

(*This English version is for reference only.)

Grant Outline for the Overseas Financial Corporation Establishment and Support Subsidy Program

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(Purpose)

1. The purpose of this Outline is to promote the expansion of Overseas Financial Corporations into Tokyo and the development of their business activities in Tokyo by granting subsidies for the expenses necessary for them to establish a new base or develop their business activities in Tokyo.

(Definition of Terms)

2. In this Outline, the meanings of the terms listed in the following items shall be prescribed respectively in those items.
 - (1) Overseas Financial Corporations
Corporations established based on foreign laws concerning the operation of asset management businesses or FinTech businesses
 - (2) Japanese Corporations, etc.
Japanese corporations or branch offices established by Overseas Financial Corporations
 - (3) Establishment of Operations
The act of establishing a Japanese Corporation or branch office by an Overseas Financial Corporation that satisfies all the following criteria:
 - a. Secure a facility to be used as the place of exclusive business operations
 - b. Register the establishment of an incorporated company or office of an overseas company in accordance with the Commercial Registration Act
 - c. Secure the necessary employees who will work full-time
 - d. Start the operation of the main business. In cases where it is necessary to register the license for a financial instrument business, etc. before starting operation of the main business, register and acquire the license in question.
 - (4) Base of Asset Management Operations
A site where asset management operations are conducted, such as investing funds entrusted by investors
 - (5) Sales and Marketing Base
A site where marketing and sales activities related to the products and services offered by the

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company are conducted

(6) Research and Development Base

A site equipped with the necessary functions for conducting research and development activities such as industrialization through activities ranging from research on industrial technology to the development of applications, manufacturing of prototypes, and product testing

(7) Full-Time Employees

Employees for whom one of the following two criteria are applicable:

- a. Persons who are employed for an indefinite period
- b. Persons who have been continuously employed for a year or more in the past, or persons who are expected to be employed continuously for a year or more since their hiring (persons who are employed for a fixed period of time, or are employed daily, and their Employment Agreement period is repeatedly renewed are recognized as equivalent to item a.)

Employees shall be covered by employment insurance

(8) Offices, etc.

In addition to regular offices, spaces in which work can be performed, such as individual share offices

(9) Business Development Center Tokyo

Institute established by the Tokyo Metropolitan Government to provide support for the business of foreign corporations, etc. and their expansion into Tokyo

(10) Business Support Services Application Form

Document submitted to the Business Development Center Tokyo by Overseas Financial Corporations to request business support services

(11) Fiscal Year

Period from 1 April of a year to 31 March of the following year

(12) Associations

Self-regulatory organizations (under the Financial Instruments and Exchange Act)

(13) Overseas Financial Corporation Business Establishment Subsidy Program

Subsidy to grant part of the cost of establishing a base for Overseas Financial Corporations establishing a base in Tokyo, which was revised to Overseas Financial Corporation Establishment and Support Subsidy Program from FY2025

(Parties Eligible for Subsidies)

3. Parties Eligible for Subsidies shall satisfy one of the following criteria:

(1) Parties Eligible for Subsidies for the first Fiscal Year

Japanese Corporations, etc. established in Tokyo by an Overseas Financial Corporation within the Fiscal Year that includes the date of application.

(2) Parties Eligible for Subsidies for the second Fiscal Year

Japanese Corporations, etc. established in Tokyo by an Overseas Financial Corporation in the Fiscal Year immediately preceding the Fiscal Year that includes the date of application.

(3) Parties Eligible for Subsidies for the third Fiscal Year

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Japanese Corporations, etc. established in Tokyo by an Overseas Financial Corporation in the second Fiscal Year preceding the Fiscal Year that includes the date of application.

3-2 Parties Eligible for Subsidies must satisfy all of the following requirements:

(1) The Overseas Financial Corporation must have submitted a Business Overview (Form 1) to the Tokyo Metropolitan Government within the period separately specified in the Application Guidelines and conducted a prior consultation explaining the business activities of the Overseas Financial Corporation, as well as the business activities and establishment plan of the base to be established in Tokyo by the Overseas Financial Corporation (hereinafter collectively referred to as the “Business Overview”). In addition, the prior consultation with the Tokyo Metropolitan Government must be conducted after submitting a Business Support Services Application Form to the Business Development Center Tokyo and consulting in advance regarding the Business Overview and related matters.

However, this requirement shall not apply in any of the following cases:

- a. Where the Tokyo Metropolitan Government determines that the prior consultation may be omitted because it has already obtained sufficient information regarding the Business Overview or for other similar reasons.
- b. In the case of Parties Eligible for Subsidies for the first Fiscal Year, where a prior consultation with the Tokyo Metropolitan Government has already been conducted under either this Subsidy Program or the Overseas Financial Corporation Business Establishment Subsidy Program, and no material changes have occurred to the Business Overview since such consultation.
- c. Where the applicant has received a subsidy under this Subsidy Program in a previous Fiscal Year and is recognized as having made no material changes to the Business Overview.

(2) The Overseas Financial Corporation must not have carried out any Establishment of Operations in Japan prior to the Establishment of Operations eligible for this Subsidy Program. In addition, where a Japanese corporation has been acquired through a merger, acquisition, or similar transaction, such acquisition shall be deemed to constitute an Establishment of Operations in Japan.

(3) The main business must have one of the following two functions.

a. Asset management business operator

Base of Asset Management Operations or Sales and Marketing Base, etc. that is recognized by the Tokyo Metropolitan Government as having the potential to contribute significantly to the revitalization of Tokyo’s economy

b. FinTech corporation

A Research and Development Base or Sales and Marketing Base, etc. that is related to the provision of innovative financial services using IT technology, and that is recognized by the Tokyo Metropolitan Government as having the potential to contribute significantly to the revitalization of Tokyo’s economy

(4) Has one or more Employees in full-time employment at the Japanese Corporation, etc.

(5) In the case of a Japanese corporation, the ratio of capital contribution from an Overseas Financial

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Corporation must be at least one-third.

- (6) Has not been granted the GX-related Foreign Company Tokyo Market Entry Support Program, the Overseas Financial Corporation Establishment and Support Subsidy Program, or any other subsidy or similar program intended to promote the establishment of business bases or the expansion of business activities by overseas corporations.
- 3) The Overseas Financial Corporation and the Japanese Corporation, etc. must fulfill all the following criteria:
- (1) Are not in violation of any laws or ordinances, etc.
 - (2) Have no delinquent taxes.
 - (3) Are not in violation of the terms of any contracts made with public offices, etc.
 - (4) Are not corporations that have the possibility of threatening public safety or well-being.
 - (5) Are not corporations whose business objectives include political, religious, or election campaign-related activities.
 - (6) Are not Organized Crime Groups (an Organized Crime Group as stipulated in item (ii) of Article 2 of the Tokyo Metropolitan Ordinance for Eliminating Organized Crime Groups (Tokyo Metropolitan Government Ordinance No. 54 of 2011; hereinafter referred to as "Organized Crime Elimination Ordinance")), and do not have an Organized Crime Group Member, etc. (a member of an Organized Crime Group as stipulated in item (iii) of Article 2 of the Organized Crime Elimination Ordinance, or someone related to an Organized Crime Group as stipulated in item (iv) of the same Article) among the representatives, executives, Employees, or other members of the corporation.
 - (7) Do not have past businesses or other concerns that the Tokyo Metropolitan Government deems unsuitable as a company eligible for subsidy.

(Expenses Eligible for Subsidy)

4. The subsidy will be provided within budgetary limits for expenses required for establishing a base or developing business activities, including those listed below (hereinafter referred to as "Expenses Eligible for Subsidy") that the Governor of Tokyo (hereinafter referred to as "the Governor") deems necessary and appropriate, based on the situation of the Parties Eligible for Subsidies and other factors. However, this excludes fees equivalent to consumption tax and local consumption tax, payments to governmental offices, and other fees that do not come under provision of services, as well as expenses that have been eligible for other public subsidies or grants.

(1) Parties Eligible for Subsidies for the first Fiscal Year

- Initial expenses for moving into an office
- Office rent (However, the maximum eligible amount shall be 900,000 yen.)
- Expenses for consultation with experts, etc.
- Purchase costs of equipment and fixtures, etc.
- Expenses for recruiting personnel

In addition to the above, the following expenses are also included in Expenses Eligible for Subsidy

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for the asset management business operator that have obtained license registration of financial instruments business, etc.

- Association admission fee and annual membership fee
- Expenses for outsourcing compliance work
- Asset management outsourcing and system-related expenses, etc. (excluding those paid by the fund.)

(2) Parties Eligible for Subsidies for the second or the third Fiscal Year

- Office rent
- Consulting fees for specialized institutions, etc.
- Purchase costs of equipment and fixtures, etc. (however, these costs can be applied for up to two Fiscal Years)
- Expenses for recruiting personnel

In addition to the above, the following expenses are also included in Expenses Eligible for Subsidy for the asset management business operator that have obtained license registration of financial instruments business, etc.

- Association admission fee and annual membership fee
- Expenses for outsourcing compliance work
- Asset management outsourcing and system-related expenses, etc. (excluding those paid by the fund.)

2) Details of Expenses Eligible for Subsidy

Details of the above Expenses Eligible for Subsidy are as follows:

(1) Initial expenses for moving into an office

Key money, admission fees, and other moving-in, non-refundable costs that must be paid when securing offices in Tokyo that are necessary for executing the main business.

(2) Office rent

Rent for office space in Tokyo necessary for the conduct of the main business. Eligible offices must have exclusive use and be expected to be rented on an ongoing basis. For Parties Eligible for Subsidies for the first Fiscal Year, the maximum subsidy amount is 900,000 yen.

(3) Expenses for consultation with experts, etc.

Fees paid to experts (lawyers, administrative scriveners, tax accountants, licensed social insurance consultants, etc.) for services such as consultation on acquisition of registration and license for engaging in the financial instruments business and legal/tax matters, and drafting and submission of materials

(4) Consulting fees for specialized institutions, etc.

Expenses paid when consulting with outside specialized institutions, etc. to receive advice and guidance on knowledge, methods, etc. necessary for the company's own growth and problem solving in the course of performing its main business. Ordinary advisory fees are not eligible for this subsidy.

(5) Purchase costs of equipment and fixtures, etc.

The cost of purchasing equipment and fixtures, such as desks, chairs, PCs, office machines, or

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software, that are necessary to carry out the main business and that serve a stand-alone function, to be installed and used in an office in Tokyo. The unit price per item must be between 10,000 yen and 300,000 yen including tax. In addition, delivery and assembly costs related to such items may be eligible only if they can be accounted for as a lump-sum purchase cost.

(6) Expenses for recruiting personnel

Fees paid to a fee-charging employment placement business provider, as defined in Article 30(1) of the Employment Security Act, for the introduction of personnel during the establishment of business operations, or to a fee-charging employment placement business provider from overseas for the employment of full-time personnel at the said business operations for one year or more.

Overseas fee-charging employment placement business providers that are eligible must be providers for which notification/permission/declaration, etc. have been accepted by the national/local government, etc. of the business provider in question.

However, for Parties Eligible for Subsidies for the second or the third Fiscal Year, the subsidy covers only the fees paid to the fee-charging employment placement business provider defined in Article 30(1) of the Employment Security Act for hiring personnel who will work at the base for one year or more on a regular basis by introduction of the provider.

(7) Association admission fee and annual membership fee

Admission fee and annual membership fee for membership of a single Association. The admission fee and annual membership fee for joining the Association. However, Expenses Eligible for Subsidy are limited to 500,000 yen.

(8) Compliance Operations Support Business Expenses

Business expenses related to the outsourcing contract for the same operations with a single compliance operations support provider, etc. (limited to the fixed-amount contract portion, such as monthly or annual fees)

(9) Asset management outsourcing and system-related costs, etc. (excluding those paid by the fund.)

a. Asset management outsourcing business costs, etc.

Expenses for outsourcing work to perform all or part of the middle and back office operations (*), such as trade matching, asset management, valuation, and preparation of asset management-related materials, or related operations or costs associated with licensing agreements for systems used in the performance with a single asset management outsourcing company (limited to the fixed-amount contract portion such as monthly and annual fees. However, for periods of less than one month, the calculation is done pro rata by number of days.)

b. System-related costs

Expenses related to a license agreement with a single system company for a system to distribute market information on securities, etc., as appropriate, or a license agreement for a system to evaluate securities holdings, etc. (limited to the fixed-amount contract portion such as monthly or annual fees. However, for periods of less than one month, the calculation is done pro rata by number of days.)

(*) Middle and back office operations

<Daily processing>

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- (a) Additional issues, cancellation processing
- (b) Cash flow management and reconciliation
- (c) Position management
- (d) Surplus fund management
- (e) Securities attribute management
- (f) Execution processing for securities, exchange, futures, etc.
- (g) Dividend, interest, and rights processing
- (h) Instructions to trust banks and custodians
- (i) Instructions for exercising voting rights
- (j) Margin management
- (k) Processing of mother fund transactions
- (l) Market value registration and communication
- (m) Reconciliation of balances, etc.
- (n) NAV per share calculation and reconciliation
- (o) NAV per share external communication
- (p) Calculation of various expenses
- (q) Investment trust transfers at Japan Securities Depository Center, Inc. (JASDEC)
- (r) Reconciliation of the number of units issued

< Settlement of accounts and redemption processing >

- (s) Reconciliation of daily account
- (t) Calculation and posting of various expenses and fees
- (u) Dividends-related operations
- (v) Reconciliation of settlement of accounts and redemption
- (w) Fund audit support services

< Other operations >

- (x) New fund setup procedures
- (y) Fund attribute management
- (z) Performance risk analysis
- (a') Monthly balance reconciliation
- (b') Schedules on reconciliation of account settlement
- (c') Reporting to The Investment Trusts Association, Japan and the Bank of Japan
- (d') Reporting to distributors
- (e') Preparation of statutory reports
- (f') Preparation of investment reports
- (g') Preparation of business reports (related to asset management)
- (h') Preparation of various reports
- (i') Compensation billing
- (j') Sending and registration reports, etc.

Items (7) to (9) above apply only to asset management business operators that require and have

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obtained a license registration of financial instruments business, etc., in order to conduct their main business

- 3) The aforementioned expenses shall be eligible for subsidy only when they have been paid by the Overseas Financial Corporation and the Japanese Corporation, etc. for services, etc. received during the period from the date of the decision to grant the subsidy to the date of submission of the Report of Actual Expenses.

However, in the case of Parties Eligible for Subsidies for the second Fiscal Year or Parties Eligible for Subsidies for the third Fiscal Year, only expenses paid by the Japanese Corporation, etc. for services, etc. received during such period shall be eligible.

(Amount of Subsidy)

5. The subsidy for one company is limited to one-half of the eligible expenses, and the maximum subsidy amount is as follows:

(1) Parties Eligible for Subsidies for the first Fiscal Year

- a. Asset management business operator who is required a license registration of financial instruments business, etc., in order to conduct their main business and has obtained the registration

12,500,000 yen

- b. Asset management business operator or FinTech corporation other than a. above

7,500,000 yen

(2) Parties Eligible for Subsidies for the second or the third Fiscal Year

- a. Asset management business operator who is required a license registration of financial instruments business, etc., in order to conduct their main business and has obtained the registration

20,000,000 yen

- b. Asset management business operator or FinTech corporation other than a. above

15,000,000 yen

- 2) Any fraction of less than 1,000 yen in the calculated amount shall be rounded down.

(Subsidy Application)

6. An Overseas Financial Corporation or a Japanese Corporation, etc. (hereinafter referred to as the "subsidy applicant") shall, after confirming the contents of this Outline and the Application Guidelines separately prescribed, promptly submit the Subsidy Application Form (Form 2), the Pledge (Form 3), and the following supporting documents to the Governor.

Where the subsidy applicant is an Overseas Financial Corporation, documents confirming its representative, location, and shareholders shall be submitted. In such case, the documents specified in items (1) through (4) and (10) below shall be submitted promptly after the establishment of operations.

Only one subsidy application may be submitted per Fiscal Year.

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- (1) Documents that can confirm the representative of the subsidy applicant (representative in Japan in the case of a branch office) (Certificate of All Historical Matters, etc.)
- (2) Documents that can confirm the location of the subsidy applicant (Certificate of All Historical Matters, etc.)
- (3) If the subsidy applicant is a Japanese Corporation, documents that can confirm the amount and ratio of investment from the Overseas Financial Corporation (list of major shareholders, articles of incorporation, etc.)
- (4) Documents that enable the authentication of the seal, etc. used by the subsidy applicant (Seal Registration Certificate, etc.)
- (5) Documents that can confirm the scale of the Overseas Financial Corporation (for asset management business operators, the most recent assets under management (AUM); for FinTech corporations, the most recent corporate valuation) (business overview materials, etc.)
- (6) If the subsidy applicant is a Party Eligible for Subsidies for the first Fiscal Year, documents that can confirm the business performance of the Overseas Financial Corporation for the past two Fiscal Years (documents related to the settlement of accounts, etc.)
- (7) If the subsidy applicant is a Party Eligible for Subsidies for the second or the third Fiscal Year, documents that can confirm the subsidy applicant's business performance after the establishment of the base (documents related to the settlement of accounts, etc.)
- (8) Documents that can confirm the business plans of the subsidy applicant for the Fiscal Year that includes the date of application and each of the following two Fiscal Years
- (9) If the subsidy applicant has settled accounts in the past, documents that can confirm that the subsidy applicant is not in arrears of taxes (Tax Payment Certificate No. 3-3, etc.)
- (10) Documents that can confirm that the requirements for establishing a base have been met (Certificate of All Historical Matters, Lease Agreement, Employment Agreement, Notification of Acquisition of Employment Insurance Qualification, License Registration Certificate of Financial Instruments Business, etc.)
- (11) Documents that serve as grounds for the amount applied for (invoices, receipts, etc.)
- (12) Other documents deemed necessary by the Tokyo Metropolitan Government

- 2) If the documents in the preceding paragraph include documents prepared in a language other than Japanese or English, a translation in Japanese or English should be attached for reference.

(Decision to Grant Subsidy)

7. The Governor shall decide to grant the subsidy if it is deemed that the application has been properly filed in accordance with the provisions in item 6., and it is appropriate to grant the subsidy.
 - 2) Once the decision has been made to grant the subsidy in accordance with the aforementioned provisions, the subsidy applicant shall be notified promptly on the amount of subsidy and other necessary matters through the Notification on Decision to Grant Subsidy (Form 4).
 - 3) Upon granting of the subsidy, necessary conditions may be placed on the applicant.

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- 4) If a decision is made not to grant the subsidy, the subsidy applicant shall be notified through the Notification on Decision Not to Grant Subsidy (Form 5).

(Rescission of decision due to circumstance change)

8. Upon having decided to grant a subsidy, the Governor may rescind the decision to grant the subsidy in whole or in part, or may change the content of the decision or the conditions attached to it, if a special need arises due to a subsequent change in circumstances. However, this shall not apply to the portion pertaining to the period that has already elapsed.
 - 2) It is possible to cancel the decision to grant a subsidy under the preceding paragraph only when it becomes impossible to continue the business in whole or in part due to a natural disaster or other changes in circumstances that have occurred after the decision to grant the subsidy was made.
 - 3) Subsidies, etc. for the following expenses may be granted for clerical work or operations that have become especially necessary as a result of the rescission of the decision to grant subsidies under paragraph 1:
 - (1) Expenses required for removal of machinery, equipment, and temporary facilities related to the business and other remaining work
 - (2) Expenses required for compensation payments arising from the termination of a contract concluded to carry out the business

(Order for Execution of Business, etc.)

9. When the Governor finds that the subsidized company is not carrying out the business in accordance with the contents of this Outline, the details of the grant decision, or the conditions attached thereto, the Governor may take measures to have the subsidized company carry out the business in accordance with these contents.
 - 2) The Governor may rescind the grant decision if the Governor finds that the subsidized company is not expected to carry out the business despite the measures taken in accordance with the preceding paragraph.

(Reporting of Actual Expenses)

10. A subsidized company that has received a Notification on Decision to Grant Subsidy shall submit the Report of Actual Expenses (Form 6), together with the following documents, to the Governor within the Fiscal Year of application.

Where the subsidized company that has received a Notification on Decision to Grant Subsidy is an Overseas Financial Corporation, it shall, promptly after completing the establishment of the business base within the Fiscal Year, submit the Report on Completion of Business Base Establishment (Form 13), the Consent Form (Form 14), and the relevant supporting documents. Thereafter, the Report of Actual Expenses shall be submitted by the Japanese Corporation, etc.

【Initial expenses for moving into an office】

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(1) Documents that can confirm the office, etc. for the relevant expenses has been secured (Lease Agreement, etc.)

【Office rent】

(2) Documents that can confirm property details, lease term, rent, payment terms, etc. (Lease Agreement, etc.)

【Expenses for consultation with experts, etc., consulting fees for specialized institutions, etc.】

(3) Documents that can confirm details, number of times, period, outcomes, etc. of the consultations (e.g. service agreements, minutes, reports)

【Purchase costs of equipment and fixtures, etc.】

(4) Documents that can confirm functions, unit price, etc. of purchased equipment and fixtures, etc. (Purchase Order, Delivery Note, Product instructions, etc.)

(5) If having received Purchase costs of equipment and fixtures, etc. under this grant or Subsidy to Support Base of Operations of Overseas Financial Corporations in the past, documents showing that the grant was received (a copy of the Notification on Determination to Grant Amount)

【Expenses for recruiting personnel】

(6) Documents that can confirm that the Employees related to the said expenses will be employed on a regular basis (Employment Agreement, etc.)

(7) In the case of using Overseas fee-charging employment placement business providers, documents that clearly show that the notification, permission, declaration, etc. submitted by the said providers to the national or local government to which the said providers belong has been accepted by that national or local government

【Association admission fee and annual membership fee】

(8) Documents that can confirm the association membership details, admission fee, annual membership fee, etc.

【Compliance Operations Support Business Expenses】

(9) Documents that can confirm the contents, period, outcomes etc., related to the outsourcing work (outsourcing agreement, invoices, reports, etc.)

【Asset management outsourcing and system-related costs, etc.】

(10) Documents that can confirm outsourcing of middle and back office operations and licensing agreements for systems used for middle and back office operations, as well as fixed (annual and monthly) amounts of fees, etc. (outsourcing agreement, reports, license agreements, invoices, etc.)

(11) Documents that can confirm the license agreement and fixed (annual and monthly) fees for the securities market information distribution system and the valuation system for securities holdings (agreements, invoices, reports, etc.)

2) If the documents in the preceding paragraph include documents prepared in a language other than Japanese or English, a translation in Japanese or English should be attached for reference.

(Special Provision for a Recipient of a Notification on Decision to Grant Subsidy)

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10-2. Where the subsidized company that has received a Notification on Decision to Grant Subsidy is an Overseas Financial Corporation, upon the establishment of a Japanese Corporation, etc. in Tokyo by such corporation, the Japanese Corporation, etc. shall succeed to the status of the Overseas Financial Corporation, become the recipient of the subsidy, and assume all obligations under this Outline and related provisions.

(Determination of the amount of subsidy)

11. Upon receipt of the Report of Actual Expenses as stipulated in item 10., the Governor shall examine it, if necessary, conduct an on-site inspection, etc., and determine the amount of subsidy to be granted and notify the grantee of it in the Notification on Determination to Grant Amount (Form 7), if the Governor confirms that the findings conform to the details of the subsidy determination and the conditions attached thereto.

(Measures for Correction)

12. When the Governor finds, as a result of the investigation, etc. under the provisions in item 11., that the outcome of the subsidized business does not conform to the contents of the decision on the grant of subsidy and the conditions attached thereto, the Governor may order the subsidized company to take measures to conform to these conditions.

(Payment of subsidies, etc.)

13. When a subsidized company seeks to receive payment of subsidies, it shall submit the Request for Payment (Form 8) to the Governor.

(Delivery of Subsidy)

14. The subsidy shall be paid out in Japanese yen.

In cases where the Expenses Eligible for Subsidy are paid for in a foreign currency, the exchange rate applied shall be the middle price of the telegraphic transfer rate (foreign exchange posted rates) of a designated financial institution of Tokyo on the date of payment of the Expenses Eligible for Subsidy, or a date deemed suitable by the Tokyo Metropolitan Government (any fraction less than 1 yen is rounded down).

2) Any costs such as remittance fees in relation to delivery of the subsidy shall be borne by the subsidized party.

(Terms and conditions of the subsidy)

15. The subsidized party shall not sublease to a third party the office space rented by the subsidy.

2) The subsidized party shall not use, transfer, exchange, lend, offer as security, or dispose of the equipment and fixtures, etc. acquired through the grant for the purpose of this grant in a manner contrary to the purpose of the grant without the approval of the Governor until the end of two Fiscal Years after the end of the Fiscal Year of receiving the grant decision.

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(Duty to Ensure Continuation of Business Operations)

16. Until the end of the following two Fiscal Years after the end of the Fiscal Year of receiving the grant decision, the subsidized party must ensure the continuation of business operations in Tokyo. However, this excludes circumstances that the Governor deems to be unavoidable.

(Duty to Report)

17. The subsidized company shall report its business activities for the fiscal year in which it was established and for the two subsequent fiscal years to the Governor of Tokyo by submitting a Business Activity Report (Form 9) no later than June 30 of the fiscal year following each respective fiscal year.
- 2) The subsidized company shall respond to any inquiries from the Tokyo Metropolitan Government concerning its business activities or other related matters.

(Notification of Changes)

18. In the event that changes are made to any of the items listed below by the end of the following two Fiscal Years after the Fiscal Year of receiving the grant decision, the subsidized party shall submit the Notification of Changes (Form 10) to the Governor immediately after the change has been made.
 - (1) A change to the name of the subsidized party
 - (2) A change to the location of the subsidized party
 - (3) A change to the representative of the subsidized party (representative in Japan in the case of a branch office)
- 2) In addition to the aforementioned, in the event that the subsidized party becomes unable to fulfill the grant criteria set forth in items 3. 2) above by the end of the following two Fiscal Years after the Fiscal Year of establishment, the details must be provided in the Notification of Changes (Form 10) and submitted.

(Rescission of Decision to Grant Subsidy)

19. The Governor of Tokyo may revoke all or part of the subsidy grant decision where the subsidized company falls under any of the following items. Provided, however, that Items (1), (2), and (5) below shall also apply to the overseas financial corporations prior to the succession where the status of a person who has received a notice of grant approval has been succeeded to pursuant to Article 10-2.
 - (1) When fraudulent information was given or other improper means were taken to receive the subsidy.
 - (2) When conditions attached to the granting of the subsidy, or any laws or ordinances are violated.
 - (3) When it becomes impossible to fulfill the grant criteria set forth in item 3. by the end of the following two Fiscal Years after the Fiscal Year of receiving the grant decision.
 - (4) When the duty to ensure continuation of business operations, set forth in item 16., has been violated.
 - (5) When other instructions set forth based on this Outline have been violated.
- 2) When the decision to grant a subsidy is rescinded based on the aforementioned provision, the subsidized party shall be notified through the Notification on Rescission of Decision to Grant Subsidy (Form 11).

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(Return of the Subsidy)

20. When the decision to grant a subsidy is rescinded in accordance with the provisions of item 19., the subsidized party must return the amount determined in item 21. to the Tokyo Metropolitan Government. However, this excludes circumstances that the Governor deems to be unavoidable.
- 2) The Governor shall notify the subsidized party of matters concerning the return of the subsidy through the Request for Return of Subsidies, etc. (Form 12).

(Calculation of Amount of Subsidy Rescinded)

21. The calculation of the amount of subsidy rescinded is determined as follows:
 - (1) When the decision to grant the subsidy is fully rescinded by the Governor
The full amount of subsidy granted
 - (2) When the decision to grant the subsidy is partially rescinded by the Governor
The difference between the amount of subsidy received by the subsidized party, and the amount obtained by multiplying the amount of subsidy received, by the percentage of the number of days from the date of receipt of subsidy to the day before the date of the event leading to the rescission (if the date of the event leading to the rescission is unknown, use the date when the Tokyo Metropolitan Government was informed of the event leading to the rescission) (including the date of receipt of subsidy), in the number of days from the date of receipt of subsidy to the last day of two Fiscal Years after the Fiscal Year of receiving the grant decision (any fraction less than 1 yen is rounded down)

(Penalty for Breach and Delinquency Charge)

22. When the Governor orders the return of the subsidy as prescribed in item 20., the subsidized party shall pay a penalty for breach (excluding penalties below 100 yen), corresponding to the number of days from receipt of the subsidy pertaining to this order to the date of repayment. An annual interest rate of 10.95% (the annual rate shall be daily prorated per 365 days even with respect to a period that includes a leap year) shall apply (for the period following partial repayment, the partially repaid amount shall be deducted from the amount subject to interest). However, the subsidized party may be exempted from payment of the penalty for breach in circumstances leading to the rescission that are deemed unavoidable by the Governor.
- 2) If the party ordered to return the subsidy under the provisions of item 20. fails to do so by the deadline, a delinquency charge (excluding delinquency charges below 100 yen) must be paid, corresponding to the number of days from the day following the deadline for repayment. An annual interest rate of 10.95% (the annual rate shall be daily prorated per 365 days even with respect to a period that includes a leap year) shall apply for the outstanding amount.

(Calculation of Penalty for Breach and Delinquency Charge)

23. In the event that the Governor orders the payment of penalty for breach in accordance with 1) of item 22., until the amount of subsidy returned by the party ordered to return the subsidy reaches the amount that was ordered to be returned, the partial repayment shall first be allocated to the amount

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of subsidy that was ordered to be returned.

- 2) In the event that the Governor orders the payment of penalty for breach in accordance with 2) of item 22., if partial repayment of the subsidy has been made with respect to the subsidy that was ordered to be returned, the calculation of delinquency charges for the period from the day following the said repayment date shall be based on the outstanding amount following the deduction of such partial repayment.

(Site Investigations, etc.)

24. The Governor may instruct his/her staff or staff from the Business Development Center Tokyo (hereinafter, "Staff, etc.") to enter the base of business operations to conduct the necessary investigations or inquiries toward the Japanese Corporation, etc. with respect to its business activities, etc., within the scope necessary for the enforcement of this Outline.
 - 2) The Staff, etc. conducting the site investigations or inquiries in accordance with the aforementioned provision shall carry proof of their identification, and must present this proof when requested to do so by the Japanese Corporation, etc.

(Accounting for subsidies, etc.)

25. With regard to accounting for subsidies, the subsidized company shall organize documentary evidence that clarifies the facts of its income and expenditure and preserve these documents for two years after the end of the Fiscal Year that includes the date of receiving the grant decision.

(Disclosure of Contents of Subsidy, etc.)

26. The Governor of Tokyo may disclose the name of the subsidy recipient, the name of its representative, the outline of the project, the details of the subsidy, and other relevant information.

(Other)

27. Matters necessary for granting the subsidy, other than what is provided in this Outline, are as provided under the Tokyo Metropolitan Government Regulations for Subsidy Grants, etc. (Tokyo Metropolitan Government Regulation No. 141 of 1962) and Implementation of Tokyo Metropolitan Government Regulations for Subsidy Grants, etc. (37 Zaishuchouhatsu No. 20 of 11 December 1962).

Supplementary Provision

This Outline shall apply from April 1 2017.

Supplementary Provision

This Outline shall apply from April 1 2019.

Supplementary Provision

This Outline shall apply from April 1 2020.

Supplementary Provision

This Outline shall apply from April 1 2021.

Supplementary Provision

This Outline shall apply from April 1 2024.

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Supplementary Provision

This Outline shall apply from April 1 2025.

Supplementary Provision

This Outline shall apply from April 1 2026.