



# Welcome to the *Global Launch Pad Japan* Market Entry Guidance for Innovators & Investors



## 1. Japan Market Overview

Welcome to Japan, the 4<sup>th</sup> largest economy in the world.

### 1) Market Opportunities/Dynamics:

- Japan's market dynamics are creating opportunities for innovations in pharmaceutical/healthcare, robotics, manufacturing, energy, travel, financial services, aerospace and cybersecurity.
- Huge consumer economy...per capita income: US\$35,390.
- The SME sector constitutes 99.7% of Japan's total of 4.2 million companies.

### 2) Market Challenges (depending upon the business category):

- Standards unique to Japan and Official Regulations favor domestic products
- Licensing powers in the hands of Japanese industry associations
- Reluctance to break/modify existing business relationships

## 2. Business Etiquette Tips Will Help You to Gain Respect:

- Hierarchy and Respect, Politeness and Sensitivity to Japanese culture.
- Language: Japanese spoken English skills are weak, but most can read written English.
- Consensus: A practice essential to Japanese culture, often misunderstood by others.

## 3. Commercial/Business Development:

- Partnering is essential... research, networking, and regular visits...build personal relationships.
- Prepare for exhaustive requests for information... in Japanese and in English.
- SMEs seek third-party innovations and are more agile integrating innovative technologies.

## 4. Corporate led Investments:

- Corporate VCs more prevalent than institutional VCs in Japan.
- Companies focus on 'Open Innovation' to promote collaboration with outside innovators.
- Japan investors also seek collaborations with overseas investors to gain access to overseas tech portfolio companies and to mitigate risk.
- Case Example: "Venture Client Model" (from BMW) encourages large companies to work with startups.

## 5. Japan Market Entry Resources

**METI** (Japan's Ministry of Economy, Trade and Industry) and **JETRO** (Japan External Trade Organization) are helpful resources to obtain the fundamental information:

**METI's** Roadmap for the startup development 5-year plan:

- [https://www.meti.go.jp/english/policy/economy/startup\\_nbp/index.html](https://www.meti.go.jp/english/policy/economy/startup_nbp/index.html)
- [https://www.cas.go.jp/jp/seisaku/atarashii\\_siho\\_nsyugi/pdf/sdfyplan\\_roadmap2022en.pdf](https://www.cas.go.jp/jp/seisaku/atarashii_siho_nsyugi/pdf/sdfyplan_roadmap2022en.pdf)





## 5. Japan Market Entry Resources (continued)

- **METI** for useful links and information:  
[https://www.meti.go.jp/english/policy/external\\_economy/investment/index.html](https://www.meti.go.jp/english/policy/external_economy/investment/index.html)  
 (Related organizations): <https://www.meti.go.jp/english/network/index.html>
- **JETRO**:
  - <https://www.jetro.go.jp/en/>
  - [https://www.jetro.go.jp/en/invest/setting\\_up/](https://www.jetro.go.jp/en/invest/setting_up/)
  - (Sitemap): <https://www.jetro.go.jp/en/sitemap/>

**For Visas and specific regulations of Japan**, contact the Japanese Embassy or the Japan Consulate in your country for the most up-to-date information. The Japanese government is preparing to designate four (4) special zones, including Tokyo and Osaka, creating new visas and deregulating to make it easier for start-up companies and foreign investors.

**Japanese Embassies and Consulates overseas** (List of missions and websites) :

- [https://www.mofa.go.jp/about/emb\\_cons/over/index.html](https://www.mofa.go.jp/about/emb_cons/over/index.html)
- [https://www.mofa.go.jp/about/emb\\_cons/mofaserv.html](https://www.mofa.go.jp/about/emb_cons/mofaserv.html)

**Your country's delegations and trade/ business missions** that have offices in Japan... e.g.:

- **British Embassy in Japan** | Department for Business and Trade (DBT)
- **American Chamber of Commerce in Japan**
- **Delegation of the European Union to Japan**

**Links to other useful information**, include:

- **Tokyo Innovation Base** | Support for start-ups by the Tokyo Metropolitan Government: <https://tib.metro.tokyo.lg.jp/>
- **Small and Medium Enterprises (SMEs) Agency** | METI's agency: [https://www.chusho.meti.go.jp/sme\\_english/index.html](https://www.chusho.meti.go.jp/sme_english/index.html)
- **Finolab** (Incubator, Fintech): <https://finolab.tokyo/>
- **Fintech Japan Association** (Trade Organization): <https://fintechjapan.org/en/>
- **Disrupting Japan** (Mentor): <https://www.disruptingjapan.com/>
- **Venture Café Tokyo** (Startup Ecosystem Association): <https://venturecafetokyo.org/>

## 6. How Tech Japan Advocates Can Help ([www.techjapan-advocates.org](http://www.techjapan-advocates.org))

Our Team of experienced Japanese and Expat business executives can help you with:

- Introductions to potential customers, partners, investors and networks
- Market-entry guidance, workshops, and research