



EDC'S GUIDE

CULTURAL TIPS FOR DOING BUSINESS IN JAPAN

Canada

 **EDC**
TAKE ON **THE WORLD**

When it comes to business etiquette, what's acceptable in one country, may not be in another. To be successful in international trade, you need to understand the culture, traditions and business habits of your clients and partners in your target markets and adapt your communication and business strategies accordingly.

It could mean the difference between winning—or losing—a contract.

With a gross domestic product (GDP) of \$5.7 trillion (2023), Japan—with its population of 122 million—has the fourth-largest economy in the world and is one of our most important commercial and economic partners. Foreign direct investment (FDI) from Japan into Canada is valued at \$49.3 billion (2023), making Japan our largest source of FDI from the Indo-Pacific and third-largest overall. Japanese subsidiaries and affiliate companies operating in Canada employ thousands of Canadians and support numerous communities.

Considered one of the most densely populated countries in the world, Japan has an aging population and low fertility rate, with labour shortages impacting various sectors and professions. Despite lacking in critical natural resources, Japan has an excellent health-care system, high literacy and education standards and is a global leader in aerospace exploration, robotics and biomedical research.

From DVDs and CDs to the pocket calculator, bullet trains, selfie stick, camera phone, instant noodles and the QR code system, Japan has shaped the world with a dazzling array of inventions over the years.

Canada and Japan have shared more than 90 years of diplomatic relations. Since signing the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in 2018, a free trade agreement among 11 countries (soon to be 12 with the United Kingdom joining), trade has been steadily increasing between Japan and Canada.

We also share growing security and defence ties, anchored in a shared desire for a free and open Indo-Pacific region. The opportunities for Canadian companies are immense, but something as simple as being late for a meeting or trying to rush negotiations could be detrimental to a working relationship.

5 KEY ETIQUETTE TIPS

1. **Understanding Japanese culture.** It's crucial to be aware and respectful of Japan's fundamental cultural values and more formal business practices, which can help open doors and lead to a positive business relationship. Civility, good manners and consideration for others create a favourable impression of you and your company. Seniority and hierarchy are highly respected. Be sure to greet the most senior person in a group first, before meeting others. Do your "nemawashi" groundwork ahead of time, including sending a draft agenda in advance outlining roles, biodata and relevant documents. Understand that meetings are usually for announcing decisions—not making them. Bowing is a sign of respect when saying hello, goodbye and thank you. Japanese sometimes shake hands and bow at the same time. Avoid visiting in Obon (mid-August) or during Golden Week (late April-early May) and New Year's holidays.
2. **Punctuality & the business card.** Home to 37 million people, Tokyo, Japan's capital, is a bustling mega city. While public transit is notorious for its punctuality throughout the country, showing up 10 to 15 minutes early for your first business meeting is essential and a sign of respect. Make sure to validate beforehand whether you need to bring an interpreter with you. When accepting a business card, handle it with care, using both hands. Leave the card on the table during your meeting and then stow it carefully in your briefcase afterward. Never write notes on, bend, or fold a Japanese business card. Bring about 100 double-sided (English-Japanese) with you to hand out at meetings and conferences.
3. **What's in a name?** In Japan, as in other parts of Asia, a person's family name comes first, followed by the given name. When addressing someone by their family name, use the honourific "san"—similar to Mr., Mrs. and Ms.—which can be applied to any gender. Calling someone by their first name or a nickname is considered inappropriate. The Civil Code prohibits married couples from having separate surnames on their family registry, although many women use their maiden names at work after marriage.
4. **Silence is golden.** While friendly banter is often considered the norm when building business relationships in the West, the Japanese value modesty and humility. Avoid small talk in a business meeting—the Japanese favour a more formal, reserved approach. Asking too many personal questions during initial meetings is regarded as pushy. English is a second language, so speak clearly, slowly and avoid slang. The highest-level person in the room doesn't always lead the meeting. Business attire is conservative with an emphasis on subdued colours.
5. **Table manners.** Socializing after work is an opportunity for your Japanese counterpart to learn more about your character. Business dinners are an integral part of doing business in Japan, so it's important to be well-versed on proper table etiquette. When picking up food from a shared dish, use the opposite end of your chopstick—if there are no utensils. Wipe your hands—not your face—on the towel (*oshibori*) often given out at the start of a meal.



JAPAN

INTERESTING FACTS ABOUT JAPAN

- › Canada's participation in Expo 2025 in Osaka, Japan, will provide another opportunity to strengthen cultural and economic ties. United for a better future, the theme of the upcoming world expo, hopes to attract 28 million visitors.
- › Renowned for its fresh, flavourful cuisine, the Japanese diet is rich in protein, dietary fibre, vitamins and minerals, and consists of sushi, fermented and boiled vegetables, noodles, rice, lean seafood, green teas and herbal drinks. With one of the lowest obesity rates in the world, their diet is credited with the longevity of its people.
- › The Japanese flag consists of a crimson red circle at its centre, symbolizing the sun, against a white background. Japan is often referred to as the "Land of the Rising Sun." Legend states that the imperial throne in Japan was descended from the sun goddess Amaterasu.
- › Japan is an entertainment lover's dream with its video games and television and fashion shows. Its distinctive anime (hand-drawn animation and child-like cartoons) and manga (graphic, comic book-style novels) series are one of Japan's most prominent cultural exports. It's estimated that the anime market will grow to \$47 billion by 2028.
- › With its snow-topped, cone-shaped peak, the iconic Mount Fuji is one of Japan's most endearing national symbols and a pilgrimage site for centuries. An active volcano, it last erupted in 1707. Located on the island of Honshu, about 100 kilometres southwest of Tokyo, the mountain is the country's tallest at 3,776 metres.
- › Japan is a nation that loves to bathe. Hot spring baths (*onsen*) and public baths (*sentō*) are essential parts of the Japanese bathing culture. Home to many volcanic hot springs, there are more than 20,000 bathing facilities throughout the country.



FOR MORE INFORMATION

- › Visit EDC's [Doing business in Japan: Insights for Canadian exporters](#).
- › Reach out to [Diane Belliveau, regional vice-president, East Asia and Oceania](#).
- › Visit the [Canada Trade Commissioner Service \(TCS\) in Japan](#).

ABOUT EXPORT DEVELOPMENT CANADA

Who are we?

Export Development Canada (EDC) is Canada's export credit agency. Our job is to support and develop Canada's export trade by helping Canadian companies respond to international business opportunities. We're a self-financing Crown Corporation that operates at arm's length from the Government of Canada.

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