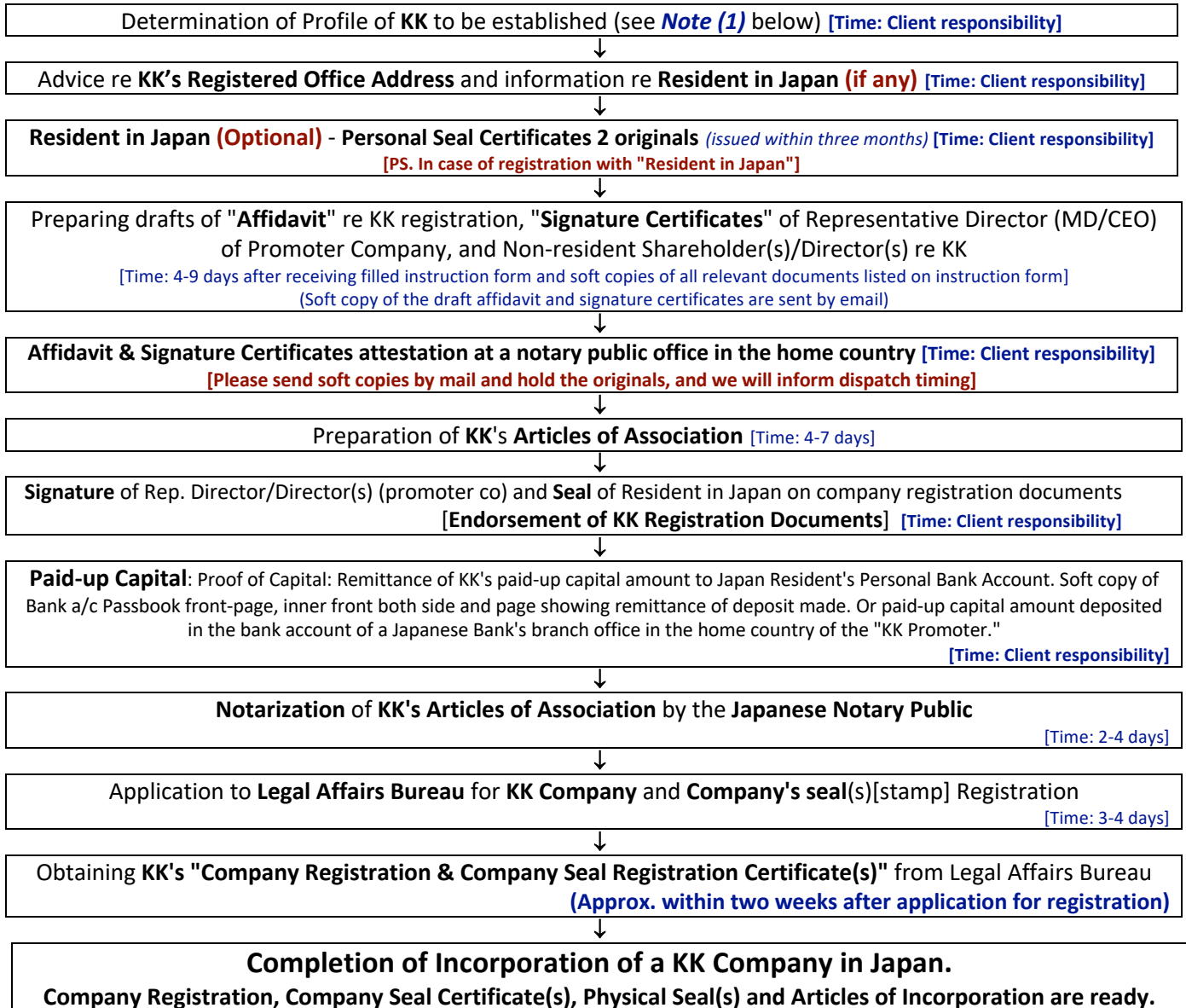


Opening of Kabushiki-Kaisha (KK) (Joint-Stock Corporation) in Japan

KK registration as a subsidiary of a foreign co. in Japan - **Corporate Shareholding**

The following procedure is to register a KK [a legal entity] as a subsidiary of a foreign co. in Japan.

Basic Flow of Procedures for Kabushiki-Kaisha (KK) Registration in Japan - **Approx. Time frame**



* No of days (13-24 days) refer to working days, plus time at the Registration office and time re Client's response at each level of the above flow-chart.

***Note (1):** This profile should contain trade name, location of head office, business objectives, business year, amount of capital, the issue price of shares, the existence of provisions restricting the transfer of shares, the presence of a board of directors, names of directors and representative directors, terms of directors, names of promoters/investors, and values of their investments and filling up the information on "Incorporation Instruction form" etc.
(All information should be supported vide soft copy official documents).

** For Individual shareholding: the procedure is almost similar except that the Affidavit etc., is not required.



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KK Post-Incorporation Mandatory Procedures in Japan

Mandatory Notification to the Bank of Japan for foreign Subsidiary Company

(Prior notification may be required for some sectors.)

[Time: 4-9 days]



Mandatory Notification to National and Local Tax authorities

National Tax Office:[1] Notification of Incorporation of a Company [2] Application for Blue Form Return [3] Notification of Establishment, Relocation, and Closure of an Office, Etc. Paying Salaries [4] Application for Approval in Relation to the Special Provision for Due Dates for Withholding Income Tax. Local Tax Office: (Prefectural and municipal tax authorities) [1] Notification of Incorporation/ Establishment of a Company

[Time: 5-9 days]



Completion of KK Post-Registration Mandatory Procedures in Japan

All "Original docs, Co. seal, Notifications soft copy, etc." will be sent to the Client's Japan registered office.

* No of days (9-18 days) refer to working days

Please note the followings:

As mentioned above, our task for the incorporation and the post-incorporation is completed at the above last step. All registration & post-registration notification documents will be provided in Japanese only, and English translation (optional) & charged separately. Hard copies/original documents are sent via courier to the client's registered office address in Japan.

Statutory Compliance: (Some General Information for Reference).

Re Japan's social security system:

Re Social Insurance: Generally, Health, Nursing Care, and Employees' Pension Insurances are referred to collectively as "Social Insurance."

Re Labor Insurance: Generally, Workers' Accident Compensation Insurance and Employment Insurance are known collectively as "Labor Insurance."

The Company must enter "Social Security" systems at the time of hiring first staff or paying salary to resident "Executive Officer(s)" by submitting labor and social insurance notification forms to the relevant authorities (**mandatory requirement**).

Re Individual/Personal Income Tax: The Company must deduct withholding income tax from the salary of staff and local "Director(s)/Executive Officer(s)" and follow the procedure as per local regulation, including making payments (**mandatory requirement**).

Corporate Annual Tax return and tax payment

The Company must file an annual tax return for corporate tax, corporate inhabitant tax, and enterprise tax on their income within two months from the day following each financial year's last day (**mandatory requirement**).

Consumption tax: Self-assessment and payment as per the local regulation. Tax-exempt enterprises: Corporations whose taxable sales in a fiscal year are less than 10 million yen. The current consumption tax rate is 10%.

New Japanese Invoice System - Qualified Invoice Issuers (VAT Registration): Registration number: Effective Oct-23, Taxable Business operator with a Corporate Number (Roman letter)"T" + Corporate number (13 digits). Registration is optional.

For ongoing support regarding administrative services, please check with us in advance and ask for an estimation of our charges for any post-incorporation administrative or legal matters.

Disclaimer: This information is for illustration purposes. No warranty is given that it is free from error or omission, and Sarkar Office® cannot be held liable for any decision based only on this information!