

Choose Europe: Expanding Opportunities for Japanese Startups in Europe

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15 June 2026

Key Points

- The EU is working to make Europe a more attractive place for startups and scaleups by simplifying company establishment, digitalising administrative procedures, strengthening access to finance, and attracting skilled talent.
- For Japanese startups, the EU is becoming increasingly important not only as a sales market, but also as a base for R&D, demonstration projects, fundraising, partnership building, and scaleup.
- Japan–EU cooperation is also becoming more concrete, especially in GX and clean tech, through JETRO, the GX Acceleration Agency, EIT InnoEnergy and other partners, creating more opportunities for Japanese companies to connect with European investors.

What is EU Startup and Scaleup Strategy?



Choose Europe 

OPEN FOR STARTUPS & SCALEUPS

EU Startup and Scaleup Strategy

making Europe a startup powerhouse

The EU Startup and Scaleup Strategy aims to make Europe a great place to launch and grow global technology-driven, innovative companies.

The Strategy builds on the **huge potential** of Europe's internal market and will enable innovative companies to **scale in the EU and compete in the global market.**

In May 2025, the European Commission published the [EU Startup and Scaleup Strategy](#). The strategy aims to make the EU one of the world's leading hubs where startups and scaleups can be founded, grow, and expand globally.

The EU already has strong R&D capabilities, universities and research institutions, an industrial base, skilled talent, and investor networks. However, many challenges remain for startups seeking to commercialise research results and scale up within Europe. In particular, differences between Member States' systems, limited access to finance, complex regulatory requirements, and difficulties in securing talent have been identified as obstacles to startup

growth.

Against this background, the strategy sets out a comprehensive policy package to make it easier for startups to launch in Europe, raise finance, attract talent, and move forward with demonstration projects and market expansion.

Why is this relevant for Japanese startups?

The EU aims to encourage innovators, founders and investors to “**Choose Europe**” by creating an environment where innovative companies can more easily establish legal entities and business bases in Europe, conduct R&D and demonstration projects, raise finance, and scale up their businesses.

For Japanese startups, this is an important policy development when considering Europe not merely as an export destination or sales market, but **as a base for R&D, demonstration projects, fundraising, partnership building and scaleup**. This is particularly relevant in areas where the EU’s strategic technology priorities overlap with the strengths of Japanese companies, such as AI, semiconductors, clean tech, biotech, robotics, space, defence and security, and advanced materials.

Main Points

1. Making it easier to establish a company in the EU

The **EU Startup and Scaleup Strategy** proposed the introduction of a so-called **28th regime** to reduce the burden caused by differences in company law, tax rules and labour law across Member States. The idea is to create a common EU-wide corporate framework that is easy for startups to use, allowing them to establish a company in Europe quickly and scale across the EU without being overly dependent on the legal system of a specific Member State.

On 18 March 2026, the European Commission formally proposed the **EU Inc. Regulation (COM(2026) 321 final)**, which gives concrete form to this 28th regime by defining a new EU-wide legal form for limited liability companies. The proposal would allow the establishment of companies **without a minimum share capital requirement**, a **maximum registration fee of EUR 100**, and **fully online registration within 48 hours** through an EU central portal. This is expected to significantly reduce the initial costs and administrative burden for startups establishing a legal entity in Europe.



Credit: European Commission Audiovisual Service / Bogdan Hoyaux © European Union, 2026

For Japanese startups, this is an important development because it may help address practical questions such as **which EU country to incorporate in**, whether procedures are too complex, and whether regulatory compliance becomes too burdensome when expanding across multiple Member States. In particular, the possibility of establishing a European legal entity quickly and at low cost could be important for startups considering business

development, fundraising and recruitment in Europe.

The EU Inc. Regulation proposal will still need to be discussed by the Council of the EU and the European Parliament. Its actual timing of introduction and final design will therefore depend on the upcoming legislative process.

2. Digitalising administrative procedures

The strategy also proposed the introduction of a **European Business Wallet** to simplify administrative procedures for startups and companies operating in the EU. The European Business Wallet is designed to digitalise interactions between companies and public administrations. By making it easier to manage and share company information and certificates digitally, it is expected to reduce the burden of registration, applications, permits and other administrative procedures within the EU.

For companies entering the EU from outside the region, this could also help reduce the practical burden of starting and operating a business in Europe. In particular, when Japanese companies establish a European legal entity or business base and need to apply for subsidies, complete administrative registrations, or obtain certifications, further digitalisation could become an important factor in reducing day-to-day administrative workload.

On 19 November 2025, the European Commission formally published the **European Business Wallet Regulation proposal (COM(2025) 838 final)**. The proposal will now be discussed by the European Parliament and the Council of the EU with a view to adoption.

3. Strengthening access to finance

The strategy aims to expand the [European Innovation Council \(EIC\)](#), which supports deep-tech companies, and to create the [Scaleup Europe Fund](#), designed to provide large-scale financing for companies in the growth stage. While Europe has relatively well-developed support schemes for early-stage startups, a shortage of large-scale growth capital has been a challenge, sometimes leading promising companies to relocate outside Europe, including to the United States.

The Scaleup Europe Fund is being prepared as a major fund with a target size of **EUR 5 billion**. [In May 2026, the EIC Fund Board selected Sweden-based EQT as the official fund manager or preferred investment adviser](#). The fund is expected to be presented at the **EIC Summit on 3 June 2026**, with first direct investments planned from around autumn 2026.

In addition to the European Commission as an anchor investor, several major European institutional investors have expressed their intention to participate, including **Novo Holdings, EIFO, CriteriaCaixa, Santander / Mouro Capital, APG** and **Allianz**. The aim is to mobilise not only EU public funding, but also private and institutional capital to expand large-scale investment in European growth companies. Target areas are expected to include strategic technology fields such as **AI, semiconductors, clean tech, biotech, robotics, space, defence and security, and advanced materials**.

For Japanese startups establishing a legal entity or business base in Europe and working with EU partners on R&D, demonstration projects or business development, EU funding instruments such as the EIC and the Scaleup Europe Fund may become relevant options. However, eligibility and funding conditions differ by call and scheme, including requirements related to the place of establishment, project location, consortium structure and EU-side partners. Companies should therefore check the specific requirements of each programme before considering application.

4. Attracting skilled talent and entrepreneurs

The strategy also includes the [Blue Carpet Initiative](#), which aims to attract skilled talent, researchers, entrepreneurs and engineers from both within and outside the EU. Its objective is to make the EU a more attractive place for talented individuals to start businesses, work, and conduct R&D. The strategy refers to the use of the **EU Blue Card** and the future **EU Visa Strategy** to attract highly skilled third-country nationals, students, researchers, entrepreneurs and trained workers to the EU.

A particularly important point is that the European Commission intends to encourage Member States to introduce fast-track procedures enabling startup founders to obtain residence and work permits more quickly. For Japanese startup founders, this could lead not only to easier company establishment in the EU, but also to improved conditions for founders and key personnel to relocate to Europe, stay there, and develop their business locally.

Growing Japan–EU startup cooperation

Japan–EU cooperation to support Japanese startups' expansion into Europe has become increasingly concrete in recent years. In particular, in the fields of **GX and clean tech**, opportunities for Japanese companies to connect with European investors, demonstration partners and innovation ecosystems are expanding through intergovernmental dialogue, cooperation between support organisations, and acceleration programmes.

1. Confirmation at the Japan–EU High-Level Economic Dialogue



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The joint press statement of the [7th Japan–EU High-Level Economic Dialogue \(HLED\)](#), held in Brussels on 7 May 2026, referred to initiatives based on the [Memorandum of Cooperation \(MOC\)](#) among JETRO, the GX Acceleration Agency and InnoEnergy.

The statement indicated both sides' intention to promote support for startups working on innovation in both regions. This suggests that a framework to support Japanese startups' expansion into Europe is increasingly being positioned within the broader context of Japan–EU policy cooperation.

2. Supporting European expansion through J-StarX

J-StarX, an entrepreneur development programme organised by **JETRO and METI**, also includes courses that support

Japanese startups' expansion into Europe in cooperation with European climate innovation organisations.

In the clean-tech field, [selected Japanese startups travel to Europe to meet investors and major companies, explore possibilities for demonstration projects, and pitch for fundraising](#). These initiatives help Japanese startups use Europe not only as a sales market, but also as a place for demonstration, co-development, fundraising and business expansion.

Participating companies include **esa Inc.**, which develops recycling technology to convert composite plastics into reusable pellets; **Eco-Pork Co., Ltd.**, which has begun demonstration and technology deployment in Europe in the context of supporting the recovery of Ukraine's livestock sector with public support from UNIDO and the Japanese government; and **Innovare Inc.**, which upcycles discarded rubber seeds to produce biofuel oil and biochar. Other examples include **MetaSensing Inc.**, a Japanese startup developing a measurement and analysis platform that combines optical measurement devices with generative AI, and **Quantum Flowers & Foods Inc.**, which provides a rapid breeding platform for climate-resilient crops. These companies are exploring opportunities for cooperation with European partners.

3. The potential shown by cooperation with InnoEnergy

A concrete example of Japan–EU startup cooperation is the growing link with Europe's innovation ecosystem, including [EIT InnoEnergy](#), an EU-supported innovation body.

For example, the clean-tech company [AC Biode](#) has bases in both Japan and Europe. It has received investment from **EIT InnoEnergy** and has also been supported as a selected company under JETRO's **Global Startup Acceleration Program (GSAP)**. The company is developing businesses in areas such as low-temperature decomposition technology for waste plastics and AC batteries, making it an example of a startup using both Japanese and European ecosystems.

Such cases show the potential for Japanese technology startups and R&D-driven companies to grow by using Europe's funding, demonstration environments and industrial networks. These developments indicate that concrete entry points for Japanese startups' expansion into Europe are expanding. In areas such as **GX, clean tech, energy, circular economy, AI and advanced materials**, there is significant potential for Japanese technologies and solutions to match Europe's policy challenges and industrial needs. Going forward, opportunities for Japanese startups to connect with demonstration partners, investors and business partners in Europe are expected to expand further through Japan–EU policy dialogue, support from JETRO and others, and cooperation with European innovation organisations.

[The Invest in EU Hub](#) will continue to introduce information on Japan–EU startup cooperation, EU startup support schemes, and funding and demonstration opportunities in ways that are useful for Japanese companies and startups considering expansion into Europe.

Related Links

- [EU Startup and Scaleup Strategy - Research and innovation](#)
- [Commission presents proposal for EU Inc.](#)
- [EUR-Lex - 52026PC0321 - EN - EUR-Lex](#)
- [EUR-Lex - 52025PC0838 - EN - EUR-Lex](#)
- [European Innovation Council - European Innovation Council](#)
- [Scaleup Europe Fund - European Innovation Council - European Commission](#)
- [EQT selected to lead the Scaleup Europe Fund](#)
- [Commission launches ambitious Strategy to make Europe a startup and scaleup powerhouse](#)
- [第7回目・EUハイレベル経済対話の開催 | 外務省](#)
- [GX推進機構、InnoEnergyとの間で三者協力に関する覚書を締結 - 日EU連携により脱炭素分野におけるイノベーション加速に貢献 - | 2025年 - お知らせ - お知らせ・記者発表 - ジェトロ](#)
- [Call for European Partners: Collaborate with Leading Japanese Climate Tech Start-ups | Climate KIC](#)
- [J-StarXで後押し、欧州の環境課題に日本発スタートアップが挑む\(日本、オランダ\) | ビジネス短信 - ジェトロの海外ニュース - ジェトロ](#)
- [国際連合工業開発機関の「日本企業からの技術移転を通じた新事業創造によるウクライナのグリーン産業復興プロジェクト」に採択 | 株式会社 Eco-Pork](#)
- [AC Biode – CHEMICAL TECHNOLOGY FROM LUXEMBOURG & JAPAN](#)
- [AC Biode | Global Startup Acceleration Program \(GSAP\) Alumni - Acceleration Program - JETRO Startup - Japan External Trade Organization - JETRO](#)
- [EU Blue Card - Migration and Home Affairs - European Commission](#)
- [Commission adopts a first-ever EU Visa Strategy](#)

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