

## Tax Deduction Program for Investment with Leasing

This program enables a corporation or an individual that leases designated machinery or equipment to deduct a certain amount of the total lease payments from annual corporation tax or income tax within the year when it begins to lease the machinery or equipment for business. Currently, four types of taxation system are available.

	Tax Scheme for Promoting Investments for SME	Tax Scheme for Strengthening Infrastructure for Information	Tax Scheme for Strengthening Infrastructure of SME	Tax Scheme for Renovating Structure of Energy Supply-Demand
<b>Term of Validity</b>	March 31, 2010	March 31, 2010	March 31, 2009	March 31, 2010
<b>Intended Company</b>	SME, as designated business, with a blue return	<ol style="list-style-type: none"> <li>1. Corporation with a blue return, whose capital is 100 million yen or less, and union which use the equipments strengthening the infrastructure for information for the purpose of business.</li> <li>2. Corporation with a blue return, whose capital is between 0.1 billion and 1 billion yen</li> <li>3. Corporation with a blue return, whose capital is over 1 billion yen</li> <li>4. Individual with a blue return</li> </ol>	<ol style="list-style-type: none"> <li>1. SME operating wholesale or retail etc.</li> <li>2. SME operating restaurant or café etc.</li> <li>3. SME operating specified service sector.</li> <li>4. Large companies operating specified hotel business.</li> <li>5. SME certified by the related laws and regulations</li> </ol>	<ol style="list-style-type: none"> <li>1. Corporation with a blue return whose capital is less or equal to 0.1 billion yen or individual with a blue return, designated nonprofit organization, designated union</li> <li>2. Corporation except No.1 above</li> </ol>
<b>Intended Equipment</b>	<ul style="list-style-type: none"> <li>◆Machinery and Devices</li> <li>◆Designated Apparatus and Fixtures               <ol style="list-style-type: none"> <li>1. Computer</li> <li>2. Digital compound machine installed to Internet</li> </ol> </li> <li>◆Software</li> <li>◆Designated truck</li> <li>◆Designated vessel</li> </ul>	<ul style="list-style-type: none"> <li>◆Equipments strengthening the infrastructure for Information               <ol style="list-style-type: none"> <li>1. Operating System                   <ol style="list-style-type: none"> <li>(i) Operating system used as server</li> <li>(ii) Computers used as server</li> </ol> </li> <li>2. Software for database management</li> <li>3. Software for information processing</li> <li>4. Firewall software</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>◆Intended Company No.1 or 3               <ol style="list-style-type: none"> <li>1. Machinery and Devices</li> <li>2. Apparatus and Fixture</li> </ol> </li> <li>◆Intended Company No.2               <ol style="list-style-type: none"> <li>1. Electrical refrigerator</li> <li>2. Gas fitting</li> </ol> </li> <li>◆Intended Company No.4               <ol style="list-style-type: none"> <li>1. facilities receiving overseas broadcasting</li> <li>2. facilities for high-speed communication</li> </ol> </li> <li>◆Intended Company No.5 Machinery or devices legally certified</li> </ul>	<ul style="list-style-type: none"> <li>◆Depreciable assets designated as ones Renovating Structure of Energy Supply-Demand</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>◆Machinery and Devices Acquisition cost per machine or device should be 1.6 million yen or more.</li> <li>◆Designated Apparatus and Fixtures Acquisition cost per apparatus and fixture or total amount of acquisition costs of the same type equipments should be 1.2 million yen or more.</li> <li>◆Software Acquisition cost per software or total amount of acquisition costs should be 0.7 million yen or more.</li> </ul>	<ul style="list-style-type: none"> <li>◆Intended company No.1 The total amount of the equipments is equal to or over 0.7 million yen</li> <li>◆Intended company No.2 The total amount of the equipments is equal to or over 30 million yen</li> <li>◆Intended company No.3 The total amount of the equipments is equal to or over 0.1 billion yen</li> <li>◆Intended company No.4 The total amount of the equipments is equal to or over 0.7 million yen</li> </ul>	<ul style="list-style-type: none"> <li>◆Machinery and Devices Acquisition cost per Machinery or Device is equal to or over 2.8 million yen</li> <li>◆Apparatus and Fixtures Acquisition cost per apparatus or fixture is equal to or over 1.2 million yen</li> </ul>	-
<b>Abatement</b>	<p>Acquisition cost × 7% ( applied only to the companies whose capital is 0.1 billion yen or less)</p> <p>Or</p> <p>Extraordinary depreciation Acquisition cost × 30% (Not applied to leases without ownership transferred)</p>	<ul style="list-style-type: none"> <li>◆Intended company No.1 to 3 Acquisition cost × 7% Or Extraordinary depreciation Acquisition cost × 35% (Not applied to leases without ownership transferred)</li> <li>◆Intended company No.4 Acquisition cost × 10% Or Extraordinary depreciation Acquisition cost × 50% (Not applied to leases without ownership transferred)</li> </ul>	<ul style="list-style-type: none"> <li>◆Intended company No.1 to 3 Acquisition cost × 7% Or Extraordinary depreciation Acquisition cost × 30% (Not applied to leases without ownership transferred)</li> <li>◆Intended company No.4 Extraordinary depreciation Acquisition cost × 10.5% (Not applied to leases without ownership transferred)</li> <li>◆Intended company No.5 Acquisition cost × 7% Or Extraordinary depreciation Acquisition cost × 30% (Not applied to leases without ownership transferred)</li> </ul>	<ul style="list-style-type: none"> <li>◆Intended company No.1 Standardized acquisition cost × 7% Or Extraordinary depreciation Standardized Acquisition cost × 30% (Not applied to leases without ownership transferred)</li> <li>◆Intended company No.2 Extraordinary depreciation Standardized Acquisition cost × 30% (Not applied to leases without ownership transferred)</li> </ul>