



	May 2018	December 2018	October 2019
Total Respondents	66	70	69
Respondents with customers in this county	36	28	29
Sales are primarily to	May 2018	December 2018	October 2019
Existing Customers	91%	93%	100%
New Customers	9%	7%	0%
Respondents extending credit to customers vs. those who do not	May 2018	December 2018	October 2019
Extend Credit	94%	88%	100%
Do Not Extend Credit	6%	12%	0%
Payment terms granted by those extending credit to customers in this country:	May 2018	December 2018	October 2019
0-30	35%	39%	29%
31-60	38%	44%	50%
61-90	18%	17%	18%
91+	9%	0%	3%
Average days beyond terms:	May 2018	December 2018	October 2019
	5.5	15.1	5.9
Payment methods used (multiple selections permitted):	May 2018	December 2018	October 2019
Wire Transfer	97%	100%	96%
EFT (seller initiated)	9%	11%	8%
EFT (buyer initiated)	6%	7%	12%
Check	6%	4%	8%
Credit Card	11%	26%	24%
Extended Payment Program or Progress Billing	6%	7%	0%
B.P.O. (Bank Payment Obligation)	6%	4%	0%
Letter of Credit	17%	15%	20%
Cash Against Documents	11%	0%	12%
Dated Draft	3%	0%	0%
*Other	0%	0%	0%
Payment Delays Are:	May 2018	December 2018	October 2019
Increasing	3%	11%	4%
Decreasing	5%	4%	0%
No Change	67%	39%	42%
No Payment Delays	25%	46%	54%
Causes of payment delays, open account:	May 2018	December 2018	October 2019
Billing Disputes	23%	20%	20%
Other Disputes	23%	13%	0%
Cash Flow Issues	4%	7%	10%
Inability to Pay	0%	13%	0%
Unwilling to Pay	4%	0%	0%
Customer Payment Policy	31%	33%	40%
Government Approval	0%	0%	10%
Regulatory Issues	4%	0%	0%
Foreign Exchange Rates	0%	0%	0%

Causes of payment delays, open account:	May 2018	December 2018	October 2019
Central Bank Issues	0%	0%	0%
Cultural Norms and Customs	4%	7%	20%
*Other	7%	7%	0%

***OTHER**

May 2018

- It is rare for a company within Japan to pay outside of terms, and it's likely a cash flow issue if they do.

PRS Political & Economic Risk Forecast (Updated 09/01/19)

18-month & 5-year political forecasts and probability for REGIMES most likely to hold power; risk ratings for TURMOIL (low to high), and RISK RATINGS (A+ least, D- most) for financial TRANSFER, direct INVESTMENT, and EXPORT to the country. If forecast has changed, the previous rating appears in parentheses. An asterisk means a nonincumbent regime. Most recent economic data and forecasts include a previous five-year average, a one-year forecast or estimate, and a five-year forecast average. REAL GROWTH of GDP and INFLATION are expressed as percentages, and CURRENT ACCOUNT figures are in billions of US dollars.

Country Regimes and Probabilities	Turmoil	Transfer	Investment	Export		Real GDP Growth	Inflation	Current Account
Japan					2014-2018	1.0	1.0	149.16
LPD Coalition 80%	Low	A-	A	A+	2019	1.0	0.4	177.00
LPD Coalition 65% (55%)	Low	A	A-	A-	2020-2024	1.0	1.3	218.00

Forecast provided by The PRS Group, Inc. [Click Here for More Information on the Political Risk Letter and other offerings.](#)

Advice when doing business in this country:

October 2019

- Understand the importance of relationships, culture.
- Japanese customers are very professional they conform with the credit terms.
- As long as you have all the documentation and agreements in place the companies adhere to the terms.
- Know your customer, customer and culture are important.
- Monthly invoice. Terms of payment is such as "Closing at the end of month, payment due on the end of the following month". It means that customers pay in one remittance for total amount of all invoices issued in previous month.
- Credit Check first then decide Payment Term.
- Good and trusted country.
- Japanese customers are prompt.
- Need to be consistent in follow up and communication. Secured with SBLOC.

December 2018

- Very stable economy and currency.
- Know your customer. Develop strong teaming relationships. Remember that decision making is often by committee.
- Good communication.
- Understand the culture.
- Haven't ever had delays from our customers in Japan.
- Japanese customers are very good to work with. Very little inherent risk as long as you have your documentation in order.
- Check company background and financials first.
- Learn about their cultural and business practices, etiquette and respect are very important, keep formalities unless they drop them first.
- Cash in advance is a good start. Then if you must offer open acct terms, start small.
- Be clear on Billing Disputes Japanese customers do not delay unless there is a dispute.



May 2018

- Get financial statements and review their financial health. KYC.
- The Japanese are a pleasure to work with. They have no tolerance for delays. If you have a true bill rest assured you will be paid.
- Establish clear payment terms and strive to bill correctly.
- Stable economy and low political risk for now.
- Accuracy & compliance are critical; Customers have no flexibility for even the smallest variance in the documentation. Be ready: Customer are persistent & will call or send messages daily, until the issues are resolved.
- Respect and ability to save face are important.
- Strong cultural aspects. Company's take their debt very seriously and very typically pay on time. They tend to be very formal in their correspondence to begin with.
- Customers in this country are very diligent about paying invoices within terms.
Familiarity with Japanese business customs is very important and so is how you address your customer.