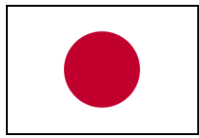
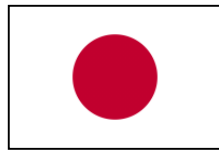


# 1. Japanese Inheritance Law (Overview)



Civil Law	Universal Succession. No probate.
Assets	No JTWROS, no joint account, no POD/TOD.
	Wills <ul style="list-style-type: none"><li>• A foreign will may be valid if it complies with the law of testator's residence, etc.</li><li>• A Japanese notarized deed will is recommended for Japanese assets.</li></ul>
	Intestacy <ul style="list-style-type: none"><li>• The heirs must reach an agreement (or obtain court order) about who takes which property.</li></ul>
	Trusts <ul style="list-style-type: none"><li>• A codified law of trusts, which allows the creation of a living trust or testamentary trust.</li><li>• Family trusts are not as commonly used as in the US.</li></ul>
Legally-reserved Portions	<ul style="list-style-type: none"><li>• Eligible heirs are heirs other than the decedent's siblings.</li><li>• 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).</li><li>• The right to a legally-reserved portion is a monetary claim against the devisee upon request by the eligible heir within the prescribed time.</li><li>• The Japanese courts will apply this rule to the decedent's worldwide assets.</li></ul>

## 2. Japanese Inheritance Tax (Overview)



Taxpayer	Recipient of the assets (heir/devisee), not estate
Scope of Taxation	<ul style="list-style-type: none"> <li>Japanese assets</li> <li>Non-Japanese assets in certain cases, such as if:             <ol style="list-style-type: none"> <li>An heir or devisee was resident in Japan when the decedent dies, or</li> <li>The decedent (a Japanese citizen) was resident in Japan at the time of death.</li> </ol> </li> </ul>
Basic Exclusion	<p>JPY 30 million + (JPY 6 million x the number of legal heirs)              (≈ \$276,690USD) (≈ \$55,338USD)</p> <p>If the heirs are a surviving spouse and 2 children (3 heirs), the basic exclusion would be JPY 48 million (≈ \$442,704 USD) .</p>
Tax Rate	<p>From 10% to 55%</p> <ul style="list-style-type: none"> <li>: 10% on amounts of <u>JPY 10 million</u> or less (≈ \$92,230USD)</li> <li>: 55% on amounts over <u>JPY 600 million</u> (≈ \$5,533,800USD)</li> </ul> <p>The tax rate is applied not to the estate as a whole, but to <u>the amount each heir is legally entitled to receive</u> pursuant to his statutory share.</p>
Limited Spousal Credit	<p>No tax on amounts received up to the greater of</p> <p>(i) statutory share of the total taxable assets and (ii) JPY 160 million              (≈ \$1,475,680 USD)</p>

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