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## A Brief Summary re Japan Business Establishment

### Opening a Company in Japan

How a foreign company or entrepreneur sets up business presence in terms of formation of a legal entity depends upon the nature and magnitude of the business, proposed business operation, as well as legal, tax and other considerations.

Many options exist, ranging from a Branch office or a local Japanese subsidiary company such as **Kabushiki-Kaisha (KK Co)**, **Godō-Kaisha (GK Co)** and there are several local types of company formations available. There is also a Japanese version of a limited liability partnership (LLP), is not a corporation, but a partnership format.

Foreign companies doing some research will find that administrative legal matters re doing business in Japan may even sometimes easier compare to their own home-country (depending upon the nationality of the foreign company). With right professional assistance "Setting Up Company, Administrative Operation & Doing Business in Japan" is quite simple and not that very difficult task, as many foreign companies or entrepreneur might have perceived it!

In recent past Japanese government has also taken efforts for attracting foreign businesses to Japan and made promises to solve inconvenience by removing language barriers in retail outlets, enhancing educational environment for expatriate children, further improving internet connectivity (Free Wi-Fi) etc.

### Setting up a business presence in Japan

A foreign company can set up a business presence in Japan in any one of following 4(four) formats:

- Representative Office
- Branch Office
- Subsidiary Company
- Limited Liability Partnership (LLP)

#### Representative Office:

Representative offices are generally established for carrying out market research & liaison activities on behalf of head office. **It does not allow to conduct commercial business activities in Japan** and **no registration is required under the Commercial Code in principle**.

#### Branch Office

The simplest mode for a foreign company to establish a legal entity for commercial business operations in Japan is to set up a branch office. In terms of the range of business activities allowed, there are no basic differences between branch office and domestic corporations. Taxed on branch income only but rate is same as local co. For registration there is no requirement to establish statutory officers / management body, it only needs a **local physical address** (not PO Box) & a **Representative in Japan** (must be a resident of Japan).

#### Subsidiary Company

A foreign company willing to establish a subsidiary company may choose from the followings:

- (a) Joint-stock corporation (**Kabushiki-Kaisha**) [**K.K.**]
- (b) Limited Liability Company (LLC) (**Godō-Kaisha**) [**G.K.**] or similar entity stipulated by Japan's Companies Act.



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*There are formats such as unlimited partnerships (Gomei-Kaisha) and limited partnerships (Goshi-Kaisha) under the Companies Act, but they are rarely chosen in practice because equity participants burden unlimited rather than limited liability.*

A subsidiary is a separate legal entity from the foreign company, therefore foreign company will bear the liability of an equity participant stipulated by law for all debts and credits generated by the activities of the subsidiary.

Minimum requirement for establishing a subsidiary co in Japan is to have a **local physical address** (not PO Box) and a **local resident in Japan**.

However, effective **Mar'15** Japanese government has allowed foreign company to register a Japanese KK co with directors residing abroad and the mandatory requirement of at least one local Resident Director has been relaxed / abolished! (*But for the procedure of "paid-up capital" of the local co a local resident shareholder is required at the time of registration & upon completion the share of local resident can be transferred back to foreign co or individual for holding 100% share in the Japan KK Co.*). Please **refer to note below** with regard to K.K. Co formation under the new regulation effective Mar'15.

For further details and or clarification please contact us.

## **Limited Liability Partnership (LLP)**

This format is also allows to do business by using a Yugen Sekinin Jigyo Kumiai. It is considered as Japanese version of a limited liability partnership (LLP), is not a corporation, but a partnership formed only by the equity participants, who have limited liability.

Taxes are levied on profits allocated to equity participants but no tax on LLP. The format is normally used for carrying out a time bound project.

However, please note that for all formats of forming a legal entity (Branch or a subsidiary company) in Japan **"a registered office address in Japan"** (not P.O. Box) is mandatory.

## **Option re formation of a legal business entity in Japan for commercial business activities:**

The option is either to establish a **Branch Office** or a **Local Subsidiary Co** (either a Joint-stock corporation (Kabushiki-Kaisha) [K.K.] or Limited Liability Company (LLC) (Godo-Kaisha) [G.K.]). *For any of the said formats the minimum requirement is a local address in Japan (not PO Box address) and a local resident in Japan (except K.K. Co) (either a Japanese or a foreign national but in case of a foreign national the person must have an appropriate status of residence or may require change of status of residence).*

Branch office allows a maximum of 2(two) Representative in Japan to be registered and a shareholder / director / staff from head office can be registered as a Representative in Japan with overseas address in addition to the local resident.

Local Subsidiary Co allows registering directors with overseas address in addition to the local resident director.

### **❖ Note with regard to K.K. Co formation under the new regulation effective Mar'15.**

Please note **effective Mar'15** the Japanese government has allowed foreign company and or individual to register Japanese KK Company with director(s) and shareholders residing abroad and the mandatory requirement of at least one local Resident Director has been relaxed! (But for the procedure of "paid-up capital"

of the local co a local resident shareholder is required at the time of registration & upon completion the share of local resident can be transferred back to foreign co or individual for holding 100% share in the Japan KK Co.).

And thereafter the reporting to National & Local Tax authorities is done with 100% foreign shareholding. (However, on the Bank of Japan reporting of foreign investment it will only reflect the fact at the time of registration i.e. 99+1 share!)

The practical hurdles that the foreign owned KK co without a local resident director might face (depending upon the case) in the areas such as:

- In opening a Corporate bank a/c in Japan; and depending on the bank & local KK company's proposed activities the situation may vary case by case! JFYI, local banks are very strict in opening up an ordinary corporate bank account even for local Japanese company owned by the local citizen or resident. Usually it takes about two(2) weeks for them to check the documents and to evaluate to form their final decision.
- And the perception of local business partner(s) and or client(s) in Japan about the foreign owned legal entity (KK Co) without any local resident director for doing business in Japan! This would also going to vary case by case depending upon the new company's purpose and activities in Japan!

## ❖ To suggest a suitable legal format depends on answers on the following issues!:

Choosing the right type of legal entity formation depending on the specific requirement of the client. And hence they need to address the following basic issues while sending the inquiry for quotation:

**1] (a) Main reason(s) to establish a legal entity in Japan?** Brief info. re past or present business activities in Japan (if any)?

**(b) Business objectives and activities to be conducted through New Company / legal entity in Japan?**

**2] (a) Proposed form of entity: incorporate branch or a local subsidiary company?** ([in the event you have already gathered and studied preliminary information on the setting up a business entity in Japan](#))

**(b) In case of local subsidiary co what will be shareholding structure, i.e. Individual or Foreign Company?**

**3] Who will become Local Representative in Japan (in case of branch) & Local Resident Director (in case of local subsidiary company)?** [***KK can be registered without local resident director***] The **registered office address?** In case of a local subsidiary co. what will be **capitalization?** In J. yen? (**Paid-up-capital amount**)

**4] Other related e.g. brief information on foreign co or entrepreneur? URL, Co profile, etc!**

Furthermore, information on the following area would be helpful in preparing the cost estimation:

- ✓ Requirement of post-incorporation mandatory administrative services such as: corporate tax return, book-keeping, staff payroll, annual year-end withholding staff tax adjustment, social insurance, etc.
- ✓ Any other administrative business services and or business operational support required (if required)?

## Japan Representative Office

Representative office is generally established for carrying out preparatory and supporting tasks aimed at enabling foreign companies to engage in full-scale commercial business operations in Japan in future.

Representative office is generally established for carrying out market research & liaison activities on behalf of head office. It does not allow to conduct commercial business activities in Japan and therefore no registration is required at the legal affairs bureau nor be subjected to corporate tax under Japanese tax laws. However, representative offices established by **foreign banks, insurance companies, securities companies, or other**

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**financial institutions are exceptions;** prior notification must be provided to the Financial Services Agency for such representative offices (as stipulated in the Banking Law, Securities Exchange Law and other laws).

In principle, a representative office is not a company, which is registered as a corporation. The office format may be used by foreign corporations, which do not conduct commercial business in Japan but expect to carry out the activities such as:

- Advertising and promotional activities, providing information, carrying out market research, conducting basic research and other activities to support the undertakings of the foreign corporation.
- Purchasing & storing of goods on behalf of the head office (parent company in overseas).

## Main Features of a Representative Office

- ❖ **No registration is required** under the Commercial Code in principle.
- ❖ No report of direct inward investment to the Ministry of Finance via the Bank of Japan is required under the Foreign Exchange Law.
- ❖ **Since representative offices do not conduct business in Japan, they are not regarded as permanent establishments and are therefore not subject to corporate taxes.**
- ❖ The advantage of no required reporting does not apply, however, in the case of financial institutions such as foreign banks, insurance companies, or securities companies. Under the laws concerning banking, foreign insurance operations, and foreign securities brokers, such institutions must submit a report in advance to the Ministry of Finance, even to establish a representative office.
- ❖ The lease for a representative office's office space may be signed between the head office in the home country and the Japanese building owner. In many cases, however, the owner will require that the representative office have a guarantor (resident of Japan) resident in Japan.
- ❖ **It is possible for a representative office to open an ordinary savings account at a Japanese bank using an account name such as "Tom Smith, XXX Inc. Representative Office in Japan," a hybrid of individual and corporate status.**
- ❖ A representative office may not do business in Japan, whether it expects a profit or not.
- ❖ Foreign corporations intending to do commercial business activities in Japan may, however, not use the representative office format. Their choices are establishing a branch office or forming a subsidiary domestic corporation (Local Company in Japan).

## Japan Branch

Foreign companies willing to engage in commercial business operations in Japan must establish a branch office or a local subsidiary company as a legal entity in Japan.

The simplest mode for a foreign company to establish a legal entity for business operations in Japan is to set up a branch office. Branch office can start business operations as soon as registration is completed with the local authority and all necessary post-registration mandatory reporting are completed.

A branch office of a foreign company carries commercial transactions in Japan as per the decision / instruction of the parent company, and usually is not expected to independent decision-making.

A branch office does not have its own independent local legal corporate status, but instead is deemed to be within the umbrella of corporate status of the parent company outside of Japan. At the time of registration of a branch in Japan thus there is no requirement to establish statutory officers / management body such as directors, auditors, a branch needs a representative only (a resident of Japan).

In general, therefore, the foreign parent company is ultimately responsible for all debts and credits generated by the activities of its Japan branch office.

A branch office, however, can open company bank accounts and lease real estate in its own name, carry commercial activities as per corporate objectives derived from parent co, once its registered in Japan.

In terms of the range of business activities allowed, there are no basic differences between branch offices and domestic corporations.

A branch office in Japan is obliged to submit corporate tax return to local authority within two months from the date of closing of fiscal year and fiscal year is registered in Japan as per the parent company's fiscal year established in-home country. Tax applies on the net income generated in Japan as per local regulation and rates applied are same as domestic company.

The procedures for closing a branch office must also be completed when upgrading a branch office to a subsidiary company. Because a branch office cannot be directly reorganized into a joint-stock corporation (Kabushiki-Kaisha {K.K.}) or a limited liability company (Godo-Kaisha {LLC}), the branch office closure procedures and the subsidiary company establishment procedures must be carried out simultaneously. In such instances, however, the branch office's assets may be passed on to the subsidiary through investment in kind.

## **Some Basic differences between Opening a Branch and Establishing a Domestic Corporation in Japan**

In terms of the range of business activities allowed, there are no basic differences between branch offices and domestic corporations. But regardless of the firm being foreign or not, some companies, depending on the category of business, are required to secure authorization of the supervisory ministries at the time of founding.

[A Branch office is not regarded as an independent legal entity, but as acting on the basis of decisions and instructions from the head office to provide services and carry out business activities, including purchasing, importing, and sales. In transactions with other businesses, the branch office concludes contracts as the representative of its head office.](#)

## **Some major differences between a branch office and A domestic Japanese corporation**

Either a branch office or a domestic corporation may enter into business activities by its own name as an entity. Tax rates are also fundamentally the same for a branch office or a domestic corporation.

- 1) A new management body need not be set up for a branch and there is no detailed statutory requirement for the management of a branch. While a domestic corporation must have statutory officers or a management body such as directors, auditors, board of directors meetings and shareholders meetings, a branch does not require to do so but only needs a Representative in Japan.
- 2) Dividends paid by a domestic corporation to a foreign shareholder are subject to withholding tax, while remittance of branch profits after tax to its head office is not subject to withholding tax.
- 3) Expenses incurred by the head office for its branch may be allocated to its branch.
- 4) Interest or royalty paid by the head office for activities of its branch, may be deducted by its branch although such interest or royalty is subject to withholding tax.

**Note:** In both branch or a subsidiary Co a local resident is required (Representative in Japan for branch & Local Resident Director for subsidiary Co [except for K.K. Co.]), either a Japanese national or a foreigner with proper resident permit in Japan, and a local physical address is required for registration of a branch or subsidiary Co and not a P.O. address.

## Establishing a Subsidiary Co in Japan

**KK Co** (Kabushiki-Kaisha) [Joint-stock corporation] {Kabushiki Joto Seigen Kaisha – (If No Committee is Established)}  
Or

**GK Co** (Godo-Kaisha) [Limited Liability Co] LLC

### For incorporation of either a KK or GK the minimum common criteria is as follows: -

1. A local physical address for a local subsidiary co's "Registered Office address" (physical address & not a PO Box address)
2. A local resident (Japanese or foreigner) as a "Resident Director" (in case of a foreigner his / her Visa status need to be verified and if required change of status may need to be applied at the immigration bureau) [Except for K.K. Co.]

### The following features applies to both KK and GK:

1. Minimum Number of Directors: 1(one) (But in case of one or several one must be resident of Japan [Except for K.K. Co.]
2. Resident Director Required: Yes, at least one must be resident. [Except for K.K. Co.]
3. Minimum Number of Shareholders: 1(one) [In case of GK equity holders (Member) & all directors must be from Members]
4. Corporate Shareholder Allowed: Yes (In case of corporate shareholding procedure is lengthy & complex)
5. Resident Shareholder (Member) Required: No.

[For incorporation procedure it is necessary to allocate 1(one) share in the name of the local resident shareholder/director and use his / her personal bank a/c to transfer the capital amount from abroad as foreign co nor a foreign resident can hold a local bank a/c in Japan. Upon completion of registration this share is transferred back {through internal co doc stating the transfer}. The actual share position need notification to tax office and the name of the promoter & actual share position reflects on tax return docs.]

P.S. The above-procedure is adopted both for KK & GK.

But in case of GK the director of a co must be a shareholder /equity holder [Member].

*(However, if GK promoter decides to stay outside of Japan then there is no other alternative but to hold share (equity) remain in the name of the resident director / member.)*

6. Liability of equity participants/parent company toward creditors: Limited to amount of equity participation
7. Company Secretary: Not required
8. Registered Office: Yes, physical address is required and P.O. Box address is not allowed.
9. Minimum Registered Capital: 1 (one) yen

10. Timeframe for registration: Depends on the type of entity, the way the client wants to form the legal business establishment, i.e. Shareholding, Directors, forming structure, etc. and the client's response time in the whole process. Once all documents are ready / prepared and applied at Legal Affairs Bureau for registration it takes about 2(two) weeks to obtain company registration certificate and company seal registration certificate; and our approx. timeframe for our preparation of documents and procedure are indicated in the flowchart both for KK & GK Co.

11. Yearly Auditing of accounts: Not mandatory

## Basic difference between KK and GK:

	<b>KK</b> (Kabushiki Joto Seigen Kaisha) [If No Committee is Established]	<b>GK</b> (Godo-Kaisha) [Limited Liability Co] LLC
Transfer of equity participation share	May be transferred freely in principle. May be stipulated in articles of incorporation that approval of Board of Directors is needed for transfer of shares.	Unanimous approval of equity participants (members) required
Number of executives required	Appointment of 1 or more required. Representative director with right to execute business. If no representative director is appointed, executive officers each have the right of representation. # At least one representative must have an address in and be a resident in Japan. #(No more under new law eff. Mar'15)	No legally stipulated minimum. In principle, all members are executive officers, but a representative member may be appointed. At least one representative must have an address in and be a resident in Japan.
Legally stipulated term of office for executives	2 years in principle. Extendable up to 10 years	No legally stipulated term
Possibility of a Company to be a Director	Not possible	Possible. However, the co should nominate an individual staff from the co. 1(one) must be Japan resident. On registration both Co & individual name will appear.
Director must be from shareholder (member)	Not necessarily	Must
Regular general meeting of shareholders (members)	In principle, must be held every year	Not required
Possibility of public offer of stock (equity participation share)	Possible	Not possible
Possibility of reorganization	A joint-stock corporation (KK) may be reorganized into a limited liability company (LLC) (GK).	A limited liability company (LLC) (GK) may be reorganized into a joint-stock corporation (KK)
Distribution of profits and losses	Allocated according to equity participation ratio	May be allocated at a different rate from equity participation rate if specified in articles of association

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## Comparison of types of legal business entity in Japan

Foreign companies or individuals generally engage in business operations by establishing a branch office, subsidiary company, or limited liability partnership, and the legal differences between each of these are summarized in the following table.

### Subsidiary Company

	Branch Office	Kabushiki-Kaisha (KK Co) (Joint-stock Corporation) {(Kabushiki Joto Seigen Kaisha) (If No Committee is Established)}	Godo-Kaisha (GK Co) Limited Liability Co (LLC)	Limited Liability Partnership (LLP)
Restrictions on equity participation	Notification not required with the Bank of Japan (Except certain industries)	Notification must be filed to the Bank of Japan	Notification must be filed to the Bank of Japan	Notification not required-with the Bank of Japan (Except certain industries)
Capital	No capital (same as HO)	1 yen or more (*1)	1 yen or more (*1)	2 yen or more (if 2 Partners)
Number of investors	Not applicable	1 or more	1 or more	2 or more (*3)
Liability of equity participants/parent company toward creditors	Unlimited	Limited to amount of equity participation	Limited to amount of equity participation	Limited to amount of equity participation
Transfer of equity participation share	No equity participation share	May be transferred freely in principle. May be stipulated in articles of incorporation that approval of Board of Directors is needed for transfer of shares.	Unanimous approval of equity participants (members) required	Unanimous approval of partners required
Number of executives required	Representative in Japan 1 or 2(*2)	Appointment of 1 or more required (*2). Representative director with right to execute business. If no representative director is appointed, executive officers each have the right of representation.	No legally stipulated minimum. In principle, all members are executive officers, but a representative member may be appointed (*2).	No legally stipulated minimum. All partners are executive officers (*3).
Possibility of a Company to be a Director	Not applicable	Not possible	Possible. However, the co must nominate a staff from the co. (*2)	Not applicable
Director must be from shareholder (member)	Not applicable	Not necessarily	Must	Not applicable
Legally stipulated term of office for executives	No legally stipulated term	2 years in principle. Extendable up to 10 years	No legally stipulated term	No legally stipulated term
Regular general meeting of shareholders (members)	Not required	In principle, must be held every year	Not required	Not required
Possibility of public offer of stock (equity participation share)	No equity participation share	Possible	Not possible	Not possible
Possibility of reorganization into joint-stock corporation	Not possible. Need to separately close branch office and establish joint-stock corporation (*4)	-	Possible	Not possible. Need to separately dissolve partnership and establish joint-stock corporation (*5)
Possibility of reorganization	Not possible	A joint-stock corporation (KK) may be reorganized into a limited liability company (GK).	LLP (GK Co) may be reorganized into a KK	Not possible
Distribution of profits and losses	-	Allocated according to equity participation ratio	May be allocated at a different rate from equity participation rate if specified in articles of association	May be freely allocated with the unanimous approval of partners
Taxation of profits	Income arising within Japan is in principle taxed	Taxed on profits according to a local Co and profits allocated to shareholders	Taxed on profits according to a local Co and profits allocated to participants	No taxation of partnerships themselves. Taxation of profits allocated to partners





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- (\*1) Although establishment with capital of zero yen is theoretically possible, approval is granted ex post facto, and it is not in practice possible to incorporate a company without paying in capital.
  - (\*2) At least one representative must have an address in and be resident in Japan. [Except for K.K. Co under new regulation effective Mar'15]
  - (\*3) One or more partner must be an individual who has an address in and is resident in Japan for more than 1 year, or a Japanese corporation.
  - (\*4) Refer "Closure of branch offices".
  - (\*5) Refer "Dissolution and liquidation of limited liability partnerships".

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## Comparison re Directors of KK (Kabushiki-Kaisha) [joint-stock corporations] ( [If No Committee is established](#) )



		Small and medium companies (joint-stock corporations with capital of less than 500 million yen and total liabilities of less than 20 billion yen)		Large companies (joint stock corporations with capital of 500 million yen or more or total liabilities of 20 billion yen or more)	
		Kabushiki Joto Seigen Kaisha (joint-stock corporations subject to restrictions on the transfer of issued shares)	Kokai Kaisha (publicly traded joint-stock corporations that are not Kabushiki Joto Seigen Kaisha)	Kabushiki Joto Seigen Kaisha (joint-stock corporations subject to restrictions on the transfer of issued shares)	Kokai Kaisha (publicly traded joint-stock corporations that are not Kabushiki Joto Seigen Kaisha)
Directors	No.	Appointment of 1 or more required. Representative director with right to execute business. If no representative director is appointed, executive officers each have the right of representation(*1).	Appointment of 3 or more required	Appointment of 1 or more required. Representative director with right to execute business. If no representative director is appointed, executive officers each have the right of representation(*1).	Appointment of 3 or more required
	Term	1 to 10 years. Extendable up to 10 years.	2 years	1 to 10 years. Extendable up to 10 years.	2 years
Board of directors (3 directors or more)		Establishment optional. Establishment required if board of auditors is established.	Establishment required	Establishment optional. Establishment required if board of auditors is established.	Establishment required
Representative director(s)		Appointment possible if 2 or more directors appointed. Executive officer with right of representation(*1).	Appointment of 1 or more required. Executive officer with right of representation(*1).	Appointment possible if 2 or more directors appointed. Executive officer with right of representation(*1).	Appointment of 1 or more required. Executive officer with right of representation(*1).
Executive officers		Appointment not possible			
Auditors	No.	1 or more may be appointed. However, appointment of 1 or more is required if a board of directors is established and no accounting counselor is appointed	Appointment of 1 or more required		Appointment of 3 or more required
	Term	4 years in principle. Extendable up to 10 years.	4 years	4 years in principle. Extendable up to 10 years.	4 years
Board of auditors (3 or more auditors)		Establishment possible			Establishment required
Accounting auditor	Appointment	Appointment possible		Appointment necessary	
	Term	1 year			
Accounting councilor(*2)	Appointment	Appointment possible. However, 1 or more must be appointed if a board of directors is established and no auditor is appointed.	Appointment possible		
	Term	2 years in principle. Extendable up to 10 years.	2 years	2 years in principle. Extendable up to 10 years.	2 years

(\*1) At least one director with the right of representation must have an address in and reside in Japan.

(\*2) An agent of a company newly established under the Companies Act who must be a certified public tax attorney or certified public accountant.

An auditing councilor prepares financial documents in association with the directors, and may not hold another position as well, such as director, auditor, or accounting auditor.

[Source: Government Agency]

## Comparison regarding directors of Kabushiki-Kaisha (joint-stock corporations) (if a committee is established)



	Small and medium companies (joint-stock corporations with capital of less than 500 million yen and total liabilities of less than 20 billion yen)		Large companies (joint stock corporations with capital of 500 million yen or more or total liabilities of 20 billion yen or more)	
	Kabushiki Joto Seigen Kaisha (joint-stock corporations subject to restrictions on the transfer of issued shares)	Kokai Kaisha (publicly traded joint-stock corporations that are not Kabushiki Joto Seigen Kaisha)	Kabushiki Joto Seigen Kaisha (joint-stock corporations subject to restrictions on the transfer of issued shares)	Kokai Kaisha (publicly traded joint-stock corporations that are not Kabushiki Joto Seigen Kaisha)
<b>Directors</b>	<b>No.</b>	Appointment of 3 or more required		
	<b>Term</b>	1 year		
<b>Board of directors (3 or more directors)</b>		Establishment required		
<b>Representative director</b>		Appointment not possible		
<b>Executive</b>	<b>No.</b>	Appointment of 1 or more required. Appointment of representative executive officer if 2 or more(*).		
	<b>Term</b>	1 year		
<b>Auditors</b>		Appointment not possible		
<b>Board of auditors (3 or more auditors)</b>		Appointment not possible		
<b>Accounting auditor</b>	<b>Appointment</b>	Required		
	<b>Term</b>	1 year		
<b>Accounting councilor</b>	<b>Appointment</b>	Possible (prepares financial statements in collaboration with directors)		
	<b>Term</b>	1 year		
<b>Auditors committee</b>		Establishment required (for auditing, etc. of performance of duties by executive officers). Consists of 3 or more directors, of which at least half must be outside directors.		
<b>Nominating committee</b>		Establishment required (to decide on proposed appointment and dismissal of directors for submission to the general meeting of shareholders). Consists of 3 or more directors, of which at least half must be outside directors.		
<b>Benefit committee</b>		Establishment required (to determine compensation of executive officers, etc.). Consists of 3 or more directors, of which at least half must be outside directors.		

(\* ) At least 1 executive officer with the right of representation must have an address in and reside in Japan.