deep dive into unique landscape: the largest number of vending machines per capita
- Leverage large retail datasets with advanced analytical techniques and human-centered design



Data has a better idea



Case studies and success stories ④ IMAGR

- Japan – 2nd largest retail market in the world
 - AU\$240bn in supermarket revenue
 - Home to 126 million people
 - 58,000 convenience stores
 - Over 22,000 supermarkets
- Boosted domestic recognition with pitch events and awards
- Made good use of JETRO's local industry connections

Policy drivers

- ① JIC Venture Growth Investments: AU\$1.6bn to growth stage ventures in areas including FinTech, AI, healthcare/medical, EdTech over the next five years
- ② Startup strategy "Beyond Limits. Unlock Our Potential"
- ③ Regulatory Sandbox: New Technology Verification System

Mapping Scaleup Accelerators

