

FY 2022

Subsidy to Support Base of Operations of
Overseas Financial Corporations
("Power Assist" Subsidy)

[Application Guideline]

(*This English version is for reference only.)

Office of the Governor for Policy Planning
Tokyo Metropolitan Government

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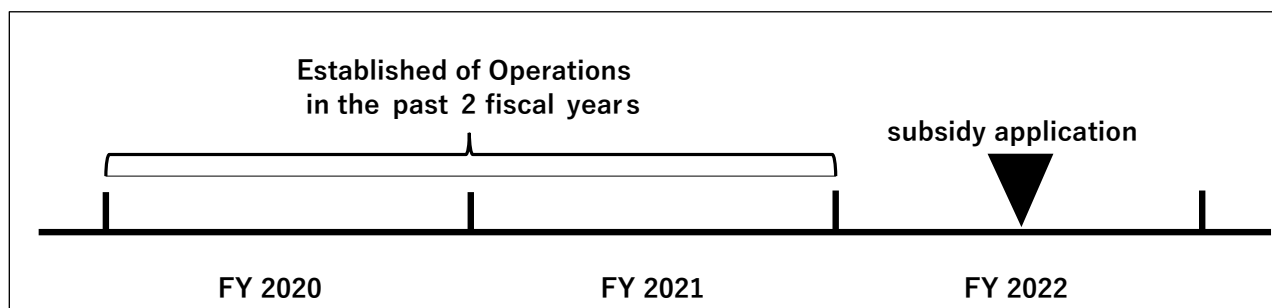
1. Objectives of Program

The Tokyo Metropolitan Government is promoting initiatives with the aim of revitalizing Tokyo as a global financial hub that brings together capital, human resources, and information from around the world. To achieve that end, it is vital to encourage asset managers that fulfill the roles of helping the people achieve stable asset formation and supplying assets on behalf of existing financial systems, as well as FinTech corporations that provide new methods of conducting business mainly in the financial sector, to enter Tokyo, and to revitalize Tokyo's financial and economic sectors.

Hence, the Tokyo Metropolitan Government grants the subsidy to Japanese Corporations, etc. of Overseas Financial Corporations that have just been established a new base in Tokyo to cover a part of costs necessary for promotion of growth of business, etc.

2. Parties Eligible for Subsidy

- (1) Parties eligible for the subsidy are Japanese Corporations, etc. established bases in Tokyo by Overseas Financial Corporations (asset managers and FinTech corporations) in the previous or the second preceding fiscal year of the fiscal year when the application for the subsidy is submitted.



- (2) Japanese Corporations, etc. eligible for the subsidy must fulfill all the following criteria.
- (i) They must consult with the Tokyo Metropolitan Government during the predetermined period
 - (ii) The Overseas Financial Corporation first established its operation of business in Japan.

- I. "Overseas Financial Corporations" means corporations established based on foreign laws that operate asset management businesses or FinTech businesses
- II. "Establishment of Operations" means the act of establishing Japanese corporations or branch offices that satisfies all the following criteria.
 - a. the place of business operations was secured
 - b. registration of incorporation of company (or business office in case of foreign company)
 - c. Secure employees who will work full-time
 - d. operation has started (and license is registered if required)

(iii) Main business of the Japanese Corporations, etc. carries one or more of the following functions.

a. Asset manager

Functions such as base of asset management operations or sales and marketing base, that are recognized by the Tokyo Metropolitan Government as having the potential to contribute significantly to the revitalization of Tokyo's economy

b. FinTech corporation

Functions such as research and development base or sales and marketing base related to provision of innovative financial services using IT technology, that are recognized by the Tokyo Metropolitan Government as having the potential to contribute significantly to the revitalization of Tokyo's economy

(iv) Employ at least one full-time employee (who will be covered by employment insurance) at the Japanese Corporation, etc.

(v) In case of Japanese Corporation, investment ratio of the Overseas Financial Corporation is no less than 1/3.

(3) In addition to the preceding paragraph, Overseas Financial Corporations and Japanese Corporations, etc. must fulfill all the following criteria.

(i) are not in violation of any laws or ordinances, etc.

(ii) have no delinquent taxes.

(iii) are not in violation of the terms of any contracts made with public offices, etc.

(iv) are not corporations that have the possibility of threatening public safety or well-being.

(v) are not corporations whose business objectives include political, religious, or election campaign-related activities.

(vi) are not Organized Crime Groups, and do not have an Organized Crime Group Member, etc. among the representatives, executives, Employees, or other members of the corporation.

(vii) do not have past businesses or other concerns that the Tokyo Metropolitan Government deems

unsuitable as a company eligible for the subsidy.

3. Expenses Eligible for Subsidy

(1) Expenses eligible for the subsidy are the following three expenses related to development and stabilization of base of operations of the parties eligible for the subsidy after Establishment of Operations. Provided, however, that, this excludes fees equivalent to consumption tax, payments to governmental offices, and other fees that do not come under provision of services, as well as expenses that are eligible for other public subsidies or grants.

(i) Office rents

Rents of office located in Tokyo that are necessary for operation of business. The office must have an exclusively owned area, and continuity of the leasing must be expected.

《Notes》

- Shared office is also eligible but only rents for the exclusively owned area of the applicant are eligible.

【Examples of non-eligible expenses】

- rents for one-off use of meeting rooms, event spaces, short-term rentals, etc.
- virtual offices (e.g. to use address in Tokyo and receive mails)
- rents of offices subleased to third parties
- deposit, key money, guarantee deposit, commission, renewal fees, etc.
- utilities, fire insurance premium, earthquake insurance premium

(ii) Consulting fees for experts, etc.

Fees and expenses paid when parties obtain advice or receive guidance from external experts, etc. through consultation regarding knowledge or coping methods necessary for their growth or problem solution in the course of operation of the main business. Fees for services provided by professionals and professional consulting companies, etc. are intended.

《Notes》

- Minutes, reports, etc. prepared by the experts, etc. which show consulting details, date and time of consulting, time spent for consulting, details of advice and instructions, actions after consultation, etc. must be submitted.

【Examples of non-eligible expenses】

- fees relating to account closing and tax matters necessary in the ordinary course of business
- fees for preparing documents, etc. relating to application for this subsidy
- regular fees relating to retainer agreements
- revenue stamps, registration license taxes, etc.

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

Purchase costs of equipment and fixtures such as desks, chairs, personal computers, office equipment and software that function by itself, are installed and used at the office in Tokyo, and are necessary to carry out main business.

《Notes》

- Equipment and fixtures unit price (including tax) of which is no less than 10,000 yen and less than 300,000 yen are eligible.
- Expenses that may be accounted together as purchase costs such as delivery expenses and assembly costs are also eligible.

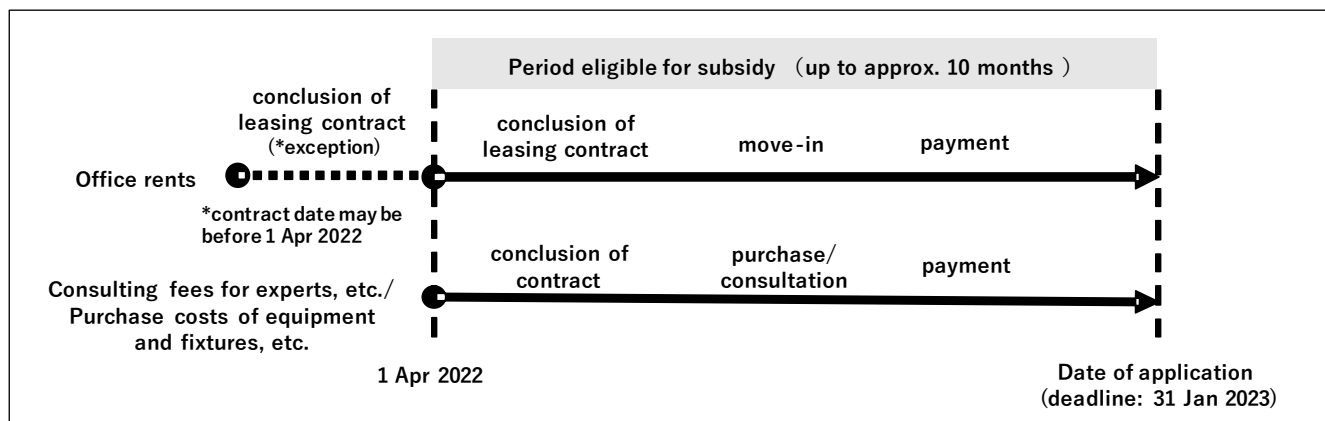
【Examples of non-eligible expenses】

- purchase costs of secondhand goods
- goods to be leased to third parties
- purchase costs of equipment and fixtures lease term of which have ended
- facilities accompanying building (e.g. air conditioners, boilers, exterior illuminations) and real estates
- art, indoor plants, etc.
- expendable office supplies, household commodities, foods, etc.

(2) Period eligible for subsidy

The expenses set forth in items (i) to (iii) of the preceding paragraph are eligible for the subsidy when Japanese Corporations, etc. purchased goods or received services and the expenses

were paid between 1 April of the Fiscal Year when the application for the subsidy is submitted, and the date of subsidy application.



(3) Currency of subsidy

The subsidy shall be paid out in Japanese yen.

In cases where the expenses eligible for the subsidy are paid for in a foreign currency, please submit an application in yen terms. In that case, the exchange rate shall be the middle price of the telegraphic transfer rate (foreign exchange posted rates) of a designated financial institution of Tokyo (i.e. Mizuho Bank) on the date of payment of the expenses eligible for the subsidy, or a date deemed suitable by the Tokyo Metropolitan Government (figures below 1 yen are rounded off to the nearest whole number).

4. Subsidy Rate and Maximum Amount of Subsidy

(1) Subsidy rate

No more than 1/2 of the total expenses recognized as expenses eligible for the subsidy

*Figures less than 1,000 yen are rounded off to the nearest 1,000 yen.

(2) Maximum subsidy amount

Up to 10,000,000 yen per party

*This subsidy program is to be excused within the scale of the program. Hence, it is possible that we are not able to meet applicant's request depending on the budget situation.

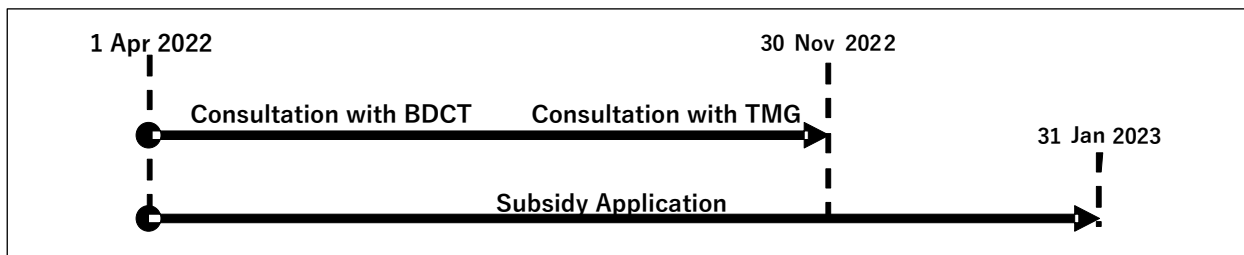
5. Deadlines of Applications Leading Up to Granting Subsidy

Procedures, etc. leading up to the granting of the subsidy shall be done by the following deadlines.

- (1) advance consultation with the Tokyo Metropolitan Government after consultation with Business Development Center TOKYO "Financial One-Stop Support Service" (by 30 November 2022)

(2) subsidy application (by 31 January 2023)

(3) payment of the subsidy after a decision to grant the subsidy



6. Advance Consultation

- (1) Japanese Corporations, etc. that intend to make use of the subsidy program must consult with the Tokyo Metropolitan Government and provide an explanation about business plan, etc.
- (2) Flow of processes for the advance consultation
 - (i) Before the advance consultation with the Tokyo Metropolitan Government, please consult with Business Development Center TOKYO “Financial One-Stop Support Service” concerning the business plans, etc. relating to the subsidy, then complete Advance Consultation Sheet (Form 1) and Business Plan (Form 2).
 - (ii) Submit Advance Consultation Sheet (Form 1) and Business Plan (Form 2) to the Tokyo Metropolitan Government, and arrange for the date and time of the advance consultation. (The consultation will implement online, etc.)
 - (iii) During the advance consultation, provide an explanation about the business plans, etc. to the Tokyo Metropolitan Government. Financial desk consultants from Business Development Center TOKYO “Financial One-Stop Support Service” will also be present during the advance consultation.

7. Subsidy Application

- (1) The Japanese corporation, etc. of the Overseas Financial Corporation, the party eligible for the subsidy, shall submit the subsidy application.
- (2) When submitting a subsidy application, please submit to the office set forth in Section 12(2) the application documents listed in List of Documents to be Submitted to the Tokyo Metropolitan Government (as attached).

If the documents submitted have been drawn up in a language other than Japanese or English, please attach a translation in Japanese or English.

- (3) Each Japanese corporation, etc. of Overseas Financial Corporations may submit the subsidy application only once in each fiscal year.
- (4) At the time when the subsidy application is submitted, the Overseas Financial Corporation is deemed to have understood and accepted this Guideline and Outline for Grant of Subsidy to Support Base of Operations of Overseas Financial Corporations (31 Sensentoku No. 1179 dated 31 March 2020,2 Sensentoku No.53 dated 1 April 2020,2 Senentoku No.1094 dated 29 March 2021) (hereinafter referred to as "Outline").
- (5) Application documents and other materials submitted will not be returned.

8. Decision to Grant Subsidy

- (1) A decision to grant the subsidy will be made and notified accordingly, if it is deemed that the application has been properly filed and it is appropriate to grant the subsidy.
- (2) Upon granting of the subsidy, necessary conditions may be placed on the applicant.
- (3) The subsidy will be paid out after the decision has been made to grant the subsidy.
- (4) The subsidized party shall not sublease to any third party the office that the party rented by using the subsidy. The subsidized party also shall not use contrary to the purpose of granting of the subsidy, transfer, exchange, loan, offer as collateral or dispose of the equipment and fixtures acquired by using the subsidy without approval of the Governor of Tokyo until the end of the following two fiscal years after the end of the fiscal year when the decision to grant the subsidy was made.

9. Duties After Subsidy is Paid Out

The following duties shall be placed on the subsidized party until the end of the following two fiscal years after the end of the fiscal year when the decision to grant the subsidy is made (i.e. until the last day of the second fiscal year after the fiscal year of decision to grant the subsidy).

- (1) Duty to continue business operations
During the abovementioned period, the subsidized party must continue business operations in Tokyo.
- (2) Duty to report on business activities
Business reports concerning each fiscal year within the abovementioned period shall be

submitted in the form of Business Activity Report (Form 7) by 30 June of the fiscal year following each fiscal year.

(3) Notification of changes

In the event that changes are made to any of the items listed below during the abovementioned period, the subsidized party shall submit Notification of Changes (Form 8) promptly after the change has been effected.

- (i) A change to the name of the subsidized party
- (ii) A change to the address of the subsidized party
- (iii) A change to the representative of the subsidized party (representative in Japan in the case of a branch office)
- (iv) Any event arises that results in failure to fulfill the criteria for the granting of the subsidy

10. Rescission of Decision to Grant Subsidy, and Return of Subsidy

(1) Rescission of the decision to grant subsidy

Should any of the following apply to a subsidized party, all or part of the decision to grant the subsidy can be rescinded. When the decision to grant the subsidy is rescinded, in principle, the subsidized party is required to return the subsidy.

- (i) When fraudulent information was given or other improper means were taken to receive the subsidy.
- (ii) When conditions attached to the granting of the subsidy, or any laws or ordinances are violated.
- (iii) When it becomes impossible to fulfill the grant criteria by the end of the following two fiscal years after the fiscal year when the decision to grant the subsidy was made (by the last day of the second fiscal year after the fiscal year when the decision to grant the subsidy was made).
- (iv) When the duty to continue business operations has been violated.
- (v) When other instructions set forth based on the Outline have been violated.

(2) Return of the subsidy

When all or part of the decision to grant the subsidy has been rescinded, the subsidized party must return the subsidy that has already been paid out, corresponding to the range of the subsidy that has been rescinded. In such cases, in principle, an additional charge for breach based on the Outline shall be added to the amount that must be returned.

11. Other

- (1) The Tokyo Metropolitan Government or Business Development Center TOKYO “Financial One-Stop Support Service” may conduct the site investigation to check on the status of the business and other matters, before and after the decision to grant the subsidy.

- (2) The company name, name of representative, details and amount of the subsidy, and other information concerning the subsidized party may be disclosed.

12. Office for Consultation and Application

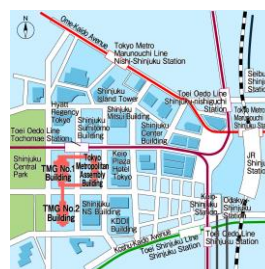
(1) Business Development Center TOKYO “Financial One-Stop Support Service”

B1F, JP Tower KITTE
2-7-2 Marunouchi, Chiyoda-ku
Tokyo 100-7090 Japan
phone: +81-3-6269-9981



(2) Staff Member for Global Financial City Tokyo, Strategic Projects Division, Office of the Governor for Policy Planning, Tokyo Metropolitan Government

14th Floor North, TMG No. 1 Building
2-8-1 Nishishinjuku, Shinjuku-ku
Tokyo 163-8001, Japan
phone: +81-3-5388-2060



List of Documents to be Submitted to the Tokyo Metropolitan Government

1. For advance consultation

	Category	Remarks
<input type="checkbox"/>	Advance Consultation Sheet (Form 1)	Please fill in the Overseas Financial Corporation's outline.
<input type="checkbox"/>	Business Plan (Form 2)	Attach materials (if any) that provide details of business plan, etc.

2. For subsidy application

[Subsidy application documents]

	Category	Remarks
<input type="checkbox"/>	Application Form (Form 3)	
<input type="checkbox"/>	Pledge (Form 4)	

[Attachments]

	Category	Remarks
Common		
<input type="checkbox"/>	Documents that can confirm the name of the representative of Applicant (representative in Japan in the case of a branch office)	e.g. certified copy of commercial registration
<input type="checkbox"/>	Documents that can confirm the address of Applicant	e.g. certified copy of commercial registration
<input type="checkbox"/>	Documents that can confirm the shareholder composition of Applicant	e.g. registry of main shareholders
<input type="checkbox"/>	Documents that enable the authentication of the seal, etc. used by Applicant	e.g. certificate of seal impression
<input type="checkbox"/>	[in cases where the party settled its account in the past] Documents that can confirm that Applicant has no delinquent taxes	e.g. Certification of Tax Payment No.3-3
<input type="checkbox"/>	Documents that can confirm the past business performance of Applicant	e.g. financial statements
<input type="checkbox"/>	Documents that can confirm that, at the time of application, employ at least one full-time employee who is enrolled in employment insurance	e.g. employment contracts, employment insurance-applicable business register, employment insurance insured qualification acquisition notification
<input type="checkbox"/>	Documents that can confirm amount of expenses filed for the application	e.g. invoices, receipts, bank statements, receipts of withholding tax
<input type="checkbox"/>	Documents that can confirm that the requirements for Establishment of Operations are fulfilled	e.g. certified copy of commercial registration, leasing contract, employment contracts, certificate of registration of license
<input type="checkbox"/>	Other documents deemed necessary by the Tokyo	

		Metropolitan Government	
Office rents			
	<input type="checkbox"/>	Documents that can confirm details of property, lease term, rents, terms of payment, etc.	e.g. leasing contract
Consulting fees for experts, etc.			
	<input type="checkbox"/>	Documents that can confirm details, number of times, period, outcomes, etc. of the consultations	e.g. service agreements, minutes, reports
Purchase cost of equipment and fixtures, etc.			
	<input type="checkbox"/>	Documents that can confirm functions, unit prices, etc. of purchased equipment and fixtures	e.g. purchase orders, delivery slips, product manuals

* If the documents have been prepared in a language other than Japanese or English, please attach a translation in Japanese or English.

* Certificates, etc. issued by public offices must be original and issued within three months before the date of the subsidy application.

*Do not make any changes to the Tokyo Form (Forms No. 1 – 4) other than the entry fields