

Shenzhen, China

Rooms 1203-06, 12/F.
Di Wang Commercial Centre
5002 Shennan Road East
Luohu District, Shenzhen
T: +86 755 8268 4480

Shanghai, China

Room 603, 6/F., Tower B
Guangqi Culture Plaza
2899A Xietu Road
Xuhui District, Shanghai
T: +86 21 6439 4114

Beijing, China

Room 303, 3/F.
Interchina Commercial Bldg.
33 Dengshikou Street
Dongcheng District, Beijing
T: +86 10 6210 1890

Taipei, Taiwan

Room 303, 3/F.
142 Section 4
Chung Hsiao East Road
Daan District, Taipei
T: +886 2 2711 1324

Singapore

138 Cecil Street
#13-02 Cecil Court
Singapore 069538
T: +65 6438 0116

New York, USA

202 Canal Street
Suite 303, 3/F.
New York
NY 10013, USA
T: +1 646 850 5888

Guide to Starting a Kabushiki Kaisha in Japan

Unless otherwise indicated, the Japan Kabushiki Kaisha stated in this guide refers to a Company Limited by Shares formed and incorporated in Japan in accordance with the Japan Companies Act.

Summary

Kabushiki Kaisha, a company limited by shares, one of the most common forms of company for the foreign companies and foreigners. It was established by registering at the Japan Legal Affairs Bureau. The registration date of the company will be the date of establishment and company could start to operate business on this day.

The foreign company that would like to register a Japan Kabushiki Kaisha, should provide the Certificate of Incorporation or registration certificate, affidavit, etc., and the documents shall notarize at the notary office. The representative director of the foreign company and the representative member of the Kabushiki Kaisha shall provide the passport copy, signature certificate (foreigner) or seal certificate (Japanese), etc.

In order to register a Japan Kabushiki Kaisha, at least a representative member shall be elected. The representative member of the Kabushiki Kaisha could be the Japanese or the foreigner. However, to complete the remittance of capital, the representative members should have a Japan personal bank account.

Our guide had specified the information, documents and materials required for the foreign companies to register a Japan Kabushiki Kaisha.

1. Principal information to be registered for a Kabushiki Kaisha

Before the registration of a Kabushiki Kaisha, client shall decide the principal information to be registered for the Kabushiki Kaisha.

(1) Company Name

The company name of the Kabushiki Kaisha may contain the Hiragana, Katakana, Japanese Kanji and English, but the name with Simplified Chinese is not acceptable. The term “Kabushiki Kaisha” must be written in front of or behind the company name. For example, “Kabushiki Kaisha Kaizen CPA Limited” or “Kaizen CPA Limited Kabushiki Kaisha” will be accepted.

(2) Registered Address

The registration of Kabushiki Kaisha will require a Japan address as the registered address. The virtual office address or the physical address could use for the company registration. However, for the registration of the company, if the company is using a virtual office address, it is a low possibility to open a corporate bank account. If necessary, Kaizen could provide the office leasing service to the client (finding the office and preparation of lease agreement). Please contact Kaizen for further information.

(3) Business Scope

The registration form of the Kabushiki Kaisha will need to state the business scope of the company, the company shall decide which business they are involving. Since the procedure for the changing of business scope is very complicated, therefore, when client deciding their business scope, we suggest that the client shall add on the business scope of their company's future business plan at the same time.

(4) Registered Capital

The registered capital of the Kabushiki Kaisha could be JPY 1, however, if the capital is too less, the possibility to open a corporate bank account is low. Moreover, if the company would like to apply for a Business Management Visa, the registered capital could set at JPY 5 million and above. If the company registered capital is above JPY 10 million, the company will need to pay for the consumption tax starting from the first year. Therefore, there are many companies setting up a company with capital below JPY 10 million and then they will increase the capital starting from the second year.

(5) Number of shares and the value per share

Generally, there is common to set each share at JPY 10,000 or JPY 50,000. For example, if the value of one share is JPY 10,000 and the registered capital is JPY 5 million, 500 shares are issued; for the value of JPY 50,000 for one share and registered capital is JPY 20 million, 400 shares are issued, therefore, the client could set capital to fulfill their requirement. However, it is not appropriate to set the value of share with extremely low or high value, for example, JPY 1 for 1 share or JPY 5 million for 1 share.

(6) Number of director and the term of execution

The Kabushiki Kaisha could elect at least one representative director to execute the company business, and there is no restriction on the nationality of the directors of Kabushiki Kaisha. However, to complete the procedure of capital remittance, there shall have at least a representative having a Japan personal bank account.

For the term of execution of the directors, it is usually around 2 to 10 years. Please note that if the term of execution is short, the company needs to handle the registration change for the extension of the term of execution frequently.

2. Documents and materials required for the Registration of a Kabushiki Kaisha

Before the registration of Kabushiki Kaisha, the foreign company shall provide the following documents and materials.

- (1) The Certificate of Incorporation, Registration Certificate, and the Affidavit of the Foreign Company. These documents shall notarize at the location of the foreign company registered.
- (2) The passport copies or the identification documents of the foreign company representative director.
- (3) The passport copies and the stamp certificate of the Japan Kabushiki Kaisha representative member. If the representative member is a non-Japanese resident, they shall provide a signature certificate which equivalent to the stamp certificate. However, the signature certificate shall notarize at the foreign residency location.
- (4) The registered address and the lease agreement for the Japan Kabushiki Kaisha.

3. Procedure for the Registration of Kabushiki Kaisha

- (1) Principal information to be registered for a Kabushiki Kaisha (Please refer to Section 1)
- (2) Preliminary check of the company name
- (3) Preparation of the resolution of incorporator
- (4) Preparation of the Letter of Appointment Acceptance for the representative director
- (5) Preparation of the affidavit of the foreign company, the affidavit shall notarize at the registered country of the foreign company
- (6) Preparation of the Articles of Association of Kabushiki Kaisha, the Articles of Association will need to notarize at the notary office in Japan
- (7) Preparation of the Certificate of Payment of Capital
- (8) Engraving of company seal
- (9) Registration of Kabushiki Kaisha at the Legal Affairs Bureau and the seal will need to apply for registration
- (10) Obtaining a copy of registration form and a seal certificate
- (11) Opening a bank account with the name of Kabushiki Kaisha
- (12) Submit a notice of the company opening

After the bank account is opened and the notice of the company opening is submitted, the company could start to conduct business activities by the name of the company.

4. Tax Declaration for the New Registered Kabushiki Kaisha

The newly established Kabushiki Kaisha will need to declare for tax at the end of the year. For example, corporate tax and local corporate tax shall declare at the tax office, if the new established Kabushiki Kaisha is having a deficit, their tax will be JPY 0, however, the local tax shall declare at the county tax office and the city government, if the new established Kabushiki Kaisha facing a deficit, they will still need to pay for the corporate inhabitant tax for at least JPY 70,000 each year. For specific accounting and taxation issues, please consult the professional tax officer.

A series of the procedures is required from the registration of Kabushiki Kaisha to the accounting service and the tax declaration, it is complicated for the client who first entering Japan. If necessary, Kaizen could provide a one stop service, from the registration of Kabushiki Kaisha, application of Business Management Visa, accounting, and bookkeeping service until tax declaration services. Kaizen had the industry experience for about 17 years, Kaizen is a team which provides the services of company formation and registration and has the qualification of CPA in Japan, China, Hong Kong, Singapore, United States, Australia, United Kingdom, etc. or the elite team experts compared to the CPA. Kaizen will do the best to provide professional and high quality services to the client. Please contact us for further consultation.

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.kaizencpa.com or contact us through the following and talk to our professionals:

Email: info@kaizencpa.com, enquiries@kaizencpa.com

Tel: +852 2341 1444

Mobile: +852 5616 4140, +86 152 1943 4614

WhatsApp/ Line/ Wechat: +852 5616 4140

Skype: kaizencpa