

A few key points on establishing and running an operation in Japan

JETRO

Japan: Business Environment and Growth
Opportunities for Swiss Companies

November 4, 2016

Shinkansen



A detailed planning is essential to succeed in Japan. The Shinkansen is an example of the rigor necessary to succeed.

- Start of services 1964
- Number of departure from Tokyo station per hour: 15
- Number of accidents resulting in injury or death: 0
- Annual average delay time for the 120,000 trains in services: 36 seconds

History

- **Some Basics**

- homogeneous population (foreigners represent 2% of the population)
- Japan has its own culture and its own language

History

- Edo period SHI NO KO SHO
- 1867 Meiji Restauration
- Today
 - Competitive market
 - Group oriented
 - Long term objectives
 - Allergy to risk

Economy

Market

SME

300 persons maximum

Share capital of maximum JPY 300mio

In Japan as of 2014: 38,090,000 enterprises

- Market of 126,000,000 inhabitants,
- in demand of top quality products,
- and ready to pay the price for it.

key points

Clients:

- The relation seller buyer is more important than the product
- Demand for direct relation with manufacturer, but without inconveniences linked to relation with a counterpart overseas:
 - Exchange risks
 - Slow reactivity
 - Cumbersome procedure for payments overseas
 - After sales services
- Joint ventures do not fit with the predominant concept of organic growth.

key points

Preparation

- Market research:
 - competition
 - price (including 2 years guarantee)
- Own network:
 - how to reach the consumer
- Presence

Legal Entities

Kabushiki Kaisha : AG

Godo Kaisha : LLC (replacing the
Yugen Gaisha (GmbH) since 2006)

key points

Preparation

- Intellectual Property

Trademark

Patent

Industrial design

key points

Preparation

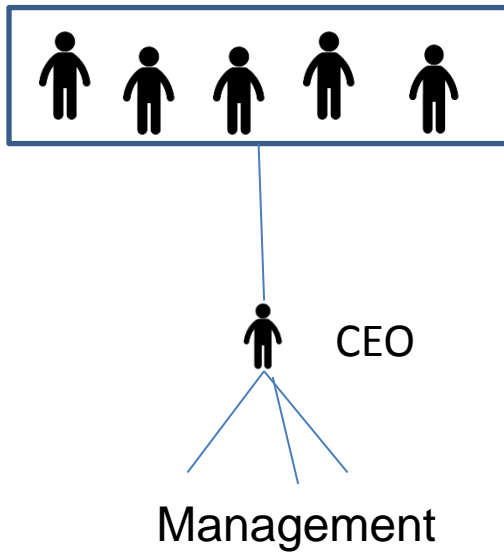
Regulatory requirements

Adoption of new product → local regulations

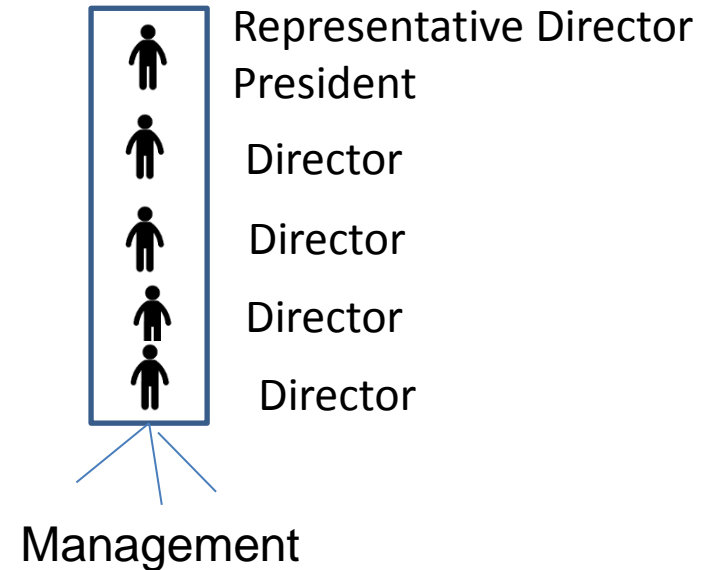
The regulator supervises and actively assist the applicant in the process of acquiring necessary licenses, approvals, registration, or other regulatory requirements.

key points

Switzerland



Japan



key points

EMPLOYMENT

- Generally lower salaries in Japan than in Switzerland
- Employees are well protected against wrongful dismissal
- Life time employment is not the rule anymore
- Language ability should not be the top requirement
- Need of strong reporting line to parent company

key points

TAXATION

- Taxable profits around 32.5%
- Carry forward losses : 9 years
- Transfer price
- Cost +

key points

SHAREHOLDERS

- Should not expect immediate return on investment
- Have to plan on the long term
- Are steadily rewarded after a long initial phase
- Many example of successful Swiss SME present in Japan
- Label of quality for other markets

Thank you !

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