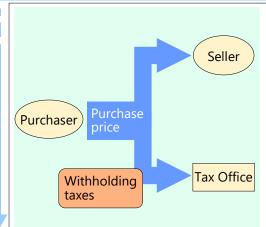
National Taxes: When You purchase/sale Real Estate Located in Japan - For Non-Residents and/or Foreign Corporations -

The following is the outline of national taxes on purchases/sales of real estate (land and/or building, etc.) located in Japan made by non-residents and/or foreign corporations. You may notice that you are subject to several taxations at every stage of real estate related transaction. For further information, please contact your competent tax office.

Purchase



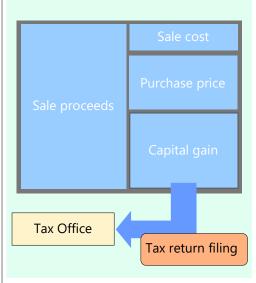
A purchaser who acquires real estate that is located in Japan from a non-resident(s) or a foreign corporation(s), and makes the payment in Japan*, is, as a general rule, subject to the Japanese withholding taxation. The withholding is required at the timing of the payment for the purchase.

Income derived from rental or lodging of real estate, such as condominium or B&B, located in Japan is subject to the Japanese income taxation as a domestic source.

If you earn such income, you are supposed to file tax returns and report it to your competent tax office in Japan.

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

Sale



Capital gains from sale(s) of real estate* located in Japan is subject to Japanese income taxation since it is domestic source. If you earn such gain, you are supposed to file tax returns and report it to your competent tax office in Japan.

The return needs to be filed;

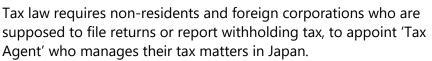
- between February 16 and March 15 of the following year of the sale(s) for non-residents.
- within two months from the last day of the accounting period for foreign corporations.

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

Please note that there are certain cases that are subject to the Consumption Taxation as well.

*Capital gains from sale/transfer of shares that falls within certain category of corporation regarded as "Real Estate Related Company" is to be reported in tax returns to the competent tax office.

Appointment of Tax Agent



'Notification Form of Appointment of Tax Agent' has to be submitted to your competent tax office as immediately as possible when the agent is appointed.

In case of foreign corporation, 'Notification about Becoming Foreign Corporation (ordinary)' is to be submitted as well.

Payment

See the National Tax Agency website (https://www.nta.go.jp) for details of the various methods to pay national tax.

*National tax cannot be paid via foreign financial institutions.



National Tax Agency website

Your taxes help to sustain our community

