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Company formation in Japan

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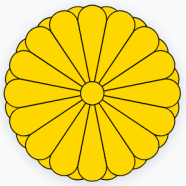

Imperial Seal

Common form	KK (kabushiki kaisha) or GK (godo kaisha) [1]
Registry	Legal Affairs Bureau (commercial registration) [1]
Minimum capital	¥1 [1]
Directors	1 director [1]
Local director	Not required since 2015, though a Japanese address and bank account are needed in practice [1]
Corporate tax	23.2% national corporate tax; about 30–34% effective with local taxes [2]
VAT / sales tax	10% consumption tax [2]
Typical timeline	Usually 2–4 weeks [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Japanese yen (JPY)

In short: To set up a company in Japan, most founders form a KK, registered with the Legal Affairs Bureau (commercial registration). [1] Minimum capital: ¥1. Corporate tax: 23.2% national corporate tax; about 30–34% effective with local taxes. Registration: usually 2–4 weeks (as of November 2026).

Most foreign-owned companies in **Japan** are a **kabushiki kaisha (KK)** or a cheaper, more flexible **godo kaisha (GK)**. KK articles are certified by a notary, and both forms are registered with the **Legal Affairs Bureau**.

Business structures

Most founders in Japan form a KK, registered with the Legal Affairs Bureau (commercial registration). [1] Other forms are listed below.

- **Kabushiki kaisha (KK)** – joint-stock company, the usual choice
- **Godo kaisha (GK)** – limited liability company, no notarisation of articles
- **Branch of a foreign company** – registered with the Legal Affairs Bureau

Requirements

Minimum share capital in Japan (2026): ¥1. Directors required: 1 director. Local resident director: not required since 2015, though a Japanese address and bank account are needed in practice. [1]

- A company name that is available, checked with the registry.
- Share capital: ¥1.
- Directors: 1 director.
- Local residency: not required since 2015, though a Japanese address and bank account are needed in practice.
- A registered office address in Japan.
- Articles of association signed before a notary.
- Beneficial owners reported to the beneficial owner declaration filed with the notary or registry.

Registration process

Typical time to register a company in Japan (2026): usually 2–4 weeks. [1] The usual steps are:

1. Choose the company form and check that the name is available.
2. Sign the articles of association before a notary.
3. File the registration with the Legal Affairs Bureau (commercial registration).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the National Tax Agency (NTA).

Taxation

The corporate tax rate in Japan in 2026 is 23.2% national corporate tax; about 30–34% effective with local taxes. [2] **Standard VAT or sales tax: 10% consumption tax.** [2]

Tax	Rate and notes
Corporate income tax	23.2% national corporate tax; about 30–34% effective with local taxes
VAT / indirect tax	10% consumption tax
Withholding tax on dividends to non-resident companies	15%

Ongoing compliance

Annual compliance in Japan: Companies file national and local corporate tax returns and consumption tax returns, and hold an annual shareholders' meeting. [1]

Double tax treaties

Japan has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
15%	20%	20%

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Japan lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Japan?

Typical registration time in Japan: usually 2–4 weeks (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Japan?

Minimum share capital in Japan: ¥1 (as of November 2026).

What is the corporate tax rate in Japan in 2026?

The corporate tax rate in Japan in 2026 is 23.2% national corporate tax; about 30–34% effective with local taxes. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Japan?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Japan: not required since 2015, though a Japanese address and bank account are needed in practice.

What withholding tax applies to dividends paid from Japan?

Japan withholds 15% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty. See the Double tax treaties section.

Official registries and resources

- Legal Affairs Bureau (commercial registration)
- National Tax Agency (NTA)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in Singapore
- Company formation in Hong Kong
- Company formation in India
- Company formation in Australia
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

1. Official Legal Affairs Bureau (commercial registration) . Government of Japan. Accessed November 2026.
2. Official National Tax Agency (NTA) . Government of Japan. Accessed November 2026.
3. Japan: Corporate – Taxes on corporate income (reviewed 07 August 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
4. Quick charts: Corporate income tax (CIT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
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