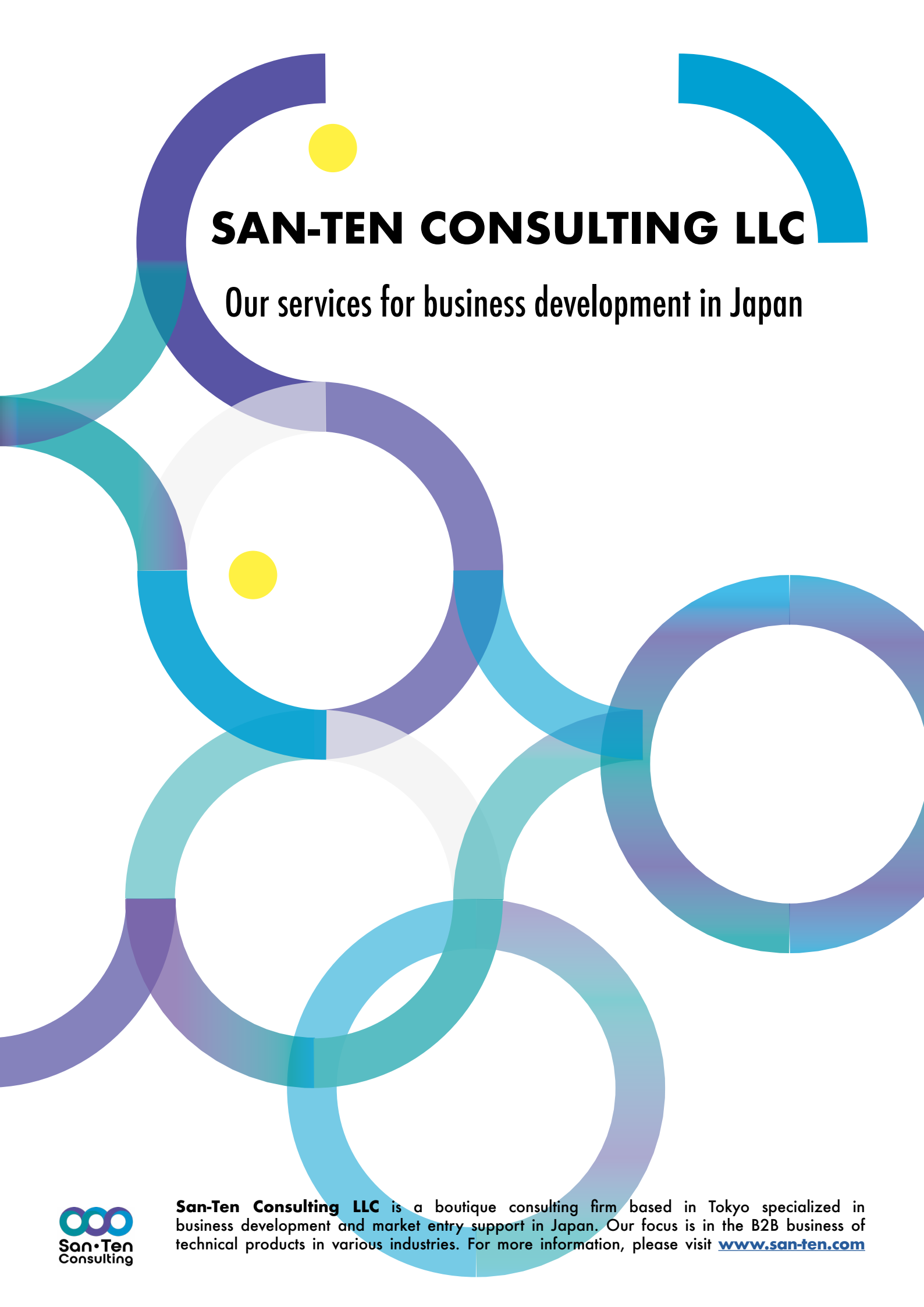




SAN-TEN CONSULTING LLC

Our services for business development in Japan

OUR FLEXIBLE, AFFORDABLE APPROACH TO BUSINESS DEVELOPMENT IN JAPAN

MEET YOUR NEW REPRESENTATIVE OFFICE IN JAPAN

By acting as your representative office, **San-Ten Consulting offers a streamlined solution to the challenge of entering the Japanese market.** Our primary approach to developing business in Japan is a cost-efficient alternative to establishing a subsidiary, allowing you to scale your investment in line with business growth. We can serve your business development needs through both ongoing and project-based solutions.

Continuous Support Services

San-Ten Consulting provides ongoing, **flexible support to launch and grow your business** in Japan as an alternative to creating a costly subsidiary.

These services include establishing a local presence, engaging with potential customers, and facilitating the business development process. We offer a scalable solution that allows you to adjust staffing and investment based on your business needs, ensuring cost efficiency and effective market penetration.

Project-Based Services

Our project-based services are **designed to address specific market business development needs in Japan.** These include searching for ideal business partners, conducting detailed market studies, and navigating regulatory requirements.

Our structured approach is divided into phases, from identifying potential partners to facilitating meetings and contract negotiations, ensuring a comprehensive and tailored market entry strategy for your business.

JAPAN: A COMPLEX OPPORTUNITY FOR SMEs

As the world's fourth-largest economy in terms of nominal GDP and purchasing power parity (PPP), Japan is an irresistible market. An openness to innovation and technology, a highly skilled workforce and a premium-grade infrastructure further enhance the country's allure. Despite the market's magnetism, companies from around the world often hesitate to expand in Japan.

Small and mid-sized enterprises (SMEs) are especially intimidated by the prospect of entering Japan, as language and cultural barriers can make the market excessively expensive and difficult to penetrate. Traditional "market entry" support companies, which focus on costly subsidiary establishments services, play a role in this perception. When compared to most Western

countries, Japan has a significantly slower business development cycle, which only intensifies the cost of setting up a subsidiary. For example, subsidiary establishment can consume over \$1 million in the years it takes to achieve a significant return on investment. This is a gamble that most SMEs are unwilling to take.

SAN-TEN CONSULTING: YOUR AFFORDABLE ALTERNATIVE TO A SUBSIDIARY IN JAPAN

The San-Ten Consulting solution is a simpler, cost-effective approach to conducting business in Japan. When you entrust us to become your representative office, we focus on developing your business in Japan affordably—without all the unnecessary overhead that a subsidiary would require.

When you work with San-Ten Consulting, you unlock a workforce that adapts to your needs on demand, minimizing costs while maximizing results. Furthermore, we function as your sales and marketing division in Japan. Unlike independent brokers, which prioritize their own financial benefits, San-Ten Consulting will consistently act **in your best interest**. After all, as your official representative in Japan, **your success is our success**.

UNLOCK YOUR BUSINESS POTENTIAL IN JAPAN WITH SAN-TEN CONSULTING

We understand that choosing a firm to represent you in Japan is a significant decision.

Therefore, we invite you to learn more about the intricacies of the Japanese market by reading our publications [on our website](#).

Start your success story in Japan with San-Ten Consulting. Contact us today and unlock the incredible potential of the Japanese market.

DRIVING BUSINESS DEVELOPMENT SUCCESS IN JAPAN'S SPECIALIZED SECTORS

As specialists, we primarily serve niche business-to-business (B2B) clients operating in technical industries, including chemicals and materials, intermediates, automotive supplies, health care, machinery and construction.

We have also developed a reputation for delivering results for clients that need access to specific business-to-consumer (B2C) sales channels: retailers and wholesalers, for example. Additionally, clients with products or services that require special licenses, such as medical devices and recruitment, count on us to connect them with the best possible business partners in Japan.

CONTINUOUS SUPPORT SERVICES

There are several elements that foreign businesses need to thrive in Japan, but one thing is a must: having a physical presence in the market. Numerous, face-to-face meetings are necessary to close business deals, and navigating the intricacies of Japanese business practices, culture, and language is impossible without being locally engaged. Typically, foreign companies consider three strategies to overcome this challenge:

- Partnering with a local distributor or trader
- Establishing a representative office
- Establishing a full-fledged subsidiary

WORKING WITH A DISTRIBUTOR

Partnering with a distributor or trader in Japan can occasionally yield results. However, in our experience, Western companies and Japanese trading houses often clash over expectations. The Western expectation of a self-motivated, sales-driven distributor is rarely met in Japan, especially regarding B2B transactions. Instead, distributors in Japan consider themselves as part of their customers' purchasing departments, based on bonds that have been forged through decades of relationship building. In a market where battle lines are carefully drawn through mutually understood agreements, Japanese distributors often hesitate to explore new product lines or venture beyond their established sector. Doing so would jeopardize the status quo—a harmony of unspoken non-compete agreements between existing players. Partnering with a distributor may be economical, but doing so sacrifices influence over how your products are marketed and sold. In the end, the distributor will always act in their best interest, which may not align with yours.

There are ways to deal with this situation, but doing so demands a deep understanding of Japanese customs, habits, and marketplace dynamics—an overwhelming undertaking for resource-conscious SMEs. We invite you to learn more about this topic in our in-depth article [on our website](#).

ESTABLISHING A REPRESENTATIVE OFFICE

For most SMEs with technical products or services, we recommend having a representative office in Japan, and therefore this is the primary service we offer. A representative office is the perfect balance between your needs and the effort and cost associated with maintaining your market presence.

Think of us as your dedicated sales and marketing department in Japan. Acting as part of your organization means acting in your best interest, free from the limitations of the distributor model described above.

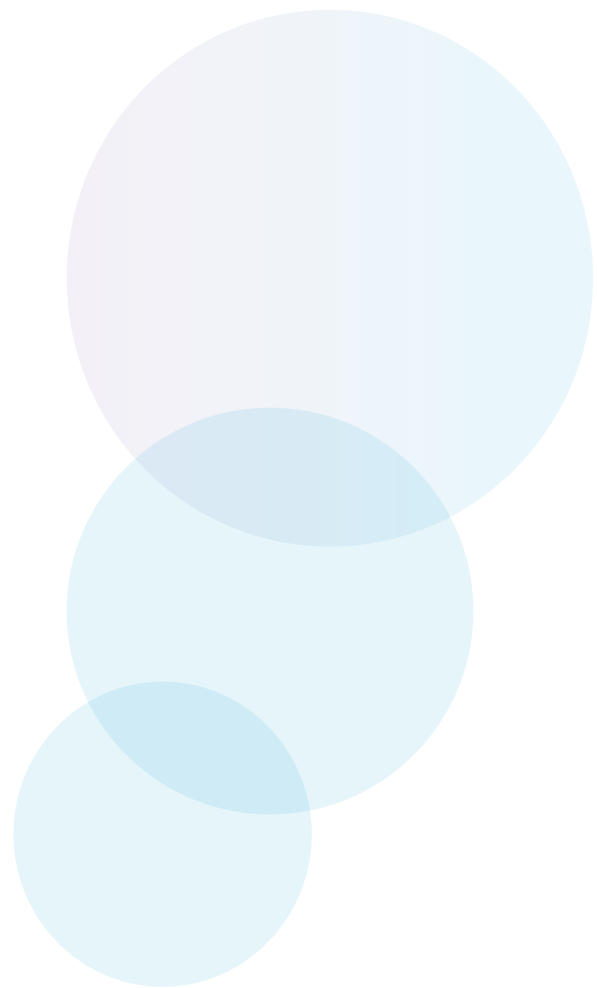
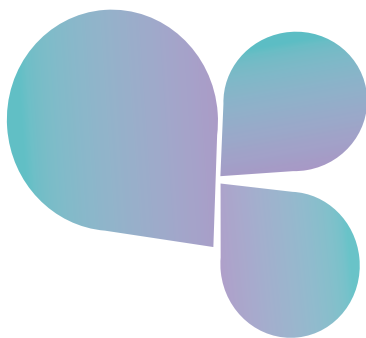
We primarily work as your agent, facilitating direct sales between you and your Japanese customers. However, should the need arise, we can also provide direct support for trading, logistics, and financial transactions.

With our extensive experience at the crossroads between foreign clients and Japanese customers, we understand both sides of the equation: your business needs and the reality of conducting commerce in Japan.

YOUR ALL-IN-ONE PARTNER FOR BUSINESS DEVELOPMENT IN JAPAN

When we represent your company in Japan, we will provide all necessary business development services, including:

- Creating a point of contact in Japan for potential customers to address all questions and requests
- Establishing connections with potential customers through trade fairs, networking, industry associations, direct emails or calls
- Direct sales through customer visits, event presentations, workshops, and seminars
- Communication, in Japanese, including document preparation (presentations, leaflets, brochures, and more)
- Marketing activities, including advertisements, digital marketing, and press releases
- Exhibiting at trade fairs, including booth applications, booth design, and staffing
- Organizing logistics and working with importers and distributors in Japan
- Supporting financial transactions and contract negotiations



GROWING TO MEET YOUR NEEDS, EVERY STEP OF THE WAY

Additionally, we offer flexible staffing solutions tailored to your business needs. Should you require more than our in-house team, we can expand as your business grows by employing bilingual part-time professionals or freelancers with specialized skills, on an hourly basis. If your business requires even more dedicated support, we can hire a full-time sales manager to focus entirely on your growth in Japan. This approach allows us to adapt our resources and expertise to match your evolving requirements, ensuring cost-effective and efficient market development.

ESTABLISHING A SUBSIDIARY

Initially, the cost of merely establishing a subsidiary may be acceptable. However, running a dedicated subsidiary can eventually become overwhelming, especially for smaller companies. Even the minimum operational requirements—a virtual office space, basic accounting and payroll services, and a bilingual senior country manager— can cost up to 30 million yen annually.

Considering the slower B2B sales process in Japan, a typical time-to-market of two to four years, the cost of running a subsidiary can easily balloon to over \$1 million before commercial sales are secured. For most SMEs, this makes starting a direct business in Japan an impossibility.

Despite this dire outlook, a case can be made for establishing a subsidiary in Japan. Sometimes, businesses need to convey a certain brand image or service proposition to Japanese customers. Fortunately, San-Ten Consulting also offers a reasonable solution for this situation.



Since a subsidiary does not require its own staff or payroll, we can organize and execute these operations on your behalf, addressing the market under your name. We can manage your subsidiary as part of our service and can offer resources and staffing levels that are the perfect fit for your needs. Aside from the one-time establishment cost, we can run your subsidiary while conducting business development services—an unbeatable combination for a reasonable price.

If you are planning to conduct business in Japan, please contact us from our website or send an email to:

info@san-ten.com

It would be our pleasure to listen to your needs and recommend a solution tailored to your current situation.



PROJECT-BASED SUPPORT SERVICES

Sometimes, the pathway to Japan involves a precise, project-based approach. San-Ten Consulting offers a variety of solutions that target specific market entry challenges.

BUSINESS PARTNER DISCOVERY

In B2C fields, such as retail, or where specific licenses are required—like medical devices and recruitment—we specialize in finding the right partners for your business.

Understanding the nuances of the Japanese market, particularly the unique role of distributors, where Japan differs from much of the world, is crucial. Therefore, selecting the right partner requires in-depth knowledge of local practices and market conditions.

At San-Ten Consulting, we identify smaller, highly motivated importers and distributors that align with your needs and expectations.

Our approach typically unfolds through the phases described below:

Phase 1

Search for potential candidates and comprehensive list creation

- Introduction and detailed explanation of your product or service to San-Ten Consulting
- Detailed definition of the search profile
- Search for potential suppliers via internet, databases, exhibitions, industry associations, and personal network, according to the search profile
- Creation of a comprehensive list of suitable partners

Phase 2

Create ranking and contact most promising companies

- Comprehensive list screening, elimination of unsuitable candidates, and ranking establishment, all in collaboration with you
- Creation of a brief presentation to introduce your products, services, and goals, in Japanese
- Outreach and introduction to top-ranked companies
- Identification of partner interest
- Creation of a shortlist of companies that signal interest in cooperation

Phase 3

Company visits and final decision

- Arrangement of meetings with the shortlisted companies
- Shortlist company visits, together with you (including translation and interpretation as needed)
- Decision and further support regarding contract negotiations with the final candidate

MARKET STUDIES

Market studies are the backbone for any decision about entering the Japanese market. Our comprehensive market studies address critical questions, including:

- Is the Japanese market right for your business?
- Does the market's potential justify your investment?

We assess market potential and, if necessary, develop a realistic business plan tailored to your needs. Additionally, we provide detailed insights into potential entry barriers, regulatory requirements, and associated costs, equipping you with the knowledge to navigate Japan's commercial landscape effectively.

UNLOCK YOUR BUSINESS POTENTIAL IN JAPAN WITH **SAN-TEN CONSULTING**



OUR COMPETITIVE ADVANTAGES



- A flexible and affordable one-stop solution for business development in Japan, including reliable partnerships in multiple consulting areas, such as legal advice, tax and accounting, communications, back office, and recruitment
- Nearly a decade of consulting experience with comprehensive knowledge in business development and market-entry support as well as innovation management
- Profound insights into numerous markets and industries on a B2B level
- A deep understanding of Japanese culture and business customs, often providing lectures, seminars, and webinars on this topic
- An expansive network, including corporations and SMEs, business associations, research institutes and universities, (governmental) institutions, venture capital organizations, and M&A agents
- Highly experienced in intercultural, cross-border management to balance Western expectations with Japanese values
- Memberships with several foreign chambers of commerce in Japan as well as the Tokyo Chamber of Commerce and Industry

