

Kabushiki Kaisha Starting a Business in Japan

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What is a Kabushiki Kaisha (K.K.)?

The Kabushiki Kaisha as of Japanese law is a joint stock corporation. It holds the status of a legal entity in Japan with the liability limited to the amount of its equity participation. In practice one has to differentiate between the Kabushiki Joto Seigen Kaisha (corporation with a limited transferability of shares) and the Kokai Kabushiki Kaisha (publicly traded corporation), in which the latter incorporates the possibility of free transfer of shares without the approval of the corporation's advisory board or assembly.

Founding Procedure

- Cross checking with the Legal Affairs Bureau for similar corporation names
- Appointing the founding directors (at least one has to be present in Japan) and the in Japan present founding promoter, as well as the preparation of the founding documents
- Writing and notarizing the articles of incorporation (in Japan)
- Deposit of capital
- Obtaining the Capital Custody Certificates from the house bank
- Submission of the registration form to the Legal Affairs Bureau (founding date)
- Proof of Registration

Further important points

- The founding process of a Kabushiki Kaisha can be conducted in about 6–8 weeks.
- Even though since 2006 there is no legally mandatory founding capital for the Kabushiki Kaisha anymore, sufficient funding is recommended in order to ensure proper business activities.
- Costs associated with the registration of a Kabushiki Kaisha with the trade register in Japan amount to 0,7% of the founding capital, but at least 150.000 Yen.
- According to a decree issued in March 2015 by the Ministry of Justice, it is possible to found and to run a K.K. without a (authorized representative) director who is resident in Japan. However, a residency obligation can continue to exist for other legal reasons (e.g. for the acquisition of licenses etc.) or practical reasons (establishment of bank accounts). Whether the abolition of the residence obligation applies for other corporate forms besides the K.K. remains unclear, as the decree contains no information on this matter.

Contact – AHK Japan | DEinternational

German Chamber of Commerce and Industry in Japan

Sanbancho KS Bldg. 5F
2-4 Sanbancho, Chiyoda-ku
Tokyo 102-0075, Japan

Phone: +81-(0)3-5276-9811
Fax: +81-(0)3-5276-8733
Email: info@deinternational.jp
Website: www.japan.ahk.de



German Chamber of Commerce
and Industry in Japan
在日ドイツ商工会議所

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