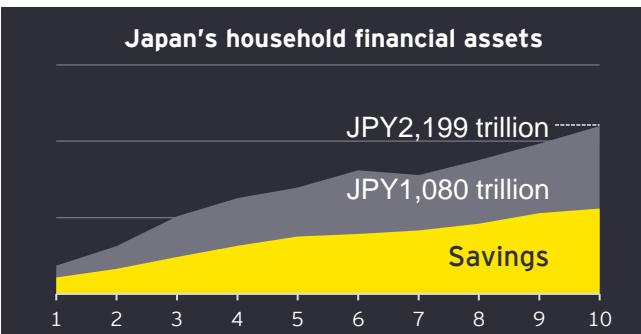


Why Japan?

Business features:

Revenue generation

- ▶ Investor acquisition
 - ▶ Presence of the world's leading institutional investors
 - ▶ Households with the world's leading level of financial assets (approx. JPY2,000 trillion)
 - ▶ More than half of household financial assets are in savings, inclusive of pension funds and insurance, and current trends show a shift from savings to investment, increasing the demand for asset management services
 - ▶ Increase in institutional and other investors' engagement in foreign investment, alternative investment and ESG investment
 - ▶ Increased necessity for financial institutions to perform sales activities in the market
 - ▶ Banks: decline in deposit-loan ratios
 - ▶ Insurance companies: decline in profitability of core business)
- ▶ Investee acquisition
 - ▶ Presence of the world's leading companies, supported by the economic scale of the fourth largest GDP globally
 - ▶ Government startup support programs (e.g., for 10 x multiplier for startup investment)
 - ▶ Funding demands due to the promotion of GX/DX and transition finance



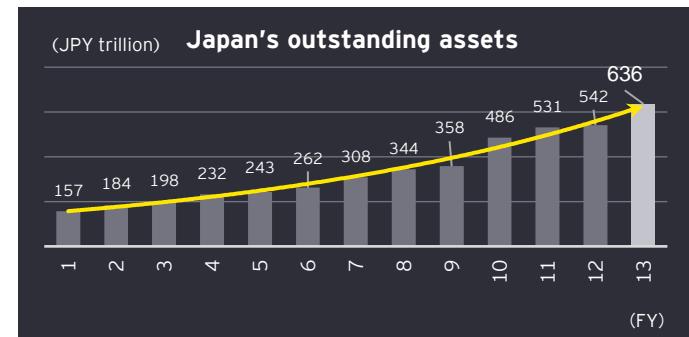
Source: Created by EY based on the FSA's "Business Opportunities in Japan", www.fsa.go.jp/internationalfinancialcenter/why-japan/business-opportunities/, and the Bank of Japan's "Funds Circulation", www.boj.or.jp/statistics/sj/index.htm (accessed on August 13, 2024)

Low costs

- ▶ Affordable office rent and lower business expenses compared to other locations
- ▶ Government support, including subsidies and tax incentives

Business environment

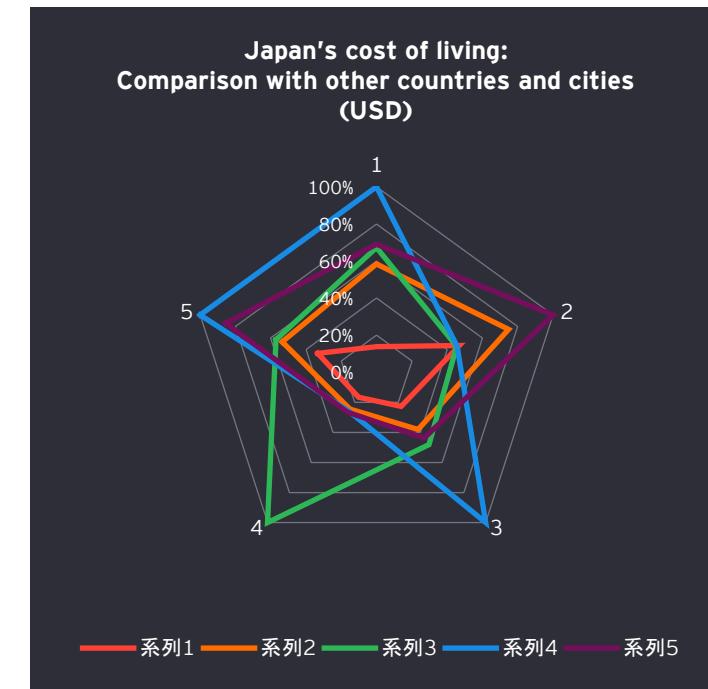
- ▶ Government support provided through the establishment of the "doubling asset-based income plan" and the "special zones for financial and asset management businesses"
 - ▶ Including: English support, administrative tasks such as opening bank accounts
- ▶ Government and private sector companies committed to carbon neutrality and other initiatives
- ▶ Fewer restrictions on outsourcing through revisions to the Financial Instruments and Exchange Act
- ▶ Rule of law, transparency in actions of regulatory authorities
- ▶ Market that boasts a world-leading volume of transactions



Note: Figures represent assets under management at the Japan Investment Advisers Association
Source: Created by EY based on the "Statistical Data" from the Japan Investment Advisers Association, jiaa.or.jp/toukei/ (accessed on August 13, 2024)

Aspects of daily life:

- ▶ Strong public safety
- ▶ Accessible and high-quality food, clothing and housing



Source: FSA "Favorable Living Environment", www.fsa.go.jp/internationalfinancialcenter/why-japan/living-environment/ (accessed on August 13, 2024)

Why EY?



Before entry

Business model evaluation

Various procedures including registration application support

Business plan formulation

After entry

Business launch/expansion

What support can EY offer?

- ▶ Designing an entry scheme
- ▶ Research on focus areas
- ▶ Business evaluation, including licenses requirements
- ▶ Establishing systems and/or structures for business operations and internal management
- ▶ Business partner sourcing
- ▶ Assessing business feasibility
- ▶ Designing taxation schemes for entities and funds
 - ▶ Entity and Fund structuring
 - ▶ Transfer pricing strategies
 - ▶ Structuring of carried interest schemes

- ▶ Evaluation of a detailed entry plan
- ▶ Support for company establishment and business registration
- ▶ License acquisition
- ▶ Establishing internal governance structures
- ▶ Market research on focus areas
- ▶ Opening bank accounts
- ▶ Recruitment of qualified people
- ▶ Work visa applications
- ▶ Tax and labor filing requirements
- ▶ Outsourcing of middle and back-office functions

- ▶ Business model analysis:
 - ▶ Detailed evaluation and analysis of market entry and customer acquisition strategies
- ▶ Business matching:
 - ▶ Support for the acquisition of customers (investors), investees and business partners
- ▶ Revenue planning
- ▶ Cost planning
 - ▶ Advice for subsidies and tax incentive planning
- ▶ Tax Support for fund investors
 - ▶ Permanent Establishment exemption filings
 - ▶ Capital gain exemption filings
 - ▶ Application of tax treaties
 - ▶ FATCA/CRS filing

- ▶ Market research support for launching your business and expansion in new areas
- ▶ Opportunity for sourcing and matching, preparing a long/short list, and tapping support
- ▶ Lead advisory service (FA/Execution)
- ▶ Due Diligence, including: financial, tax, business, operations, IT, cyber, HR and others
- ▶ Business plan, valuation, and PMI support
- ▶ Monitoring/Management support for portfolio companies
- ▶ Support for implementing internal management systems
- ▶ Support for filing audit reports under local regulations
- ▶ Tax compliance and advisory services
- ▶ Expatriate tax support services, including designing benefit plans

EY supports businesses seeking entry into the Japanese market, with specialist teams offering a series of one-stop-shop services. We are also ready to assist with various procedures after entering the market.

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EY Japan houses teams specializing in each sector and collaborates closely with other EY network firms around the world to acquire and share knowledge. EY Japan WAM comprise professionals with extensive experience in the asset management industry, who leverage expert insight and latest knowledge to contribute to the creation of long-term value for our clients.

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Global Wealth & Asset Management network Number of professionals



Achievements

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