



**EU-Japan Centre**  
for Industrial Cooperation  
日欧産業協力センター

## **REPORT**

# **EU SMEs present in Japan with a branch office**

## **- A Mapping Attempt -**

April 2013



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## Introduction

Following the survey “Opportunities for the Internationalisation of Small and Medium Enterprises (SMEs)<sup>1</sup>” commissioned by the European Commission in August 2011 with the aim of identifying the opportunities for EU SMEs in markets outside the EU and to identify the available support from the European commission provided to SMEs in relation to seven key target markets: Brazil, Russia, India, China, Japan, South Korea and Ukraine, the EU-Japan Centre for Industrial Cooperation made an attempt towards mapping the EU SMEs physically present in Japan with a local branch.

The mapping exercise, undertaken between February and March 2013, revealed a marginal “onsite” presence in Japan of EU SMEs: only 36 SMEs could be identified and for some of them the SME status remaining not 100% clear.

While the rather limited number of EU SMEs having the potential to establish a branch in Japan comes as no surprise, gathering the information in order to determine a relative number and typology of these SMEs has been particularly challenging<sup>2</sup>.

## Methodology

The mapping exercise limited its focus only on SMEs as defined by the European Commission<sup>3</sup>. Company owned by EU citizens but having their Head Quarters located in Japan were also excluded from the mapping. Finally, companies providing business/finance consulting services were not included in the mapping.

Two simultaneous approaches were made:

- 1) Contacting Japan based representative offices of EU Members State national chambers of commerce and EU Members State embassies;
- 2) Searching through available lists of foreign companies located in Japan

### - Approach one

This approach relied on a limited number of intermediaries, as listed in appendix I, that were supposed to have knowledge about their national companies operating in Japan. All Member

<sup>1</sup> [http://ec.europa.eu/enterprise/policies/sme/market-access/files/web\\_internationalisation\\_opportunities\\_for\\_smes\\_final\\_report\\_aug\\_2011\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/market-access/files/web_internationalisation_opportunities_for_smes_final_report_aug_2011_en.pdf)

<sup>2</sup> Apparently the EU Member State’s Chambers of Commerce or Trade Offices located in Japan are not required and do not see as necessary to categorize their members by size. There were also difficulties in obtaining free trustful data on turnover and number of employees of the surveyed companies.

<sup>3</sup> To be an SME the number of employees must be less than 250 people and either turnover or balance sheet must total less than €50 million or €43 million.

Company category	Employees	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

States have at least one major representative (Embassy or National Chamber of Commerce) except for Cyprus and Malta that only have honorary Consulates.

Each of them was asked whether they knew any national SMEs having a branch in Japan or in alternative if they could provide a list of their members' companies.

A good rate of answers was obtained with the most common reply being that the organisation do not usually categorise the companies in their network by their size, and therefore don't know if any SMEs are part of the national companies located in Japan.

In some cases lists of companies were kindly provided and some organisations also provided names of what they identified as being SMEs. Unfortunately after an online data check it turned out that the majority of those supposed SMEs were in fact larger companies.

#### - Approach two

Being not able to completely rely on the replies provided by the Members State's organisations, the list of companies received directly by them or available in their websites were submitted to a one by one screening. This check covered nearly 1000 companies. It is during this screening that the most of the 36 SMEs could be identified.

During the final stage of the mapping, an online list of nearly 1500 foreign affiliates companies in Japan, with 50% or more of their shares being held by parent companies in America, Europe or Australasia was identified<sup>4</sup>.

Checking a sample of them resulted in identification of 3 more EU SMEs. Should the full screening of that list be completed probably another 10-20 or EU SMEs could be found and therefore we may cautiously estimate that around 50 EU SMEs may be present in Japan with a local branch.

#### - Difficulties in data gathering

The main difficulty was to identify the exact numbers of employees and turnover for each single company. Companies that are not listed in any stock market are not obliged to publish Financial Reports nor Company Profile, therefore searching for turnover and number of employees only depends on what the company indicate in their website and, if nothing, on cross-checking information from online newspaper articles and other various sources of information trying to find the most reliable ones. Also the consolidate turnover for a group of companies was of even more difficult reach.

In this mapping process, only for 26 of the 36 identified SMEs complete data could be obtained.

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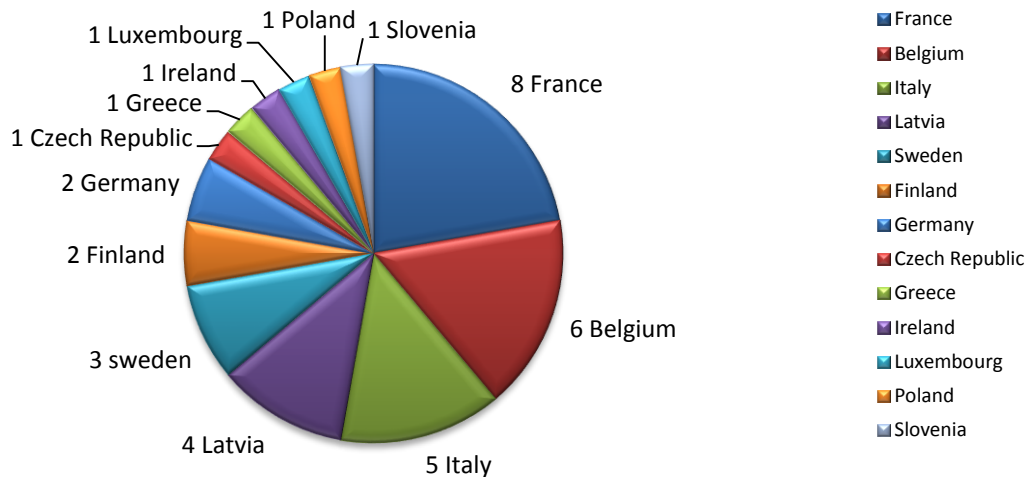
<sup>4</sup> <http://www.westwinds.co.jp/fac/way-in.htm>

## Results

The total of identified EU SMEs with a branch in Japan is 36 having their Head Quarter in 13 different EU countries as listed in graph1.

The most represented country is France followed by Belgium and Italy. Surprisingly no SMEs from the United Kingdom or Spain were identified. For one case, the Latvian Stenders SIA, the company is not present with a subsidiary but with a franchise.

**Graph1: EU SMEs with a local branch in Japan by country**



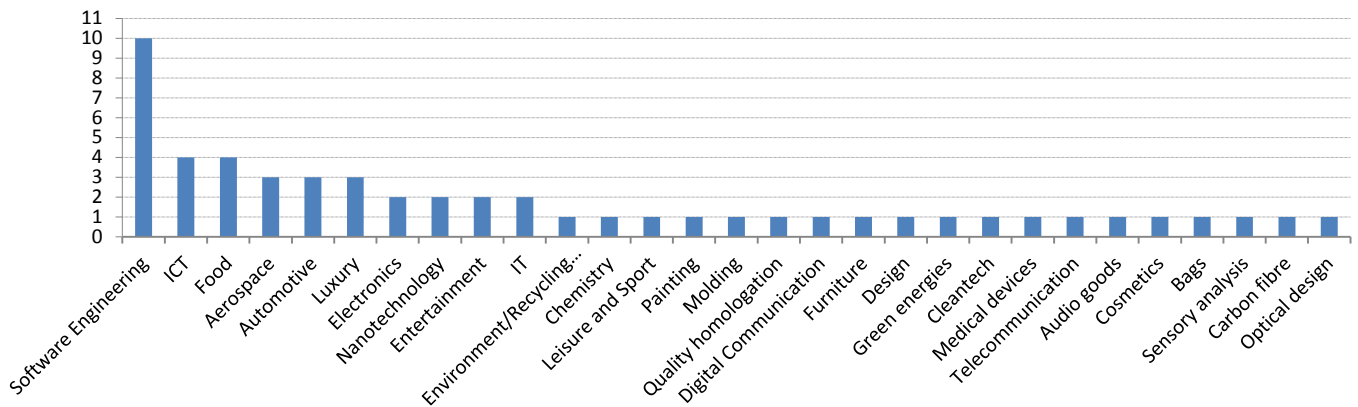
As for activity type, there is a good balance between manufacturer (60%) and service provider (40%) companies. Service provider companies are more likely to operate in the software engineering and ICT sectors. Graph2 indicate the sectors covered by the 36 SMEs (multiple choice of sector applies).

In general, the activities of the 36 SMEs are more oriented toward providing high technology goods and services (60% of total). Consequently, we may deduct that companies interested to open a local branch in Japan will be more likely operating in such activities compared to food companies (11% of total) that will be mostly oriented towards finding a local Japanese distributor as a partner rather than opening a branch in Japan.

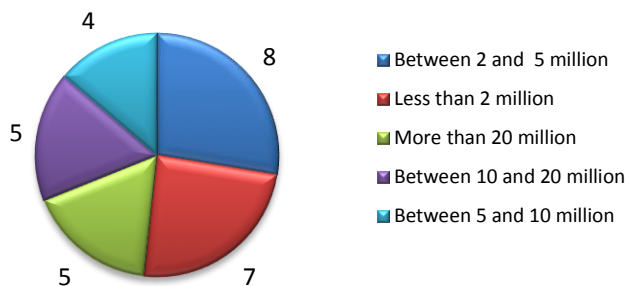
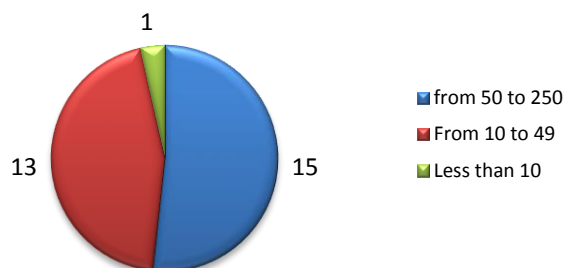
This observation confirms the results of the 2011 survey “Opportunities for the Internationalisation of Small and Medium Enterprises” that states: “*high-tech is now more specialised in exports to Japan and South Korea than to the other target markets*”<sup>5</sup>.

<sup>5</sup> Page 27 and 29 of the survey

[http://ec.europa.eu/enterprise/policies/sme/market-access/files/web\\_internationalisation\\_opportunities\\_for\\_smes\\_final\\_report\\_aug\\_2011\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/market-access/files/web_internationalisation_opportunities_for_smes_final_report_aug_2011_en.pdf)

**Graph2: EU SMEs with a local branch in Japan by sector of activity**

As for size and turnover of the 36 SMEs a statistically accurate result cannot be guaranteed due to the lack of uniformity (turnover of companies refer to different years and may not refer to the consolidate group data but only to the Head Quarter company) and certitude (number of employees) on the collected data. Graph3 and graph4 provide the repartition of the SMEs by their turnover and number of employees respectively (note that the total is different from 36 since for some companies no data at all could be found).

**Graph3: Repartition by turnover****Graph4: Repartition by total number of employee**

Finally, as already mentioned, the EU Members State representative organisations located in Japan do not usually categorize their company members by size, and also their own definition of SME could be less restrictive than the European Commission one.

The list of identified 36 SMEs is available in Appendix II.

## Conclusions

The estimated number of EU SMEs (around 50) present with a local branch in Japan is rather marginal comparing with the total number of EU SMEs engaged in business operations with Japan (an estimated 8% of the EU SMEs involved in international operations, according to the 2011 Survey).

Although, the characteristics of the Japanese market and business culture would normally require a physical presence in Japan, due to the costs, distance and other obstacles, most SMEs cannot afford to establish a branch in Japan, preferring to operate through Japanese business partners, distributors etc.

Therefore, the support from the part of EU Member States and the European Commission should further focus on providing easily accessible, adequate (concrete, up to date) information on market opportunities and business environment in Japan and particularly on providing assistance for identifying business partners/distributors through info services and cost effective electronic partnership tools such as EEN.

The physical (face to face) element, which is particularly important in the context of Japan, can be assured through B2B meetings and business match-making opportunities by further facilitating EU SMEs participation in international trade fairs, training programmes (such as those organised by the EU-Japan Centre: HRTP, WCM..), cluster mission, market research missions and concrete “soft landing” support schemes such as the “Step in Japan<sup>6</sup>” initiative recently launched by the EU-Japan Centre.

The opening of a local branch in Japan seems to still be a large sized companies’ playground and not yet a feasible objective for SMEs interested in doing business with Japan.

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<sup>6</sup> Step in Japan is a new logistic support for SMEs providing free of charge soft landing type of service:

- a “hotdesk” in Tokyo within the EU-Japan Centre’s premises (including internet connection and telephone) for up to 1 month (maximum 2 beneficiaries within the same time slot);
- access to meeting and seminar facilities within the Centre’s premises;
- information inquiry helpdesk on Japan; assistance for using the Enterprise Europe Network service while in Japan.



**Appendix I:** Contacted EU Members State representative organisations in Japan

French Chamber of Commerce & Industry in Japan (CCIFJ)	FR
Belgian-Luxembourg Chamber of Commerce (BLCCJ)	BE+LU
British Chamber of Commerce in Japan - BCCJ	UK
British Embassy in Japan	UK
Danish Chamber of Commerce in Japan (DCCJ)	DK
Royal Danish Embassy	DK
Finnish Chamber of Commerce in Japan - FCCJ	FI
Italian Chamber of Commerce in Japan (ICCI)	IT
Italian Trade Commission Tokyo (ICE)	IT
Swedish Chamber of Commerce & Industry in Japan - (SCCJ)	SE
Swedish Trade Council - Tokyo	SE
German Chamber of Commerce & Industry in Japan (DIHKJ)	DE
The Netherlands Chamber of Commerce in Japan - (NCCJ)	NL
Netherlands Embassy	NL
Embassy of the Republic of Poland in Japan	PL
Polish Chamber of Commerce and Industry in Japan (PCCIJ)	PL
Ireland Japan Chamber of Commerce (IJCC)	IE
Embassy of Ireland in Japan	IE
Enterprise Ireland - Japan office	IE
Embassy of Spain in Japan	ES
Embassy of the Slovak Republic in Japan	SK
Investment and Development Agency of Latvia (LIAA) (Europe HQ)	LV
Investment and Development Agency of Latvia (LIAA) (Tokyo office)	LV
Hungarian Investment and Trade Agency – HITA - Japan Office	HU
Embassy of Greece in Japan	GR
Embassy of Lithuania in Japan	LT
Portuguese Business Development Agency (AICEP) - Tokyo office	PT
Japanese Romanian Business Association (JRBA)	RO
Embassy of Romania in Japan	RO
Embassy of the Republic of Slovenia in Japan	SI
Enterprise Estonia Office in Tokyo	EE
Embassy of Estonia in Japan	EE
Advantage Austria - Japan office	AT
Embassy of the Republic of Bulgaria in Japan	BG
Embassy of the Czech Republic in Japan	CZ
Embassy of the Republic of Slovenia in Japan	SI

## Appendix II: SMEs in Japan listing

Name	Japan office name	Country of origin	Sector	Website
PEC	PEC Japan	Belgium	Aerospace, Automotive, Environment/Recycling and Renewable	<a href="http://www.peccorp.com/about-us/Locations.html">http://www.peccorp.com/about-us/Locations.html</a>
Nanocyl SA	Nanocyl Japan	Belgium	Aerospace, Automotive, Chemistry and Chemical, Electronics/Microelectronics, Leisure and Sport, Nanotechnology and Nanoscience	<a href="http://www.nanocyl.com/en/Contact-Us/Nearest-Sales-Contact">http://www.nanocyl.com/en/Contact-Us/Nearest-Sales-Contact</a>
intoPIX s.a.	intoPIX island K.K.	Belgium	Aerospace, Electronics/Microelectronics, Entertainment, ICT, Software Engineering	<a href="http://www.intopix.com/ja/contacts-23/lang/ja#.URNm2fJloQV">http://www.intopix.com/ja/contacts-23/lang/ja#.URNm2fJloQV</a>
Galler Chocolatiers SA	Galler Japan	Belgium	Food	<a href="http://www.galler.co.jp/gaiyou/index.html">http://www.galler.co.jp/gaiyou/index.html</a>
NV Glacio SA	Glacio Ice Cream Japan KK	Belgium	Food	<a href="http://www.glacio.co.jp/profile.html">http://www.glacio.co.jp/profile.html</a>
NEWTREE	NEWTREE Japan Co., Ltd	Belgium	Food	<a href="http://www.newtree.com/en_us/company/contact-us/">http://www.newtree.com/en_us/company/contact-us/</a>
Zoner Photo Studio	Zoner L.L.C.	Czech Republic	ICT, Software Engineering	<a href="http://www.zoner.com/jp-jp/about-us/company-profile">http://www.zoner.com/jp-jp/about-us/company-profile</a>
Senseg Oy	Senseg Japan	Finland	Digital Communication	<a href="http://senseg.com/contact">http://senseg.com/contact</a>
Artek oy ab	Artek Tokyo Office	Finland	Furniture, architect, designer	<a href="http://www.artek.fi/contacts/headoffice">http://www.artek.fi/contacts/headoffice</a>
FTZ Informatique Industrielle	FTZ JAPAN	France	Software Engineering	<a href="http://www.schemelect.com/v3/contact/contact_agence.php?lg=uk">http://www.schemelect.com/v3/contact/contact_agence.php?lg=uk</a>
Senideco	Senideco France Nihon Shiten	France	Painting	<a href="http://www.senideco.com">http://www.senideco.com</a>
A2Mac1	A2Mac1	France	Automotive	<a href="http://www.a2mac1.com/home/automotive-benchmarking.asp">http://www.a2mac1.com/home/automotive-benchmarking.asp</a>
RocTool	RocTool Japan	France	Molding	<a href="http://www.roctool.com/contact.php">http://www.roctool.com/contact.php</a>
Digital Surf	Digital Surf	France	Software Engineering	<a href="http://www.digitalsurf.fr/en/contact.html">http://www.digitalsurf.fr/en/contact.html</a>
Alpha M.O.S.	Alpha M.O.S. Japan K.K.	France	Odor-taste Sensory analysis	<a href="http://www.alpha-mos.com/alpha_mos/contact.php">http://www.alpha-mos.com/alpha_mos/contact.php</a>
EPSILON COMPOSITE	EPSILON JAPAN KK	France	Carbon fibre	<a href="http://www.epsilon-composite.com/contacts.htm">http://www.epsilon-composite.com/contacts.htm</a>
Optis SAS	OPTIS Japan	France	Optical design, software engineering	<a href="http://www.optis-world.com/contact.html">http://www.optis-world.com/contact.html</a>
flexis AG	flexis Japan K.K.	Germany	ICT, Software Engineering	<a href="http://www.flexis.com/en/company/locations.html">http://www.flexis.com/en/company/locations.html</a>
SHF Communication Technologies AG	SHF JAPAN Corporation	Germany	Telecommunication, electronic equipment	<a href="http://www.shf-japan.com/">http://www.shf-japan.com/</a>
COMPUCON S.A.	COMPUCON JAPAN S.A.	Greece	Software Engineering	<a href="http://www.compucon.jp/en/about.html">http://www.compucon.jp/en/about.html</a>
Corvil Ltd	Corvil Ltd	Ireland	Software Engineering	<a href="http://www.corvil.com/Contact-Us.aspx?loc=tokyo">http://www.corvil.com/Contact-Us.aspx?loc=tokyo</a>
Chantecler SPA	CHANTECLER JAPAN CO., LTD	Italy	Jewelry	<a href="http://www.chanteclerjapan.com/shop.html">http://www.chanteclerjapan.com/shop.html</a>
Organic Spintronics srl	ORGANIC SPINTRONICS JAPAN	Italy	Nanotechnology	<a href="http://www.organic-spintronics.com/contacts.php?sel=h5">http://www.organic-spintronics.com/contacts.php?sel=h5</a>
Formia International Srl	Formia Japan Inc.	Italy	Luxury, Glass	<a href="http://www.formia-japan.co.jp/contact/">http://www.formia-japan.co.jp/contact/</a>
PGH S.p.A.	PIERO GUIDI JAPAN CO., LTD.	Italy	Leather bags	<a href="http://www.pieroguidijapan.com/html/orider/index.php">http://www.pieroguidijapan.com/html/orider/index.php</a>
Vior Spa	VIOR JAPAN INC.	Italy	Jewelry	<a href="http://www.vior.it/index.html">http://www.vior.it/index.html</a>
Zabbix SIA	Zabbix SIA	Latvia	High Technology, Software Engineering	<a href="http://www.zabbix.com/contact.php">http://www.zabbix.com/contact.php</a>

Real Sound Lab SIA	Real Sound Lab Japan Co.,Ltd.	Latvia	Audio goods and software	<a href="http://www.realsoundlab.com/company/contacts/">http://www.realsoundlab.com/company/contacts/</a>
Stenders SIA	Stenders Japan	Latvia	Cosmetics	<a href="http://www.stenders.jp/about/">http://www.stenders.jp/about/</a>
Mottra SIA	Mottra Japan Co.,Ltd.	Latvia/Russia	Food	<a href="http://mottra.co.jp/">http://mottra.co.jp/</a>
Luxcontrol	Luxcontrol Japon	Luxembourg	Quality homologation services	<a href="http://www.luxcontrol.com/fr/International/Luxcontrol-Japon">http://www.luxcontrol.com/fr/International/Luxcontrol-Japon</a>
Forever Entertainment S.A.	NCM Entertainment Corporation	Poland	Entertainment	<a href="http://www.ncme.jp/20250310382669620869.html">http://www.ncme.jp/20250310382669620869.html</a>
Cosylab d. d.	Cosylab Japan	Slovenia	IT consulting	<a href="http://www.cosylab.com/about_cosylab/contact_us/">http://www.cosylab.com/about_cosylab/contact_us/</a>
BMS & Green Tech Solutions	BMS & Green Tech Solutions	Sweden	Green energies, Cleantech, ICT	<a href="http://bmsgreentech.com/contact/">http://bmsgreentech.com/contact/</a>
PreSwede AB	Scandinavia Corporation	Sweden	Medical devices, health care	<a href="http://www.preswede.com/contact/powerlite-worldwide/">http://www.preswede.com/contact/powerlite-worldwide/</a>
IAR Systems Group	IAR Systems K.K.	Sweden	IT	<a href="http://www.iar.com/jp/About/Company-overview/">http://www.iar.com/jp/About/Company-overview/</a>

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April 2013