Enhancement of youth entrepreneurship

Group C

Rara Tsuruta, Naoto Nishida, Ai Ninomiya, Mariko Kamiya, Jo Hamaguchi, Chihiro Kawano, Fumika Ikeda
Contents of our presentation

1. Member Introduction
2. Status quo analysis on entrepreneurship engagement in Japan
   a. Motivation of the youth to establish own business
   b. Major startup sectors
   c. Entrepreneurship supporting scheme by University/Gov’t/NGO
   d. Administrative process of establishing a company
   e. Differences in resource between cities vs. rural areas
   f. Examples of youth entrepreneurship

3. Proposal for mutual action for enhancing Russia-Japan’s Youth entrepreneurship
Members of Group C

- Fumika
- Mariko
- Ai
- Naoto
- Jo
- Lala
- Chihiro
YOUNG JAPANESE SEEK TO AVOID RISK
Current status of Japanese youth entrepreneurs

Why are there a few Japanese youth entrepreneurs?

Graph: Prospective career path after completing degree and 5 years time

Major Startup sectors in Japan

- Currently in Japan, it is in the 4th phase of startup boom
  - Due to Industry 4.0, there is large increase in number of Big Data, AI, IoT, FinTech firms
  - Graph: Major 28 Startup Sectors list according to number of firms in Japan (2016)

|----------------|------------|-----------------------|----------|-------------|-------------|--------------------------|

Entrepreneurship supporting scheme by universities
Entrepreneurship supporting scheme by universities

1. Promotional events (Seminars, Workshops, Business contests)
2. Mentorship scheme
3. Provision of the research funds (approx. 10,000-30,000$ per year)
4. Provision of the office rooms for research
5. Collaboration opportunities with university hospitals or laboratories

Emphasise on Manufacturing / IT
Entrepreneurship supporting scheme by universities

In 22 years…(1997~2019)

Established : 150
Active in 2019 : 121
What can universities do to increase youth entrepreneurs?

Graph: Attendance of entrepreneurship classes in university

Entrepreneurship supporting scheme

1. Federal Gov’t
   “J-Startup” initiative to support early stage development of startups
   Maximum is $65,000 funded by Ministry of Economy, Trade, and Industries

2. Municipal Gov’t
   More than 1000 cities in local prefectures promote entrepreneurship, partnering with local bank for fundraising
   ex) Business Seminar, Enterprise agency, financial support

3. NGO/NPO
   Creating opportunities to test the business model, provide network, consultation
   ex) Cooperation with local gov’t for experiments of social problems

Source: https://www.etic.or.jp/about/description
Administrative processes of establishing a company

1. Decide
   Decide the founder, logo, and the name of the company

2. Submit
   Submit the business purpose and certificate of registered seal to the municipal office

3. Certified
   Obtain certification on Articles of Association (employee numbers/business model) at the local notary public office
   = minimum cost $520

4. Payment
   Pay the share capital at the bank and final registration at the legal affairs bureau
   = minimum cost $1500
Differences in resources between cities and rural cities in Japan

**Definition**

- **Resources:** Business ecology, Money, Human resources
  - **Cities:** Easy access to Venture Capitals (since early stage, it is possible to seek for investments and mentorship)
  - **Rural cities:** Only institutionalized resources are available such as local government, universities
  - **Cities:** Abundant human resources from young professionals to senior
  - **Rural cities:** Comparatively difficult to find young employees, small community scale makes easier to find skilled personnel

Source: Japan Finance Corporation [https://www.jfc.go.jp/n/findings/pdf/soukenrepo_17_06_23b.pdf](https://www.jfc.go.jp/n/findings/pdf/soukenrepo_17_06_23b.pdf)
Summary

- Focused on IT/Tech
- Issue is increase incentive for the fresh grads to go start business
- Need good environments to study and practice about entrepreneurship
Proposal for enhancing Russian-Japanese youth entrepreneurship
Enhancement of youth entrepreneurship

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Current status of Japanese youth entrepreneurs

Why are there a few Japanese youth entrepreneurs?

Graph: Prospective career path after completing degree and 5 years time

- An employee in a small business (1-49 employees): 4.6% (JP), 4.9% (world)
- An employee in a medium-sized business (50-249 employees): 3.4% (JP), 7.0% (world)
- An employee in a large business (250 or more employees): 11.4% (JP), 20.3% (world)
- A founder (entrepreneur) working in my own business: 18.8% (JP), 11.7% (world)

### Major Startup sectors in Japan

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# Entrepreneurship supporting scheme

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## Differences in resources between cities and rural cities in Japan

### Definition

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<td>Cities: Tokyo, Osaka, Nagoya</td>
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<td>Rural cities: Others</td>
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### Business Ecology & Money

- **Cities**: Easy access to Venture Capitals (since early stage, it is possible to seek for investments and mentorship)
- **Rural cities**: Only institutionalized resources are available such as local government, universities

### Human resources

- **Cities**: Abundant human resources from young professionals to senior
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To make connections between shrines, temples and people...

ホトカミ（Hotokami）

- To write down, record, and share your visiting to shrines and temples.
- Introducing temple’s websites
- Practicing various kinds of campaign to attract people.
- Offering internship positions at temples

More people visiting sites thanks to ‘hotokami’.
- A new project for foreign people who will visit Japan during 2020 Tokyo Olympic is now available.
To improve current medicine...

OUI inc.

• Established by ophthalmologists graduated from Keio University, Japan.
• Their first product, Smart Eye Camera (SEC), made it easier to do health check-up of eyes in developing countries.
• Keio University Medical School holds a contest which students and alumni compete their ideas about new businesses every year to promote entrepreneurship.
• OUI inc. won the contest in 2018.

https://www.ouiinc.jp
To introduce Russia and make it familiar to Japanese people...

Восток Tokyo

• An apparel brand made by students in 2018.
• Their aim is to get Japanese people know more and feel familiar about Russia.
• Their products contains Cyrillic alphabet, which represents Russian.

https://www.vostok-tokyo.com
Proposal for enhancement on youth entrepreneurship

1. More Affiliations among Russian and Japanese universities

2. More Collaboration events
   - Business Contests
   - Meetups for programmers
Business contest

“Business model competition on health-tech industry”

- Russia and Japan both are faced with social problem of aging society
- Online application by video presentation and winning 3 teams of both countries would compete again physically by inter country forum
- Final-competition will be open to public at university facility, and online streaming
Hackathon

“Create a platform to stimulate your local community”

- Russian and Japanese students would team up together to solve the task
- The winner will receive a support funds to actually run the platform
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