

## Contact



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# Property Assessment Value Correction Services

KPMG Tax Corporation  
Transaction Advisory Group

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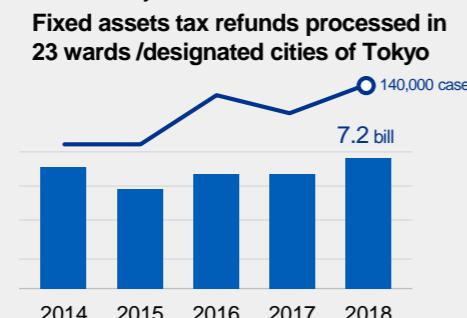


## Prevalence of Overpayment of Fixed Assets Tax

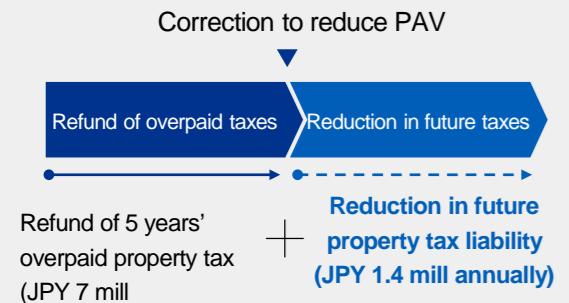
In 2018, there were approximately 140,000 cases and JPY 7.2 billion in just the 23 wards and the designated cities of Tokyo

**Cause**

- Local govt employees calculating property assessment values ("PAV") are not real estate valuation experts
- Taxpayers are not provided with information on computation methods (they cannot even check the scope of depreciable assets included)



## Benefits of Correcting Property Assessment Values



Assuming building with PAV currently of JPY 1 billion is reduced by 10% as a result of KPMG's services

- Annual reduction in property tax of JPY 1.4 mill ( $= 1 \text{ billion} \times 10\% \times 1.4\%$ )
- Refund of overpaid property tax looking back up to 5 years of JPY 7 mill ( $= 1.4 \text{ mill} \times 5 \text{ yrs}$ )

※The above figures are hypothetical. We cannot in any way guarantee that similar results will be achieved by engaging KPMG to provide PAV correction services.

## Fixed Assets Tax Assessment Value Correction Services



**Potential to claim refund**  
for overpaid fixed assets tax, real property acquisition tax and registration and license tax



Send us documents, and get **free assessment** of potential for refund



**Success based fees,**  
so if we don't deliver, you don't pay

## KPMG's Strengths



Extensive real estate tax knowledge and experience analyzing assessment values for over 10,000 buildings in Japan \*

### Abundant Empirical Data

Effective analysis and appraisal on basis of tax documents provided

### Knowledge of Local Governments

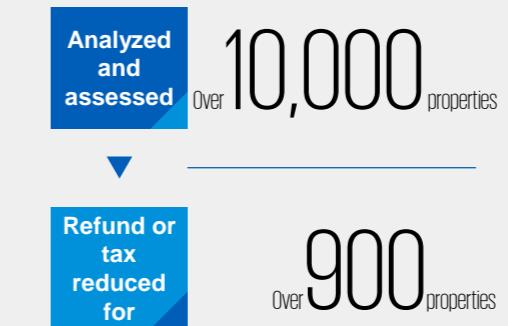
Ability to propose appropriate corrective actions specific to each property based on our extensive knowledge of local governments

### Understanding of Trends

Ability to assess potential increase in risks, rather than simply analyze corrective assessment

※Service provided in cooperation with a first class authorized architectural office

## KPMG's Experience

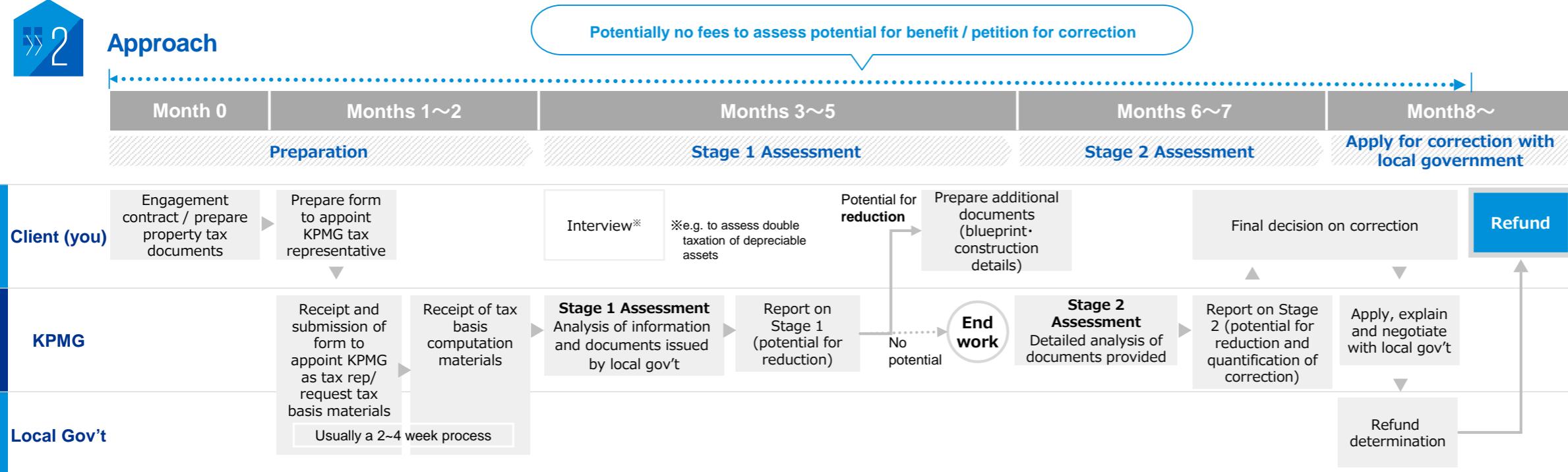


### Examples of Refund・Reduction of Tax

Property Type	Area	Refund value
Factory	Gifu Prefecture	JPY 110 million
Office	Fukushima Prefecture	JPY 100 million
Office	Gunma Prefecture	JPY 68 million



## Approach



## Fee arrangement

**A 100% Contingency Fee**  
50% of actual refund and reduction in future taxes

**B Hybrid Fees\***  
Partially time based + partially success based

※Can be applied for provision of services to KPMG audit clients including KPMG group company KPMG Azsa LLC's audit clients