

HOW SHOULD JAPAN REFORM  
ITS CORPORATE LEGAL STRUCTURE AND PRACTICE  
TO MORE EFFECTIVELY NURTURE START-UPS?

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By

Hiromi Furushima

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## Abstract

For the Japanese economy, nurturing start-ups is one of the key solutions to the problem of adjusting to rapid change in technological development. In the U.S., economic and legal structures are decidedly market-oriented and encourage competition. This competition has played an important role in successfully nurturing start-ups. In Japan, although there have been legal reforms to create and nurture start-ups, some barriers to the growth of start-ups still exist. This article analyzes those areas of Japanese law, using the U.S. system as a comparative model.

Furushima's research examines the U.S. model of venture capital financing, which is formed to decrease risk and increase incentive, and the U.S. corporate law which supports this model. Furushima also examines the Japanese model of venture capital financing, and explores possible reform of Japanese corporate law for effective venture capital financing as well as lessons from current U.S. downturn of venture capital industries.

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