



**SARKAR OFFICE JAPAN KK**

Consulting Services  
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## Japan Branch

Foreign companies wishing to engage in business operations in Japan must establish a [branch office](#) or a [subsidiary company](#).

The simplest means for a foreign company to establish a base for business operations in Japan is to set up a branch office. The branch office can begin business operations as soon as an office location is secured, the branch office representative determined, and the necessary information registered with the local authority and all mandatory reportings are completed.

A Japanese branch office is a business location that provides services in Japan decided upon by an organization authorized by the foreign company, and ordinarily is not expected to engage in independent decision making.

A branch office does not have its own independent local legal corporate status, but instead is deemed to be within the umbrella of corporate status of the foreign parent company.

In general, therefore, the foreign parent company is ultimately responsible for all debts and credits generated by the activities of its Japanese branch office. A Japanese branch office, however, may open bank accounts and lease real estate in its own name once its registered in Japan.

[The procedures for closing a branch office must also be completed when upgrading a branch office to a subsidiary company.](#) Because a branch office cannot be directly reorganized into a joint-stock corporation (Kabushiki-Kaisha (K.K.) or a limited liability company (Godo-Kaisha (LLC)), the branch office closure procedures and the subsidiary company establishment procedures must be carried out simultaneously. In such instances, however, the branch office's assets may be passed on to the subsidiary through investment in kind.