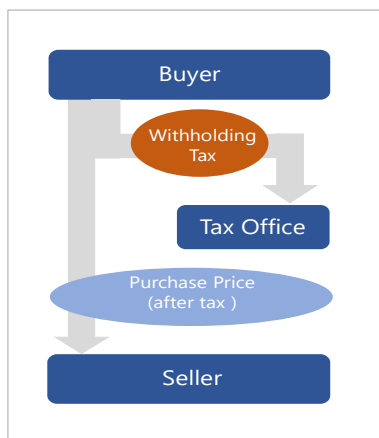


National Taxes: When You Purchase/Sell Real Estate Located in Japan - For Non-Residents and Foreign Corporations -

The following is an outline of national taxes on the purchase/sell of real estate (land, buildings, condominiums or lodging facilities, etc.) located in Japan by non-residents and foreign corporations. Please be aware that you are subject to taxes at every stage of real estate related transaction. For further information, please contact the appropriate tax office (please inquire in Japanese).

Purchasing real estate



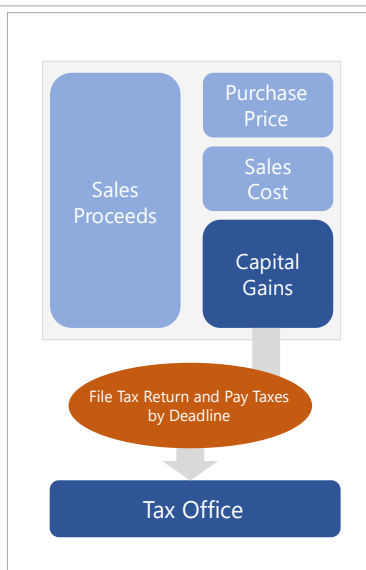
A buyer who acquires real estate that is located in Japan from a non-resident or a foreign corporation, and who makes payment in Japan, is, as a general rule, subject to Japanese withholding tax at the time of payment of the purchase amount*.

Income derived from providing real estate in Japan as rental housing or lodging is taxed as domestic income subject to Japanese withholding tax.

If you earn such income, you must file a tax return with your tax office in Japan.

*Please note that there are certain cases in which the withholding tax is imposed even if payment is made outside of Japan.

Selling real estate



Capital gains from the sale of real estate located in Japan is taxed as domestic income subject to Japanese withholding tax*.

If you earn such gains, you must file a tax return with your tax office in Japan.

The deadline for the filing of your tax return is as follows;

⇒ For non-residents, March 15th of the following year**.

⇒ For foreign corporations, within two months of the last day of the accounting period.

You can claim the amount of the withholding tax as a tax credit on your tax return.

Please note that there are certain cases in which you may also need to pay consumption tax and local consumption tax.

* You must file a tax return for capital gains from the sale/transfer of shares that correspond to certain types of corporations categorized as "Real Estate-related Companies".

** The taxable period for individual taxpayers is defined by Japanese tax law as being the calendar year.

Appointment of a Tax Agent

By law, when a non-resident or foreign corporation files a return or reports withholding tax, they must appoint a tax agent to manage their tax affairs in Japan.

A 'Notification of Tax Agent' must be submitted to the appropriate tax office as soon as possible after appointing a tax agent

In the case of a foreign corporation, a 'Notification about Becoming Foreign Ordinary Corporation' is to be submitted as well.

If no such notice is received even after the tax authority issues a request to the taxpayer to designate a tax agent, the tax authority is entitled to designate a tax agent.

Payment

See the National Tax Agency website for details regarding the various methods that can be used to pay national taxes.

National Tax Agency
website
(<https://www.nta.go.jp>)

