

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

29 March 2017
28 Seichoushou No. 793
1 April 2019
31 Sensentoku No. 42
1 April 2020
2 Sensentoku No. 58
31 March 2021
2 Sensentoku No. 1098
31 March 2024
5 Susenji No.1307
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6 Susenji No.37
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6 Susenji No.1328

(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 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

(14) Subsidy to Support Base of Operations of Overseas Financial Corporations

Subsidy intended to support the business development of Overseas Financial Corporations that had just established a base in Tokyo, which was discontinued at the end of FY2024

(Parties Eligible for Subsidies)

3. Parties Eligible for Subsidies for whom one of the following three criteria are satisfied:

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

Japanese Corporations, etc., established in Tokyo by Overseas Financial Corporations within the Fiscal Year that includes the date of application. If the license registration of financial instruments business, etc. is required for the start of the main business, the application procedures for such license (which means prior consultation with the government or municipal office with jurisdiction over the license application procedures in question) must have been started.

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

Japanese corporation, etc., that has been established in Tokyo by Overseas Financial Corporations or has received Overseas Financial Corporation Business Establishment Subsidy Program in the previous Fiscal Year of the Fiscal Year to which the application date belongs.

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

Japanese corporation, etc., that has been established in Tokyo by Overseas Financial Corporations or has received Overseas Financial Corporation Business Establishment Subsidy Program in the two Fiscal Years preceding the Fiscal Year to which the application date belongs.

2) Parties Eligible for Subsidies must fulfill all the following criteria:

- (1) The Overseas Financial Corporation must have submitted the Business Overview (Form 1) to the Tokyo Metropolitan Government within the period separately specified in the application guidelines and have conducted a prior consultation to explain the business outline and other details of the plan for the relevant base. The prior consultation with the Tokyo Metropolitan Government shall be conducted after submitting the Business Support Services Application Form to Business Development Center Tokyo and consulting with them in advance regarding the outline of the project and other details of the plan. However, Parties Eligible for Subsidies for the first Fiscal Year who have already conducted prior consultation with the Tokyo Metropolitan Government for the Overseas Financial Corporation Business Establishment Subsidy Program do not need to conduct the above prior consultation.
- (2) The Overseas Financial Corporation has not established any base in Japan prior to the Establishment of Operations eligible for this Subsidy Program.
- (3) The main business must have one of the following two functions. If registration of a

license as a financial instruments business, etc. is required to start the main business, and if such registration has not been completed within the Fiscal Year in which this grant is awarded, the main business must be started by completing the registration by the end of the following Fiscal Year, in principle.

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 Corporation must be at least one-third.
 - (6) Must not have received a GX-related Foreign Company Tokyo Market Entry Support Program, Business Establishment Subsidy Program, or Subsidy to Support Overseas Financial Corporations in Priority Fields.
- 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
- 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 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.

(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 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>

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

3) The aforementioned expenses are eligible for the subsidy when they are paid for by the Overseas Financial Corporation and the Japanese Corporation, etc. that received services during the period when the following requirements were met:

- (1) Must be after the date of prior consultation with the Tokyo Metropolitan Government, as listed in (1) of 2) in item 3.
- (2) From April 1 of the Fiscal Year for which the subsidy was applied for, until the reporting of actual expenses

However, for Parties Eligible for Subsidies for the second or the third Fiscal Year, the subsidy applies to the amounts paid for services etc. provided to Japanese Corporations etc. from April 1 of the Fiscal Year in which the subsidy was applied to the period up to the Reporting of the actual expenses.

(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. Japanese Corporations, etc. wishing to receive the subsidy (hereinafter, “subsidy applicant”) shall, after confirming the contents of this Outline and other provisions set forth in the Application Guidelines, promptly submit the Business Overview (Form 1) (however, this is limited to cases where there have been changes in the content of the description since the prior consultation in accordance with (1) of 2) in item 3.), the Subsidy Application Form (Form 2), the Pledge (Form 3), together with the following attachments, to the Governor.
Only one Subsidy Application may be submitted per Fiscal Year.

【Common documents】

- (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 Japanese Corporations, etc., documents that can confirm the amount and ratio of investment from Overseas Financial Corporation (list of main 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) If the subsidy applicant is Parties 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.)
- (6) If the subsidy applicant is Parties 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.)
- (7) Documents that can confirm the business plans for the subsidy applicant concerning each Fiscal Year, in the Fiscal Year that includes the date of application and the following two Fiscal Years
- (8) 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 of 3, etc.)
- (9) Documents that can confirm that the requirements for establishing a base have been met (e.g., Certificate of All Historical Matters, Lease Agreement, Employment Agreement, Notification of Acquisition of Employment Insurance Qualification, License Registration Certificate of financial instruments business, etc.)
- (10) Documents that serve as grounds for the sum of expenses filed for the application (invoices, receipts, etc.)
- (11) Other documents deemed necessary by the Tokyo Metropolitan Government

【Initial expenses for moving into an office】

- (12) Documents that can confirm that the office, etc. related to the said expenses has been secured (Lease Agreement, etc.)

【Office rent】

- (13) 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.】

- (14) 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.】

- (15) Documents that can confirm functions, unit price, etc. of purchased equipment and fixtures, etc. (Purchase Order, Delivery Note, Product instructions, etc.)
- (16) If having received Purchase costs of equipment and fixtures, etc. under this grant in the past, documents showing that the grant was received (a copy of the Notification on

Determination to Grant Amount)

【Expenses for recruiting personnel】

- (17) Documents that can confirm that the Employees related to the said expenses will be employed on a regular basis (Employment Agreement, etc.)
- (18) 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】

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

【Compliance Operations Support Business Expenses】

- (20) Documents that can confirm the contents, period, outcomes, and fixed (annual or monthly) amount of expenses related to the outsourcing work (outsourcing agreement, invoices, reports, etc.)

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

- (21) 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.)
- (22) 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.

(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.
- 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 Japanese Corporation, etc. that has received the subsidy (hereinafter referred to as 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. Those who have been notified of the grant decision shall submit the Report of Actual Expenses (Form 6) with the following documents attached to it to the Governor within the Fiscal Year of application:
【Initial expenses for moving into an office】
 - (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.

(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.

(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 party must submit business reports concerning business activities conducted in each Fiscal Year (the Fiscal Year of receiving the grant decision, and the following two Fiscal Years) to the Governor in the form of the Business Activity Report (Form 9) by 30 June of the Fiscal Year following each Fiscal Year.

(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. Should any of the following apply to a subsidized party, the Governor can rescind all or part of the decision to grant the subsidy.
 - (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).

(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 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 is authorized to disclose the company name, name of representative, contents of the subsidy, and other information concerning the subsidized party.

(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.

Supplementary Provision

This Outline shall apply from April 1 2025.