## 1. Japanese Inheritance Law (Overview)

<table>
<thead>
<tr>
<th>Civil Law</th>
<th>Universal Succession. No probate.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>No JTWROS, no joint account, no POD/TOD.</td>
</tr>
</tbody>
</table>
| Wills     | • A foreign will may be valid if it complies with the law of testator’s residence, etc.  
            • A Japanese notarized deed will is recommended for Japanese assets. |
| Intestacy | • The heirs must reach an agreement (or obtain court order) about who takes which property. |
| Trusts    | • A codified law of trusts, which allows the creation of a living trust or testamentary trust.  
            • Family trusts are not as commonly used as in the US. |
| Legally-reserved Portions | • Eligible heirs are heirs other than the decedent’s siblings.  
                             • The legally-reserved portion (relative to the whole) is generally one-half of the decedent’s property (comprising the estate and certain lifetime gifts minus debts), which is equally allocated to the decedent’s spouse and issue (25% each).  
                             • The right to a legally-reserved portion is a monetary claim against the devisee upon request by the eligible heir within the prescribed time.  
                             • The Japanese courts will apply this rule to the decedent’s worldwide assets. |
## 2. Japanese Inheritance Tax (Overview)

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>Recipient of the assets (heir/devisee), not estate</th>
</tr>
</thead>
</table>
| Scope of Taxation | • Japanese assets  
• Non-Japanese assets in certain cases, such as if:  
  1) An heir or devisee was resident in Japan when the decedent dies, or  
  2) The decedent (a Japanese citizen) was resident in Japan at the time of death. |
| Basic Exclusion | JPY 30 million + (JPY 6 million x the number of legal heirs)  
(≈ $276,690USD)  
(≈ $55,338USD)  
If the heirs are a surviving spouse and 2 children (3 heirs), the basic exclusion would be JPY 48 million (≈ $442,704 USD). |
| Tax Rate | From 10% to 55%  
: 10% on amounts of JPY 10 million or less (≈ $92,230USD)  
: 55% on amounts over JPY 600 million (≈ $5,533,800USD)  
The tax rate is applied not to the estate as a whole, but to the amount each heir is legally entitled to receive pursuant to his statutory share. |
| Limited Spousal Credit | No tax on amounts received up to the greater of  
(i) statutory share of the total taxable assets and (ii) JPY 160 million  
(≈ $1,475,680 USD) |

* JPY1 million = $9,223USD, as of October 18, 2019.