Descriptions and storage of account books, invoices, etc. (from October 1, 2019 to September 30, 2023)

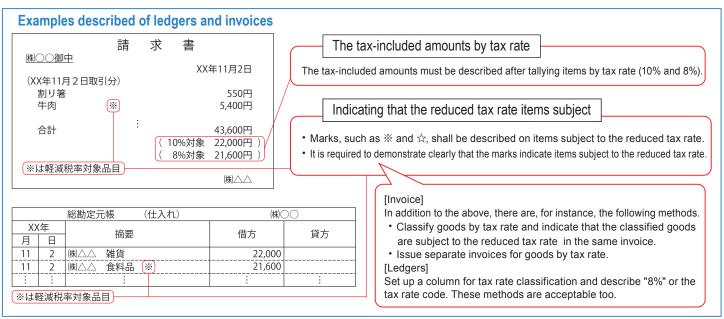
Business entities that make sales and purchases (expenses) of items subject to the reduced tax rate are required to add separate descriptions by tax rate to ones currently required when issuing invoices, etc. (separate accounting invoice) and making entries and other accounting treatments (separate accounting).

Taxable Person are required to store account books in compliance with classified accounting and invoices, etc. with classified descriptions in order to become eligible to tax credit for consumption tax on purchases (Separate accounting invoice-based method(Simplified System)).

Ledgers	Invoice, etc.
 Name of the taxable purchase supplier Date, month and year Transaction description (Indicating that the reduced tax rate items subject) Price 	 Name of the taxable purchase supplier Date, month and year Transaction description (Indicating that the reduced tax rate items subject) The tax-Included total amounts of items by tax rate Name of the invoice recipient* *Business entities that trade with a large number of unspecified people, such as retail and restaurant business, may omit the descriptions of ⑤ in invoice that they issue.

(Note 1) The storage of account books with necessary descriptions alone can meet the requirements for tax credit for consumption tax on purchases if there are unavoidable reasons for not receiving invoices in transactions, such as small-amount transactions of less than 30,000 yen and purchases from automatic vending machines.

(Note 2) When invoice that are issued by suppliers have no descriptions that read " Items subject to the reduced tax rate " (of ③) or "④ The tax-included total amounts of items by tax rate," the business entities that received such invoice themselves may add descriptions concerning those matters alone, based on the fact of the relevant transaction.



On October 1, 2023 onward, the qualified invoice-based method (the invoice system) became effective as a method to receive tax credit for consumption tax on purchases corresponding to multiple tax rates. Please refer to page 7 for details.

Special exception for calculating the sales tax amount for small and medium business entities

Difficult to small and medium business entities is possible to separate the sales by the tax rate, of the taxable period, in institutions from October 1, 2019 to September 30, 2023, a certain percentage of sales as a target sales of the reduced tax rate you can calculate the sales tax.

- * Small and medium business entities are business entities whose taxable sales amount during a base period does not exceed 50 million yen.
- * "Difficulties" in special circumstances represent cases in which tax rate-specific management failed regarding sales during the taxable period to which special treatment applies, where the level of difficulties remains unchanged.
- Special method of the reduced tax rate purchase ratio of retail, etc. Small and medium business entities engaged in wholesale or retail industry can manage the taxation purchase for each tax rate multiplied by the proportion of taxable purchases required only to a sale is subject to the reduced tax rate as a percentage of taxable sales related to the business, to calculate the revenue to be reduced tax rate system, you can calculate the sales tax.
- ② Special method of the reduced tax rate sales ratio By multiplying the percentage of the taxable sales are subject to the reduced rate of the tax same period as a percentage of taxable sales of 10 normal consecutive business days in taxable sales, to calculate the taxable sales that is the subject of the reduced tax rate, you can calculate the sales tax.
 - * 10 normal consecutive business days can be any given 10 consecutive business days when you conduct ordinary business within a period that you intend to adopt the relevant special exception.

- 3 Cases with difficulty in calculating the above ratio Small and medium business entities that have difficulty in calculating the reduced sales rate and mainly transfer assets subject to the reduction may use a rate of 50/100.
 - * Business entities that mainly transfer assets subject to the reduction means business entities whose taxable sales subject to the reduced tax rate account is nearly 50% or more of taxable sales during the applicable period.

Taxable sales (tax included) subject to the reduced tax rate by calculation under the special exception.

