

Q&A on Setting Up a Company in Japan



日本司法書士会連合会
Japan Federation of Shiho-shoshi's Associations

Shiho-shoshi (Solicitor) Profile

Q1: Do I need to have a Japanese national as a shareholder or director of my company?※1

A1: There are no restrictions on nationality under the laws and regulations in Japan. In principle, shareholders or directors do not have to be Japanese nationals nor do they have to have an address in Japan.※2 Even a foreign resident or a foreign company can set up a company in Japan.

Q2: How many shareholders and directors do I need to have for my company?

A2: Under the Companies Act in Japan, it is required to have at least one shareholder and one (representative) director, but the same individual can hold both positions. This means that if you put your money in a company and become a director, you can set up a company by yourself alone.

Q3: Are there any minimum capital requirements?

A3: There are no minimum capital requirements under the Companies Act. Nevertheless, if the amount of paid-in capital is small, it is often difficult to gain the trust of external parties and there is a risk of becoming insolvent soon after setting up the company. Thus, we recommend you to start with a certain level of capital. The amount of capital depends on the type of business, but it seems that many foreign-affiliated companies in Japan typically specify their capital to be JPY 5 million or more.※3 The type of capital is not limited to cash but includes real estate, movable assets such as automobiles, and credit such as loans are also allowable as capital.

Q4: Do I put up money as capital after setting up a company?

A4: Under the Companies Act in Japan, it is required to put up money as capital prior to setting up a company. If capital is contributed in the form of money, it is, in principle, required to deposit the money into the bank account of the incorporator (person who is going to be a shareholder after establishment of the company).

Q5: What kind of items do I have to decide?

A5: If you are setting up a joint-stock company, you need to generally determine the business name, head office, purposes of your business, amount of capital, total number of authorized shares, total number of shares issued, directors, representative directors, and business year.

Q6: What sort of documents do I need?

A6: If you are setting up a joint-stock company, you need, in general, the following documents.※4

		Have an address in Japan	Do not have an address in Japan
Incorporator	In case of a company	Certificate of registered matters and certificate of seal impression	Certificate of registered matters and certificate of signature of representative
	In case of an individual	Certificate of seal impression	Certificate of signature
Director		Certificate of seal impression	Certificate of signature

There are matters which are required to be certified in the certificate of registered matters and certificate of signature of a representative for foreign companies. In addition, you need to prepare other documents which require signatures, such as the articles of incorporation and certificate of capital contributions.

Q7: How long will it take to set up a company?

A7: The flow of the procedures to set up a company is generally as shown in the diagram on the right. The first step is the creation and authentication of the articles of incorporation. The next step is execution of capital investment. Capital investment must be all completed before incorporation of a company. Upon completion of the prior steps, you may apply for registration of incorporation of your company. The review of the application procedures for setting up a company will be generally completed in one to two weeks upon submitting the registration application documents to the Legal Affairs Bureau. The date of establishment of your company is the date on which you applied for the registration of your company, not the date on which the Legal Affairs Bureau has completed their review of your application. Since the series of procedures is complex and requires accuracy, people generally ask us, Shiho-shoshi (Solicitor) to take care of it. When the review process by the Legal Affairs Bureau is completed, you may request a document called, certificate of registered matters of the company. With this certificate, you can confirm the existence and the details of your company.

Authentication of Articles
of Incorporation

Execution of capital
investment

Registration of
incorporation of company

Q8: What purpose does a seal impression serve?

A8: Your seal impression is affixed alongside your signature or name to express some kind of intent. For example, if you are going to assume a post of director, by affixing your seal impression on the acceptance document of assuming the post of director, in addition to signing the document, it will become the proof of your intent to assume the post. You may consider that this the same as signing your name on a legal document in many countries. When you register your seal impression with a relevant government office, a certificate of seal impression is issued for your seal impression. However, this applies only to persons who are resident in Japan. If you live outside Japan, you need to make other arrangements.

Q9: What are the benefits of asking a Shiho-shoshi (Solicitor) to undertake the incorporation procedures of my company?

A9: If you ask a Shiho-shoshi (Solicitor) to undertake the incorporation procedures of your company, you can receive the following support.※5

- Advice on the type and details of company which is suitable to your situation
- Preparation of text for documents that need to be signed to incorporate a company such as the articles of incorporation
- Acting as an agent to make applications to public offices for such matters as authentication of articles of incorporation and registration of incorporation of your company
- Advice on relevant laws and regulations and a review of legal documents with respect to the operation of your company
- Advice on preparation of a seal impression
- Advice on the Foreign Exchange and Foreign Trade Control Law, such as remittance of funds, etc.

※1 Here, we explain about joint-stock company called Kabushiki Kaisha or KK.

※2 In some cases, you may need to have a director who has an address in Japan to obtain various licenses and approvals, or to open bank accounts.

※3 In some cases, if you need to obtain visas or business licenses and approvals, you may be required to put up a certain level of capital in conjunction with the relevant laws and regulations.

※4 Here, we indicate only the documents required for registration procedures under the laws and regulations in Japan. In some cases, other documents such as a copy of your passport may be required separately.

※5 Advice on and the procedures of visas, taxes, labor and social insurance are not included in the scope of work for Shiho-shoshi (Solicitor). We will refer appropriate experts on those matters.

Shiho-shoshi (Solicitor) mainly provide the following services:

1. Procedures related to companies

- When setting up a company
- When a director has changed
- When issuing new shares
- When resolving or liquidating a company

2. Procedures related to real estate

- When purchasing real estate
- When selling real estate
- When an inheritance event takes place to a real estate owner

3. Procedures related to property management

- upon being appointed as an administrator or a manager of properties, manage other person's business or properties
- upon being appointed as a guardian, an aide, or an assistant, act as an agent on legal matters (contracts, etc.) of other person including such matters as giving consent or making cancellations.

In addition to the above services, Shiho-shoshi (Solicitor) prepare documents which need to be submitted to courts and so forth. For those Shiho-shoshi (Solicitor) who are certified by the Minister of Justice, they can serve as procedural attorneys of civil lawsuits with the amount of claim up to JPY 1.4 million at summary courts.

As with the legal professionals in most countries, Shiho-shoshi (Solicitor) comply with the confidentiality requirements as set out by the laws and regulations, concerning the matters discussed with their clients as well as the details of the services they undertake. Shiho-shoshi (Solicitor) have duties and responsibilities as professionals to abide by the laws and regulations, as well as a code of ethics.

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