

2012

SME Support, JAPAN

Organization for Small & Medium Enterprises
and Regional Innovation, JAPAN

SMEs in Japan



[Definition of an SME]

Small and medium enterprises are defined for each industry sector by the Small and Medium Enterprises Basic Law (Amended in 1999)

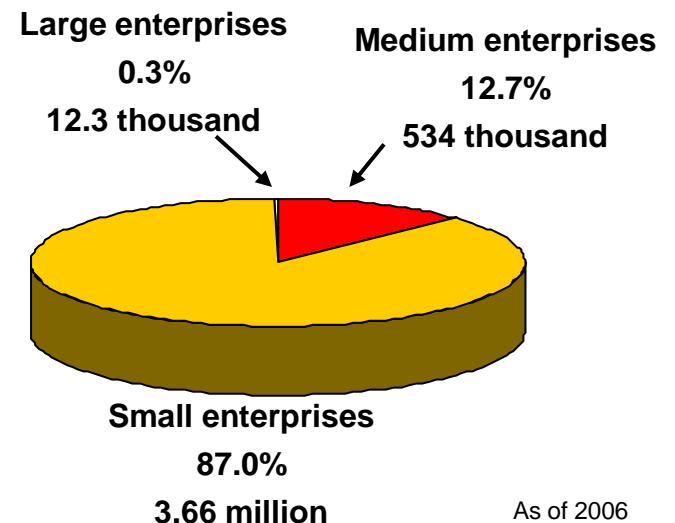
A company will be recognized as an SME by one of the following criteria: either capital amount or the number of employees.

	Manufacturing and Others	Wholesale	Retail	Service
Capital	300 million yen or less	100 million yen or less	50 million yen or less	50 million yen or less
Number of Employees	300 or less	100 or less	50 or less	100 or less

[Definition of a Small-scale Enterprise]

Smaller enterprises among small and medium enterprises are defined as small-sized enterprises (Defined by the 5th clause of article 2 in the Small and Medium Enterprises Basic Act)

	Manufacturing and Others	Commerce and Services
Number of Employees	20 employees or less	5 employees or less



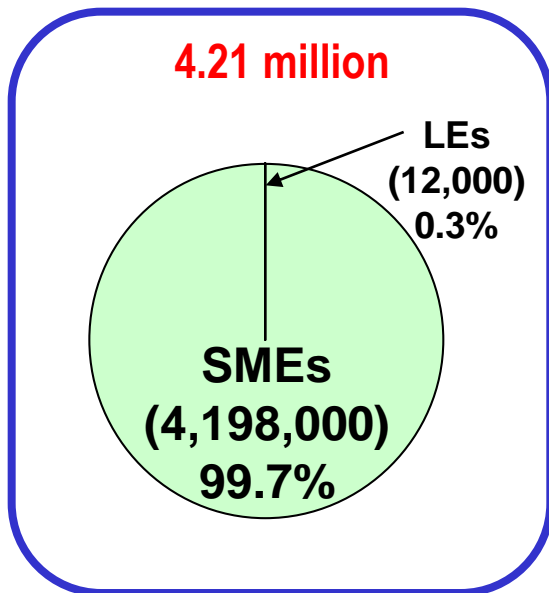
As of 2006

Situation of SMEs in Japan

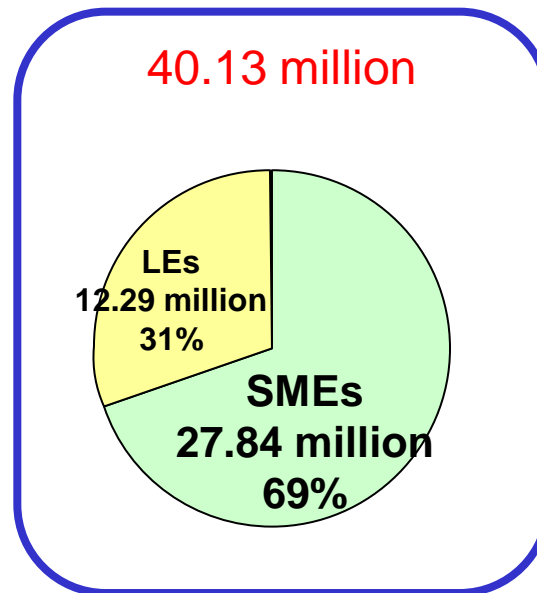


99.7% of Japan's 4.21 million companies are SMEs.

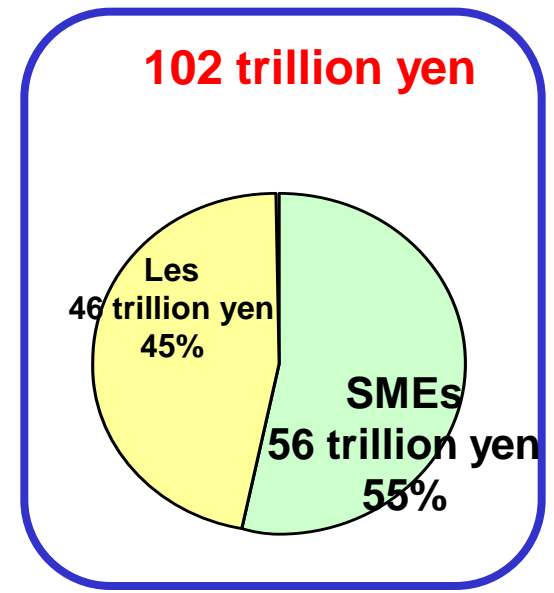
Number of Enterprises



Number of Employees



Manufacturing Value Added



Source: 2008 Census of Manufactures (METI, 2008)
Establishment and Enterprise Census (MIAC, 2006) *reprocessed
White Paper on Small and Medium Enterprises in Japan

The Role of SMEs



- Accounting for 99.7% of all enterprises, 70% of employees, and more than 50% of the amount of value-added (in the manufacturing industry) in Japan, SMEs form the backbone of Japan's economy.
- Famous large enterprises (LEs) such as Toyota, Honda, and Sony originally began as back-street factories. In addition, the revitalization of SMEs promotes competition in the market and can be the driving force in creating new industries and transforming the industrial structure.
- The majority of products of LEs are made up of parts produced by SME subcontractors, and therefore, the reliability of Japanese products is supported by the underlying strength of SMEs.
- Local economies are underpinned by the activities of SMEs particularly those involved in the service industry, the retail industry, and the construction industry, and SMEs play a major role of revitalizing the local economy and increasing employment opportunities.

Overview of SME Support, JAPAN

“SMEs energize Japan’s future!”

The government policy implementation organization for management support in SME sectors.

● Our nationwide support network

9 Regional Head Office & 9 SME universities

Approx. 800 employees

Over 3000 registered experts

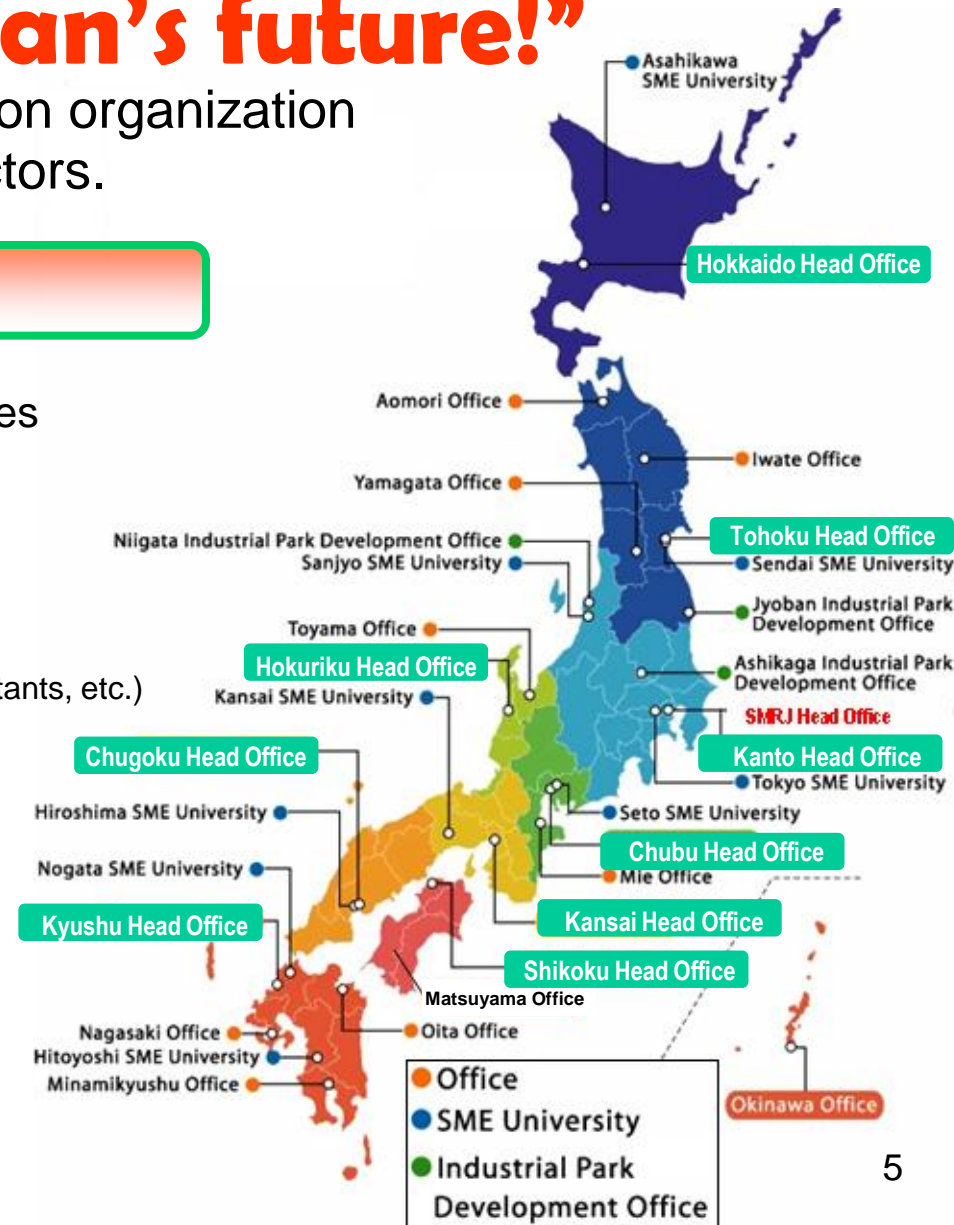
(ex. lawyers, CPAs, tax accountants, management consultants, etc.)

● Features of our support

Multiple/comprehensive support

Hands-on support

Extensive/high-quality support utilizing the networks



Our mission



I . Support for start-ups/ new business development

We provide various support measures including consultation at advice counters and dispatching experts, in order to resolve problems related to start-ups and new business development.

II . Support for SME growth/ development

We provide support towards business enhancement, such as responding to the complicated management issues of SMEs, in collaboration with local SME support organizations.

III . Support SMEs with safety nets

We provide “security” through a small-scale enterprise mutual aid system and business safety mutual relief system to those who wish to be prepared for future what-ifs.

IV . Support infrastructure

We offer support in terms of infrastructure to those who wish to improve facilities, or who are looking for new sites/ space for business.

International Business Development via SME Support, JAPAN measures (Overview)

SMEs aiming for overseas market cultivation or investment

Defining Goals in Int'l. Development

Domestic Preparation

International Market Research

Sales Channel expansion/ Establish Int'l. Offices/Facilities

Prep.
Thinking of international development



Info. Market research
Collecting info. on market trends in targeting countries




Exhibits, Business meetings Business Matching
Business Meetings and Matching with o/s buyers, etc.



Making deals; Overseas market cultivation; Int'l investment / penetration



Sales channel expansion; International investment



Consultation

1. Advice for international business development (Free of charge)

In-person / through phone, FAX, Email. Response to business challenges about int'l development, int'l transactions of SMEs, etc.

Nationwide counters for int'l development matters (10 One-stop consultation service launched in Dec. 2011)

Biz. Promotion
Intl. Development

2. Support program for participating in int'l exhibitions (2010~)

- 2-1. Support for Int'l exhibitions held in Japan (Inc. exhibits in disaster area)
- 2-2. Support for overseas exhibition participation
- 2-3. Support for expanding sales channel with utilization of the Internet.

3. F/S Overseas business feasibility research for establishing production site and cultivating sales channels, etc. (2012 ~)

Seminar/ Training/
Information, etc.

4-1. Int'l development seminars

Provide SMEs engaged in Int'l development with information

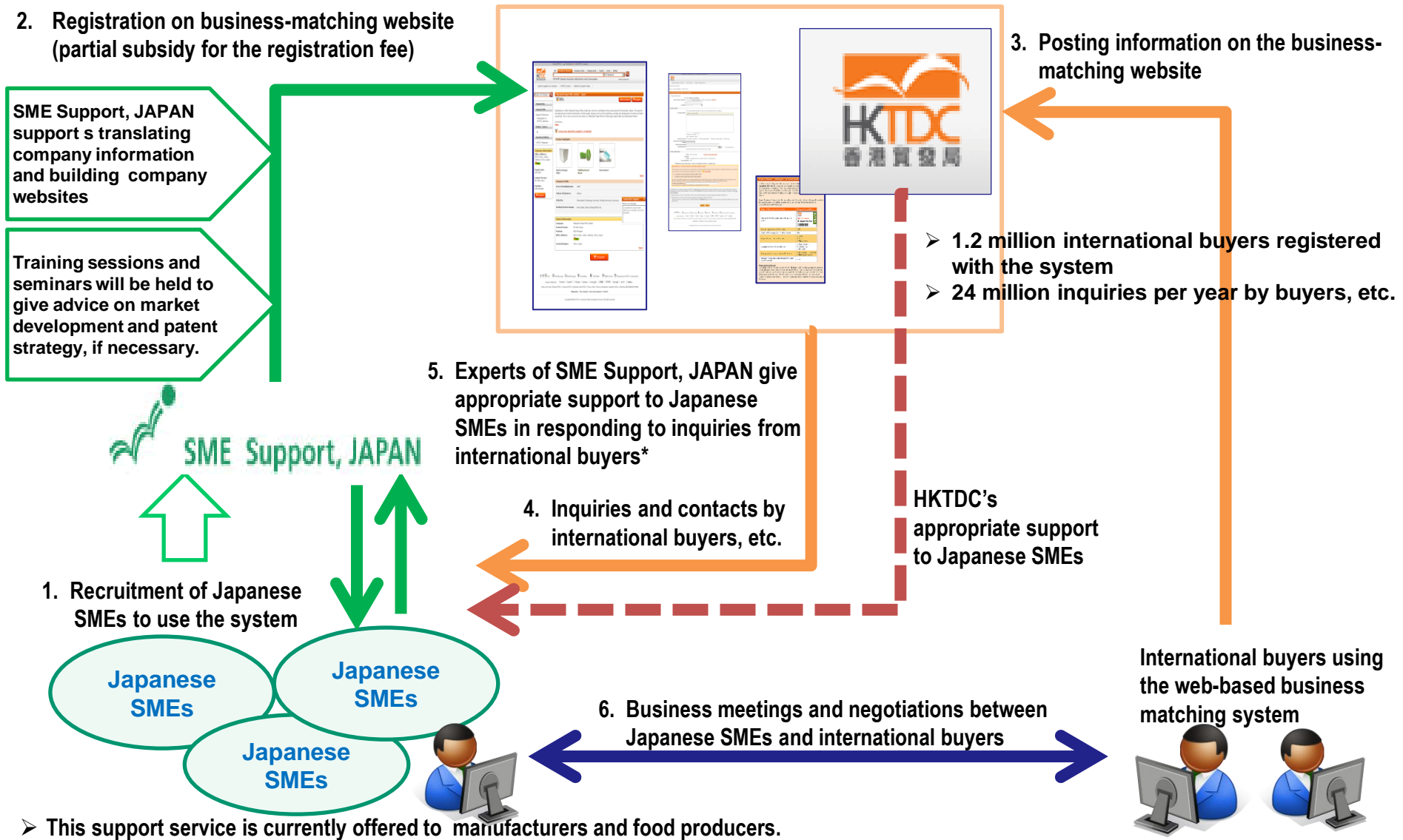
4-2. Training for int'l development administrators / persons in charge

Human resource development by SME Universities

5. Reports on int'l development support (Successful case studies, practical info. FAQ being provided on the web)

6. Improvement of business environment for Int'l development of SMEs (Collaboration with o/s support org., etc.)

SME Support, JAPAN & HKTDC Cooperation -- Supporting SMEs Develop Sales Channels : Web-Based Business Matching Site of HKTDC



SME Support, JAPAN supports translating company information and building company websites

Training sessions and seminars will be held to give advice on market development and patent strategy, if necessary.

- 1.2 million international buyers registered with the system
- 24 million inquiries per year by buyers, etc.

➢ This support service is currently offered to manufacturers and food producers. Other sectors are being considered.

* SME Support, Japan will never conduct any negotiation with international buyers, etc. on behalf of Japanese SMEs.

HKTDC and SME Support, JAPAN have signed an MOU on support for SMEs.



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