

Roadmap Leading to the Realization of Overseas Development

The Japanese government supports small and medium-sized enterprises (SMEs) looking to enter overseas markets through such organizations as the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (SME Support, JAPAN) and the Japan External Trade Organization (JETRO). Support provided ranges from formulation of business plans to export system creation and even support for on-site expansion. The government provides consistent comprehensive support, even for business restructuring and other issues occurring after foreign expansion.



■ Overseas Development Consultation

■ Seminars

(SME Support, JAPAN)
(JETRO)

(Designated Support Institutions)

- Financial Institutions
- Chamber of Commerce and Industry
- Commerce and Industry Associations, etc.

■ Information Gathering (Trade and Investment Information, etc.)
(JETRO and SME Support, JAPAN)

■ Advice from Overseas Business Specialists (JETRO and SME Support, JAPAN)
■ Product Development via Overseas Specialists (SME Support, JAPAN)

■ Commercialization Feasibility Study (FS) Support (SME Support, JAPAN)
Specialists examine commercialization plan feasibility
via visits to domestic and overseas on-site locations, etc.

■ Overseas Mission Dispatch (JETRO)
■ Exhibitions at Overseas Trade Shows, Business Meetings with Overseas Proprietors and Buyers (JETRO and SME Support, JAPAN)

■ On-Site Advice via
Public and Private Support
Institution Cooperative Platforms
(JETRO)

■ Financial Support (JFC)

STEP 1

Clarification of Overseas Development Objectives

In order for SMEs nationwide to clarify their overseas development objectives, the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN, the Japan External Trade Organization, and various other designated support institutions offer consultations and conduct seminars. Specifically, they offer initial-stage consultation regarding the advantages and disadvantages of overseas development, hold seminars about the latest economic trends by country, region, and industry type, and offer practical trade lecture courses, etc.

Organization for Small & Medium Enterprises and Regional Innovation, JAPAN

This organization is a comprehensive support institution for SMEs, offering business consultation and other support to domestic SMEs, including consultation and other support regarding overseas expansion. In addition to its Tokyo head office, the organization has one administrative office and nine regional head offices located across the nation.



Japan External Trade Organization

In order to increase global demand, this organization provides comprehensive support for the expansion of Japanese trade and investment through services including information provision and transaction mediation. This includes support for large enterprises engaged in infrastructure export and foreign-owned enterprises as well. As a part of its operations, JETRO also provides support to SMEs. In addition to its Tokyo headquarters, JETRO has 40 regional offices around the nation and an overseas network of 73 offices in 55 different countries.



Designated Support Institutions

In recent years, business challenges faced by SMEs have become increasingly diverse and complex. In order to diversify and vitalize institutions providing support to SMEs, the Japanese government has designated various individuals, corporations, SME support organizations, and other institutions that possess a given level of experience, with support for and expertise relating to tax, finance, and business finance matters, as “institutions for the support of management innovation, etc.”. Through these designations, a system for providing highly specialized support to SMEs has been established. As of Oct. 3, 2014, 22,743 support institutions from around the nation have received the designation.

Examples of designated support institutions:

Financial institutions such as banks and credit associations, commerce and industry associations, the Chamber of Commerce and Industry, lawyers, tax accountants, certified public accountants, private consulting firms, etc.

STEP 2

Preparation / Planning Within Japan, Developing Overseas Clients and Business Partners, Etc.

In order to develop clients and business partners through such services as information gathering, advice, and preliminary surveys within Japan, as well as missions dispatched overseas, JETRO and SME Support, JAPAN carry out the following support measures.

Information Gathering Support

- 1) Trade-related information provided free of charge via a database on the JETRO website. The database contains business information on 60 countries and regions around the world. Example: Trends relating to advanced manufacturing technology initiatives in the EU and "Industrie 4.0" in Germany.
- 2) Reports on the SME Support, JAPAN website including business information pertaining to frequently asked questions, case studies of successful overseas development, and advice and cautionary information from specialists related to engaging in overseas development.

Consultation, Advice, and Product Development Support from Overseas Specialists

- 1) Individual consultation regarding practical, business-related questions that arise in the course of planning for expanding a business overseas. Consultations are provided free of charge by experienced advisors.
- 2) Individual counseling regarding overseas development-related business challenges faced by SMEs, including investment, import/export, and business partnerships with overseas enterprises. Advice is provided free of charge by experienced overseas business specialists.
- 3) Inviting overseas market specialists to Japan. These specialists offer product development support through advice and other consultation regarding products targeting overseas markets.

Commercialization Feasibility Study (FS) Support

- 1) Experienced overseas business specialists facilitate domestic research and participate in overseas on-site research to examine the feasibility of SMEs' overseas development plans, based on each company's own products, technology, services, and expansion of overseas markets, etc.
*SMEs are responsible for 1/3 of costs.

Mission Dispatch Support, Support for Exhibitions at Overseas Trade Shows, Business Meetings with Overseas Buyers

- 1) JETRO dispatches mission groups to investigate overseas markets and prospective investment targets for which independent information gathering by a single enterprise is difficult. Mission groups provide support for market development and overseas expansion via: investigation of local markets and related parties, including commercial facilities, production sites, and industrial parks; exchange of ideas with local government and parties related to local Japanese-owned companies; and provision of programs for business matching, etc.
*SMEs must pay fees, which vary by dispatch location, etc. Example: Inspection of Indonesian investment environment
- 2) JETRO provides aid to partially cover costs of SME exhibits at the "Japan Pavilion" overseas exhibition in which JETRO participates.
Example: Maison & Objet (Paris)
- 3) SME Support, JAPAN invites leading buyers, prospective agencies, and experts from overseas and holds individual business meetings for the purpose of business matching with Japanese corporations aiming to develop overseas markets.

STEP 3

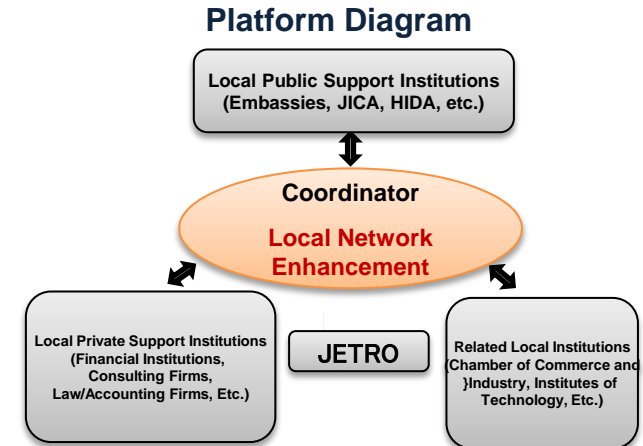
Expansion of Overseas Markets, Establishment of Local Bases

In order to support SMEs in solving problems they encounter overseas, related to development, JETRO has set up the SME Overseas Business Support Platform. Furthermore, the Japan Finance Corporation provides financial support for equipment and operating expenses needed by SMEs to carry out overseas development.

SME Overseas Business Support Platform

In addition to JETRO's overseas on-site trade and investment consultation, in order to enhance the support system for SMEs that have expanded into developing nations, JETRO has created a network of local public and private support institutions (embassies, JETRO, JICA, Japanese Chamber of Commerce and Industry, law firms, accounting firms, consultants, etc.), forming platforms for SME support. By 2014, support platforms were established in 12 countries and 17 regions.

Through these platforms, coordinators offer SMEs consultations at a "one-stop service windows" and offer them particular services from the "support menu" while also providing connections to other platform participant members when necessary.



Overseas Development Funds

The Japan Finance Corporation offers loans to cover equipment and operating expenses (including funds for re-lending to overseas corporations) necessary for overseas development at long-term, fixed interest rates.

- ◆ Loan Value: Small and Medium Enterprise (SME) Unit - 720 million JPY (Including 250 million JPY for operating expenses)
Micro Business and Individual Unit - 72 million JPY (Including 48 million JPY for working funds)
- ◆ Loan Period: 15 Years or less (5 years or less for operating expenses)
- ◆ Loan Interest Rate: Standard interest rate / When certain conditions are met
Special interest rate 2 (0.65% less than standard interest rate)

