

# **Japan**

New requirements for Business Manager work and residence category

# **Executive summary**

Japan recently announced new requirements for foreign nationals applying for work and residence authorization under the Business Manager category. The new requirements are set to take effect in mid-October 2025.

#### Background

Foreign nationals who seek to apply under the Business Manager category may qualify if they manage or invest in a local company in Japan and meet other eligibility criteria. The authorities introduced the new requirements in an effort to align them with the requirements for similar categories in other countries and curb misuse.

### Key developments

Effective mid-October 2025, sponsoring companies and applicants will be required to meet the following conditions when filing applications for work and residence authorization under the Business Manager category:

- Size of business: The sponsoring company will need to employ at least one full-time employee residing in Japan, separate and apart from the individual who is applying for work and residence authorization under the Business Manager category. In addition, the minimum capital or the total investment requirement will be increased from five million to 30 million yen. Currently, the sponsoring company is required to either employ two full-time employees or meet the minimum capital/investment requirement.
- Experience and academic qualifications: Individuals who apply as investors will be required to have at least three years of experience operating or managing a business, including any period during a course of study at a graduate

school where the applicant majored in operations or management of a business. Currently, this requirement only applies to applicants seeking to manage a business (and not those seeking to invest in a business). Additionally, these individuals will now be required to have a doctoral degree, master's degree or professional degree (e.g., MBA) in a field related to business management or in a field relevant to the skills or knowledge required for the business associated with the application.

- Business plan: Individual applicants will be required to submit a business plan that is assessed by a management expert (e.g., small- and medium-enterprise consultant, certified public accountant). Currently, an evaluation by a third party is not required.
- Proof of capital/investment and employee documentation: Individual applicants will be required to submit proof of capital or investment, and documentation on employees such as payroll records and residency certificates. Currently, only one of these documents is sufficient.

The following requirements remain unchanged:

- Existence of a business office: A business office to conduct the business pertaining to the application should exist in Japan. If a business has not commenced, a business office to conduct business will have to be secured in advance in Japan.
- Remuneration: Individual applicants will need to receive remuneration that is equivalent to or greater than that of a Japanese national for the same work.



#### Impact on employers

Employers may consider the new requirements when sponsoring individuals for work and residence authorization under the Business Manager category to ensure compliance and mitigate business disruptions.

#### Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

# <u>Japan</u>

Yoshito Kijima

Partner - People Advisory Services, Global Immigration

Tel: +81 70 2478 0144 Email: yoshito.kijima@ey.com

Yuki Omine

Senior - People Advisory Services, Global Immigration

Tel: +81 90 8194 7654 Email: yuki.omine@jp.ey.com

# EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

#### All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2025 Ernst & Young LLP. All Rights Reserved.

EYG no. 007827-25Gbl

2101-3682263 ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

#### ey.com