



OKAMOTO & COMPANY

October 31, 2008 No. 14

Okamoto & Company International Accounting Office / Hanato Tax Accountant Office

HR seminar for Office Managers

We will be holding a seminar to discuss the following topics below. Our guest speaker will be Mr. Ichiro Otsuka, attorney from Tokyo Roppongi Law Office. Our certified social insurance and labor consultants and tax professionals will also be offering presentations. If you are interested in participating, please send your notification to the following e-mail address by November 7th, 2008 (noon)

distribution@okamoto-co.com

Date: November 11, 2008 10:00 AM – 12:00 PM

Place: Training room at Okamoto & Company.

<http://www.okamoto-co.co.jp/map.html>

Public Notice of Financial Statements

According to the new Company Law, a company is required to provide notice of the summary financial statements to the public through the official government gazette or newspaper. However, in the past medium-small sized companies avoided issuing public notices of financial statements. Penalties have not been levied ; however, the trend is towards stricter enforcement of this law.

Shareholder meeting

A shareholders meeting must be held within three-months of the fiscal year-end. Approval of the financial statements for the year and distribution of profits and elections of directors should be decided at the annual general shareholder's meeting. Tax returns will be filed subsequently based on the approved financial statements.

Director's remuneration

Director's remunerations should either be authorized in the Articles of Incorporation or annual general shareholder's meeting (with appropriate minutes provided). The director's remuneration should be the fully deductible, if the amounts are fixed and approved during the annual shareholders' meeting. If bonuses are expected to be paid in a particular month and the tax office is notified of this within certain period of time, the bonus will become deductible for corporate income tax purposes.

National pension premium rate increased

(Not covered at Seminar)

National Pension premium rate increased to 15.35 % (employer and employee pay 50% of each) in September 2008. Starting this year, the National Pension premium rate will continue to increase by 0.354 % every September until it reaches 18.3 % in 2017.

Establishment of Health Insurance Association, "Kyokai Kenpo"

Some of governmental health insurance work will be transferred to Health Insurance Association, "Kyokai Kenpo" operated by each local city. The Association handles benefits for sickness or maternity, maintaining health insurance plan and collecting premiums. Documents submitted to the Association are directly returned to companies.

Pension Notifications

In the past, pension confirmation letters (tokubetsubin) were mailed to individuals whose pension information was likely to be inaccurate. Starting from April 2008, these pension confirmation letters are being mailed to all pensioners for confirmation purposes. Once you receive the letter, please make sure to clarify any unclear points by visiting to your local social insurance office or calling the Pension hotline before responding back.

Status of Social Security Agreements (Not covered at Seminar)

The following countries currently have agreements with Japan: Germany, U.K., South Korea, United States, Bergin, France, and Canada

Electronic File Cabinet

We will be storing selected documents (e.g. articles of incorporation, corporate registry, corporate tax returns) in PDF for your reference in a secure portal from January 2009. If you are interested in this free service, please contact distribution@okamoto-co.com for an application.

Okamoto & Company International Accounting Office / Hanato Tax Accountant Office

Hirakawacho Daiichi Seimei Building, 1-2-10 Hirakawacho,

Chiyoda-ku, Tokyo, Japan 102-0093

TEL +81-3 (5276) 0900 FAX +81-3 (5276) 0950

<http://www.okamoto-co.co.jp>

Disclaimer: This newsletter is for private circulation only. Although care has been taken in the preparation of this document, it may contain errors and/or ambiguities for which we cannot be held responsible. In the case of a specific issue, we recommend you seek professional advice. The material contained in this newsletter may not be reproduced in whole or in part by any means, without the permission of Okamoto & Company.