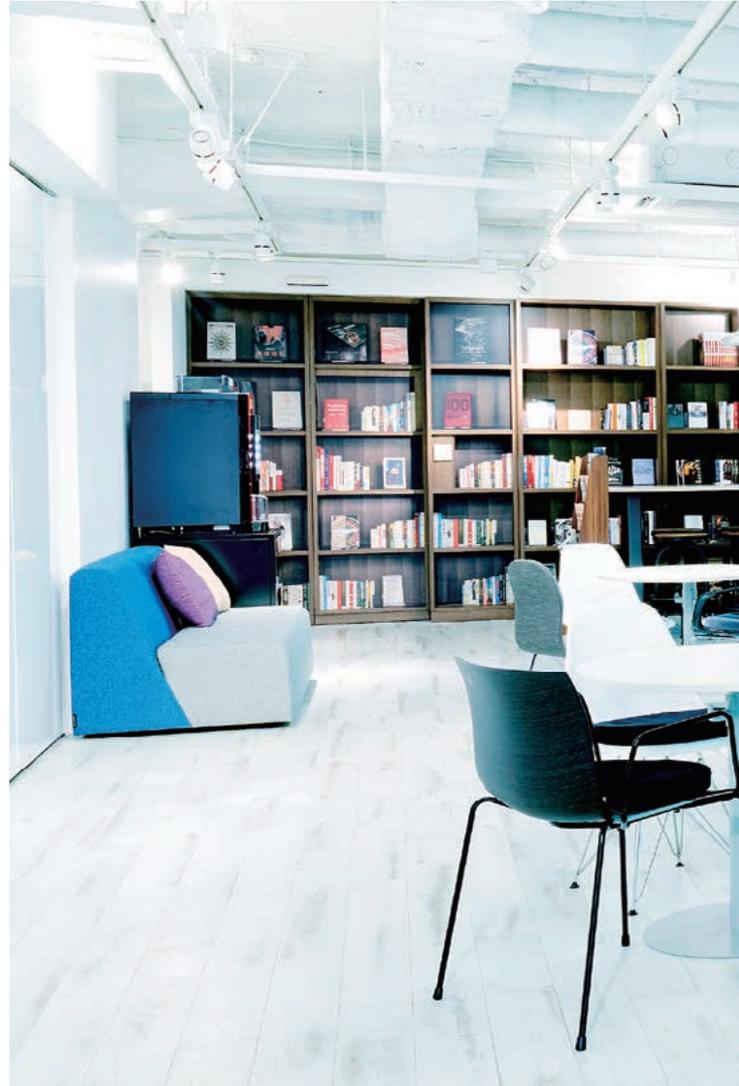




KPMG Japan Our Story 2019/20

KPMG Japan

home.kpmg/jp



O u r P u r p o s e

Inspire Confidence,

We work to inspire confidence in the economy while empowering clients and society to make positive changes. This is Our Purpose.

We work shoulder-to-shoulder with our clients, delivering real results, while we ourselves change for the better as we seek to be the Clear Choice.

This is The KPMG Story – building on the past and leading into the future.



Empower Change.

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Online Report
(Japanese only)



CEO's Message



What we want you to know

We aim to be the Clear Choice for our clients, society, and all other stakeholders. We believe we can achieve this if we are consistently trusted by our clients and society at large.

We are committed to building public trust

Our Vision at KPMG Japan is to be the Clear Choice. We strive to be chosen, now and in the future, by our clients, our people and society through our provision of outstanding services. In order to be the Clear Choice, our priority at KPMG Japan is to build public trust as the basis for quality in all the services that we provide. In order to achieve this, we believe it is essential for all of our professionals to take pride in being a member of KPMG. There has been remarkable progress in technology in recent years, and in the future we will face changes in our environment at an unprecedented rate. The expectations of society regarding our core assurance and tax services as well as our advisory services will also change drastically in line with environmental changes that are to come. We will be quick to identify the changing expectations of society and utilize technologies required to maintain the quality expected of our services. We believe supporting the growth of society and companies will lead to building public trust, and as a result, to realizing Our Vision to be the Clear Choice.

Meeting the evolving expectations of society

We expect there to be a growing demand to share our knowledge and experiences outside of existing service lines



To be the Clear Choice – Now and in the Future

Hiroiyuki TAKANAMI

CEO, KPMG Japan
CEO, KPMG AZSA LLC

Work Experience Hiroiyuki managed the audits of major financial institutions before serving as Senior Executive Board Member in charge of Financial Services and subsequently Senior Executive Board Member in charge of Advisory. He concurrently served as the first President of KPMG Consulting Co., Ltd., established in 2014. He has been in his current role since July 2019.

in order to accurately address the changing expectations of society that accompany environmental changes surrounding companies. We will proactively address disruptions through further mobilizing our know-how, in particular from the viewpoints of strengthening our capability to respond to digital needs as well as our global capabilities, and our focus on incubation.

1. Strengthening our capability to respond to digital needs

At KPMG Japan, we expanded our existing hub for advanced technology development and incorporated KPMG Ignition Tokyo, Inc. (KIT) in July 2019. In addition to developing and building common digital platforms for all Audit, Tax and Advisory services, KIT will support the digital transformation of our clients. KIT has assembled a team of digital experts including data scientists and security engineers from both within and outside of Japan. We have also launched a training program to ensure that not only our digital experts but all of our people are skilled in technology use and are capable of responding to the digital needs of our clients and society.

2. Strengthening our global capabilities

In response to the growing number of clients with more operations overseas than in Japan and the increasing

complexities of management they are facing, we will mobilize KPMG's collective capabilities to strengthen our provision of customized services to each client.

3. Our focus on incubation

Entrepreneurs are utilizing their promising technologies to create new business models. In ten years time, they will likely bring about changes leading to significant developments in society. We believe it is an important responsibility of KPMG Japan to support such entrepreneurs and contribute to future development of society.

Striving to be the Clear Choice

Our people at KPMG Japan must individually gain the trust of society. We value fostering trustworthy professionals with a high sense of ethics and integrity, thereby nurturing our ties with future generations. We further promote diversity within a positive workplace culture, and gain the trust of society through increasing the motivation of our people with varying expertise and values and encouraging them to achieve their fullest potential. This is how we will strive to be the Clear Choice, now and in the future.

Chairman's Message



Our Purpose in an Era of Uncertainty - The Clear Choice

In the era of VUCA*, we saw the emergence of revolutionary technology and innovation and a shift from ownership to access, the effect of which is spreading beyond businesses to individual lifestyles and even social structure.

At a time when past models of success are becoming quickly outdated, we are required more than ever to free ourselves from the past and continue to evolve in looking ahead to the future.

KPMG Japan comprises eight professional firms that are supported by 8,600 people. KPMG's global network of independent firms offer Audit, Tax and Advisory services in more than 150 countries with almost 210,000 people of different nationality, gender,

Toshiya MORI

Chairman, KPMG Japan

Work Experience Toshiya served as Head of Advisory of KPMG Japan since 2015 and assumed his current role in October 2018. He has extensive experience providing both audit and advisory services to assist global corporations with a wide range of management issues.

The Only Constant is Change

generation, background and expertise. At KPMG, we have a culture of mutual acceptance and respect which serves as our greatest strength and source of value creation. To be the Clear Choice is an unchanging and consistent corporate philosophy for KPMG, and we strive to contribute to clients and to society through our robust relationships and network as a unified "One KPMG" firm.

To free ourselves of the past and continue to evolve into the future

With digital technology permeating every aspect of society and business, utilizing data and undergoing digital transformation (DX) is crucial to staying competitive. We will proactively invest in next-generation digital technology and innovation led by KPMG Ignition Tokyo, and foster global-minded talent with high digital

literacy. We are building a business scheme with other KPMG International member firms that maximizes the assets and strengths of each firm and provides value-added support, both within and beyond Japan, to our clients with global businesses seeking organizational reforms.

To lead social and business transformations and always be the Clear Choice

Our business is based on a foundation of trust, and rather than seeking short-term profits or growth for growth's sake, we are required to maintain a fairness of mind while working closely with clients. At times we need to take an uncompromising stance. It is my mission as Chairman to foster our talent to have not only a high degree of expertise and insight, but also a high

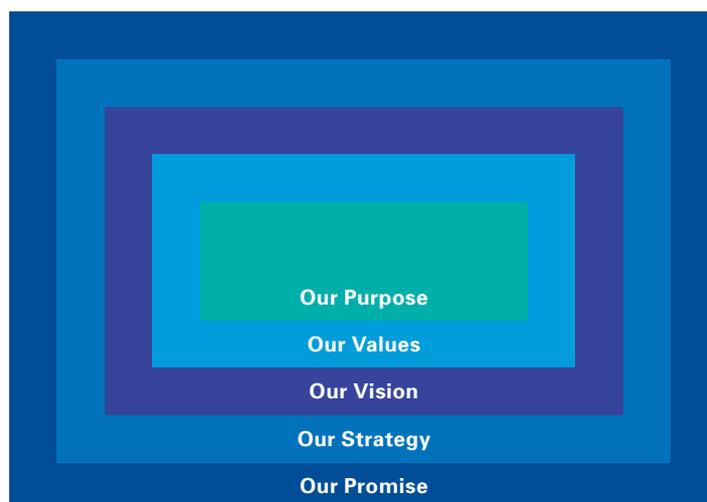
standard of fairness, so that our firm can grow into a team of professionals capable of earning the trust of clients and society.

This is the final year of KPMG Japan's mid-term business plan. With the Sustainable Development Goals (SDGs) in mind, we will base our next plan on a more long-term approach looking ahead to 30 years of KPMG Japan's achievements, and consider the specific action plans required.

By fostering a culture and environment where we can make the most of our strengths, and contributing to clients and society through our high-quality services and deep expertise while further building trust, we will strive to be the Clear Choice, now and in the future.

*Volatility, Uncertainty, Complexity, and Ambiguity

The KPMG Story



Timeless (universal)
Enduring guideposts and code of conduct

Our Purpose
Our Values

Timely (5-10 years)
What we aim to be and how we will get there in this ever-changing economic and social environment

Our Vision
Our Strategy
Our Promise

Outcome

We contribute to building public trust and to enhancing value by fulfilling the responsibilities entrusted to us.

Our contribution to society

- Achieving a transparent, fair economy
- Building trust as the foundation of society

Our value creation

- Professionals who can make judgments based on insightful thinking to solve complex issues
- Ability to leverage diversity to consistently bring about desired outcomes

Value Creation Story

Our ability to support clients in solving challenging issues and the diverse expertise of our people contribute to society by assisting our clients to create value, enabling KPMG to create our own value in turn. The insights gained from this contribution result in a stronger foundation for our business which allows us to enhance our capabilities to solve ever more complex issues. Through this process we can achieve sustainable growth and fulfill the role expected of us by our clients and society.

Input

We utilize our accumulated credibility, expertise, and global network.

Sources of our value

- Accumulated trust
- Professionals with integrity and expertise who meet the expectations of society
- Global network to make the most of our insight

The Clear Choice

We deliver ever-higher quality service for society and individuals by utilizing the outputs we accomplished through assisting clients to create value.



Value Creation

With the goal of assisting clients' value creation, we use all the resources at our disposal to solve issues for clients.



Output

We realize outcomes by providing high-quality services.

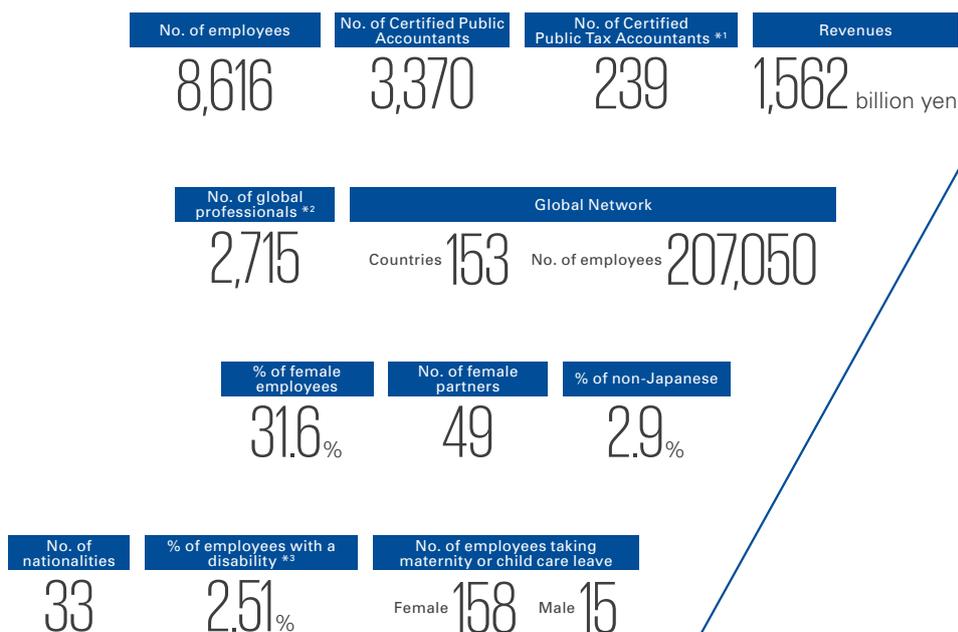
One KPMG At a Glance

The Strengths that form the foundation for our Value Creation Story

Professionals who have diverse expertise and knowledge collaborate to solve the challenges and disruption faced by clients and society. Utilizing our global network, they demonstrate the collective strength of our firm in order to meet expectations.

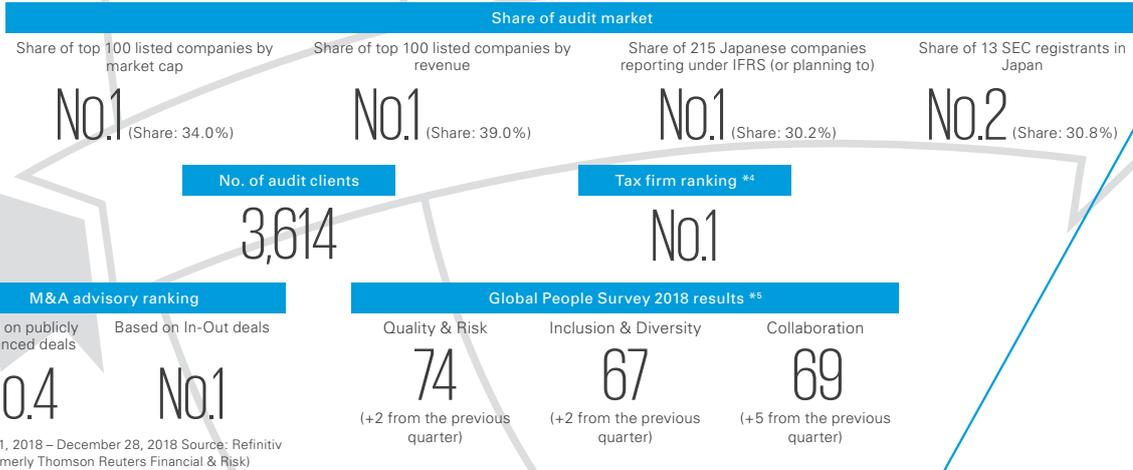
Input

(As of June 30, 2019 unless otherwise stated)



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Output



*1 Certified Public Tax Accountants both registered and non-registered (including those who have passed the examination and those who are exempted from examination) who are engaged in Tax services.

*2 Global professionals are those who have overseas work experience, those who have completed global skills training courses, and foreign nationals.

*3 Total percentage of persons with disabilities who are employed by KPMG AZSA LLC, the parent company of a special subsidiary, AZSA Office Mate Co., Ltd., and KPMG Consulting Co., Ltd.

*4 Industry magazine International Tax Review named KPMG Japan the "Japan Tax Disputes & Litigation Firm of the Year" for the Asia Tax Awards 2019

*5 Global People Survey (GPS) is an awareness survey conducted on a regular basis for all people who work for KPMG member firms worldwide, as part of the firm's ongoing improvement initiatives.



Sumitomo Corporation Global Audit Team

Our audit team comprises more than 200 professionals, including accountants and experts in tax and other relevant fields from 14 countries, to ensure we provide high added-value services to our client engaged in various businesses worldwide. All audit teams in relevant countries communicate frequently to make full use of the potential of our global network, in addition to the expertise derived from our team of experts outside of the audit field who provide relevant insights to the audit team. This collective strength is the bedrock of our high added-value services. We strive to act as a good business partner for our client as they face the challenges of doing business on a global scale. This is our daily motivation.

One KPMG People

The diversity supporting our Value Creation Story is KPMG's strength

Today's KPMG Japan is the result of a series of mergers and reorganizations. Our firm's history is one of accepting different cultures and valuing diversity, and it is this culture of mutual respect which has been the cornerstone of KPMG Japan.

This year, we are introducing three teams.

Client Service Teams for Global Accounts

We have set up teams in major hubs around the world, including Japan, the US, Europe, China, Southeast Asia and India, in order to support the businesses of our clients globally. We assign members with a deep understanding of each client's business and local challenges, and strive to increase client satisfaction through providing high-quality services. To this end we have close and frequent communication with our overseas teams. We will build trust as "One KPMG" and strive to be a true partner, making every effort to tackle the management issues of clients who continue to grow globally in order to provide practical, client-oriented solutions.



Fintech Innovation department

In December 2016, we established the Fintech Promotion support office, a collaborative effort of 4 firms - KPMG Consulting, KPMG Tax, KPMG FAS and KPMG AZSA – to share the latest information on technologies and regulatory developments and provide advisory services. In recent years however, the fintech initiatives of financial institutions and companies have surpassed the initial stage of promotion, and are in themselves becoming core services. Against this backdrop, KPMG Japan has reorganized the Fintech Promotion support office as the Fintech Innovation department, and we are further strengthening our fintech initiatives.



Vision

The Clear Choice

To be the Clear Choice – Now and in the Future.

We work shoulder-to-shoulder with our clients, delivering real results, while we ourselves change for the better as we seek to be the Clear Choice.

Strategy for realizing Our Vision

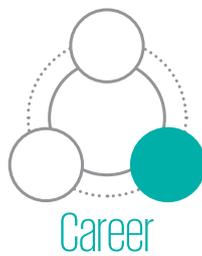


Quality Strategy

Ensure steadfast quality

As an accounting firm, we constantly endeavor to realize Quality for our clients by seeking an increase in value for both society and for our clients.

P17

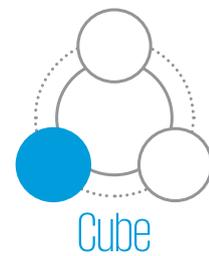


People Strategy

Promote professional growth

KPMG Japan's strength lies not just in our specialized knowledge or use of advanced technologies - we face the challenges of business and society with sincerity and purpose while providing an environment where each individual can grow as a professional.

P19

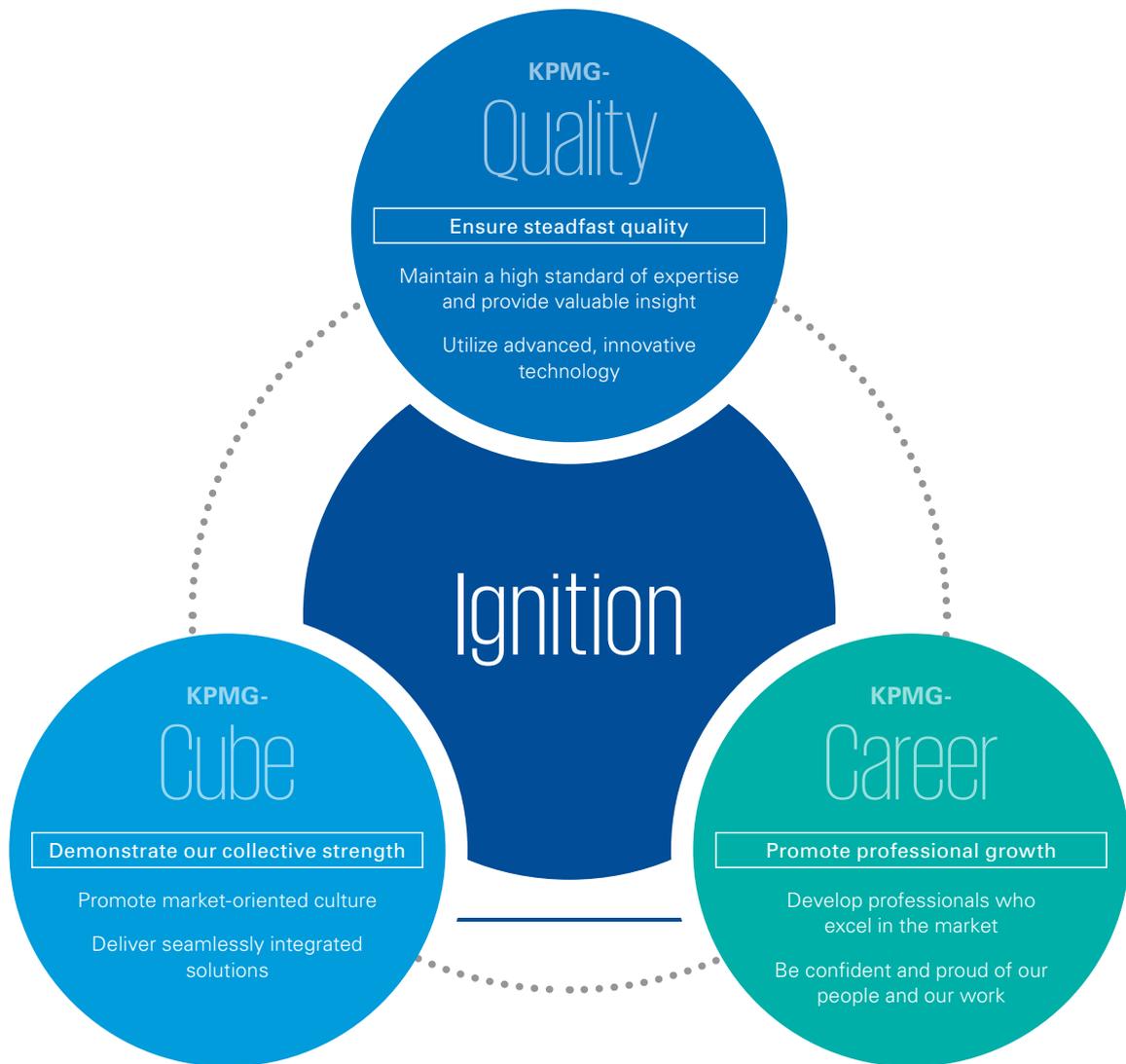


Organizational strategy

Demonstrate our collective strength

We merge cutting-edge technology with our professional insights and methodologies thereby demonstrating our collective strength and delivering solutions to our clients' challenges through the KPMG global network.

P21



KPMG Ignition Tokyo connects KPMG Japan's three strategic pillars – Quality, Career, and Cube – to drive the evolution of KPMG Japan and allow us to further support the transformation and innovation agenda of our clients.

Introducing technologies to Audit, Tax and Advisory services, KPMG Ignition Tokyo connects KPMG Japan seamlessly to the KPMG global network in order to deliver solutions to the complex, rapidly-changing issues of our clients and society as "One KPMG."



Creating value

P15

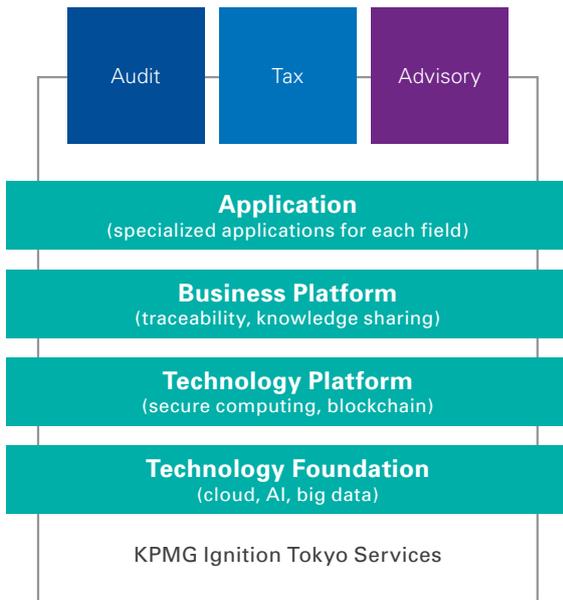
We are strengthening the digital aspect of our Quality, Career and Cube strategic pillars to ensure their successful execution here at KPMG Japan.

KPMG Ignition Tokyo



Masayuki CHATANI

KPMG Japan
CEO, KPMG Ignition Tokyo Inc.



Merging KPMG Japan’s expertise gained through Audit, Tax and Advisory services with the latest technologies

In July 2019, KPMG Japan incorporated KPMG Ignition Tokyo, our hub for digital transformation and innovation, as KPMG Ignition Tokyo, Inc. (KIT). KIT supports the digital transformation of our clients through the “chemical reaction” that occurs between the business professionals of our Audit, Tax and Advisory service lines and the technology professionals of KIT.

Six Pillars of technology

Secure Computing

A generic term for technology that enables KPMG to process information (such as Audit, Tax, and Advisory information) under safe conditions. Includes blockchain, encrypted information processing, and anti-quantum computer level cryptographic processing.

Knowledge Processing

Technology that extracts various types of knowledge from non-structural data (contracts, in-house documents, e-mails) and from non-text data (images, videos). Analysis of tacit knowledge is also included in the future scope. Includes knowledge input/output technology such as language, image, video understanding, text summarization and text generation.

Intelligent Agent

Technology that enables interaction in a more human-centered state when people interact with computers or when computers interact with each other. Includes AI chatbots, voice agents, and interactive technologies including robotics in the future.



Accumulation of advanced technologies by diverse experts

Masayuki Chatani was appointed as the CEO of KIT. Having previously served as CTO of a gaming platform, he brings with him extensive experience and insights in technology management of digital technologies gained in his career spanning over 30 years. To accumulate insights into cutting-edge technologies, KIT has assembled a team of diverse digital experts in the latest technologies such as the cloud, AI and

blockchain, as well as in the digital fields of data science and cloud architecture.

KPMG Ignition Tokyo Services

KIT aims to enhance the synergy between Audit, Tax and Advisory by dividing the six pillars of technology into four layers – Application, Business Platform, Technology Platform and Technology Foundation – and as a hub for KPMG Japan’s advanced technologies, build an ecosystem that benefits all of our clients.

Scientific Visualization

Technology that provides more effective visual, auditory, and tactile feedback when presenting analyzed information. Aims to express dynamic changes through real-time interaction beyond 3D graphic expressions. Technology that facilitates the absorption of knowledge / analyzed knowledge through information feedback, including the use of AR and tactile devices.

Smart Transaction

Technology that is expected to contribute to the core of KPMG’s business by analyzing a wide range of transactions to find human errors, automate repetitive tasks, and detect intentional and malicious processing. Includes simple automation from RPA to more advanced automation technology, error detection and forensic technology.

Edge Computing & IoT

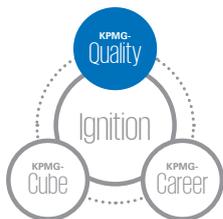
For data that is being uploaded to edge computing or IoT devices, this includes technology to acquire various signals including pre-processing. For data being downloaded from the cloud, technology for presenting information processed in the cloud or on the edge. KPMG’s Signal Repository is one of the technologies in this area. In the 5G era, edge functions are included in infrastructure which could result in new forms of computing.

Quality Career Cube



Message

Ensuring steadfast quality



Takuji KANAI Head of Audit

KPMG Japan is, at its core, an audit firm and a tax accounting firm. The audit firm is committed to ensuring the credibility of financial statements, while the tax accounting firm's mission is to help clients fulfill appropriate tax obligations. As an accounting firm that bears this social responsibility, KPMG Japan strives for ever higher quality in all of our services including advisory. In this way, we contribute to increasing value both for society and for our clients.

We have always made judgments based on criteria and ethics that are recognized by society as fair and reasonable, while maintaining a high degree of expertise and integrity and complying with a strict set of rules. We have also ensured the independence of our audit services and have maintained and enhanced the quality of all services that we provide.

In an era in which IT technology innovations have brought about various changes, we are promoting initiatives to take advantage of the latest IT technologies to improve quality in each of our Audit, Tax and Advisory functions, with KPMG Ignition Tokyo at the center. These initiatives, some of which require advanced data analysis techniques, leverage IT and specialized expertise. We believe our passion for and commitment to quality will contribute to the robust future growth of clients and sustainable development of the economy.

Audit Quality

Audit quality is the source of public trust at KPMG AZSA

At KPMG AZSA, we regard maintaining audit quality as our top priority. We relentlessly seek to enhance audit quality in order to meet the expectations of society. Audit teams provide high-quality audit services that are responsive to advances in information systems, globalization and other challenges faced by Japanese companies.

Inclusive corporate culture to encourage free, robust discussions

We routinely reassign our people to different positions and have reorganized our corporate structure so as to provide consistent quality of audit services and improve global responsiveness. As a result, we have cultivated an open corporate culture that welcomes free discussion and encourages learning from one another. Such values are shared by each and every one of us, making for a well-integrated organization.

Public interest initiatives as an audit firm

Considering the public interest nature of our services, we have established two committees – the Management Oversight Committee evaluates the effectiveness of management and audit quality improvement initiatives at KPMG AZSA, and the Public Interest Oversight Committee supervises the firm’s management from the viewpoint of what is best for the public.

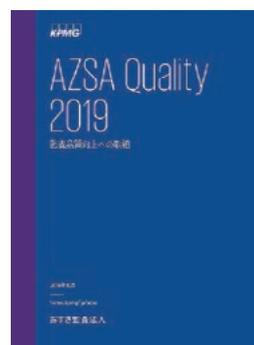
In order to further improve audit quality, we also consider objective viewpoints based on an exchange of opinions with participants in the capital markets and through issuing our report AZSA Quality as a basis for engaging in dialogue on audit quality issues.

Four Defense Lines to help disseminate management policies

In order to provide audit quality that fulfills the expectations of society and clients, we have defined Four Defense Lines, namely: (1) firm management (KPMG AZSA CEO and Senior Executive Board Members), (2) quality control departments, (3) audit divisions and (4) audit teams. This structure ensures the operational effectiveness of the entire firm by disseminating management policies down to the audit teams and conveying and sharing information from each audit team with management.

AZSA Quality

KPMG AZSA periodically issues a report AZSA Quality to explain our management’s thoughts on enhancing audit quality and other initiatives so that our stakeholders, including participants in the capital markets, can better understand us, and what we can do for them.



Tax Quality

Tax issues are becoming more diverse in today’s increasingly complex and international business environment. Addressing the various aspects of corporate management, which is undergoing dramatic change in recent years, KPMG Tax Corporation’s teams of tax specialists, each of which has a field of expertise, offer high-quality services to clients.

To develop such specialists, KPMG Tax Corporation provides training programs to further enhance tax-related technical skills

and to strengthen client focus and communication skills, based on our determination to be the Clear Choice for clients.

In addition to tax consulting, KPMG Tax Corporation aims to provide high-quality compliance services including preparation of tax returns. KPMG does not merely perform clerical work in preparing tax returns. We engage in in-depth dialogues with clients to identify potential tax-related risks, and tax planning options, with the ultimate aim of raising clients’ corporate value.

Advisory Quality

We prioritize building trusted relationships with our clients through the consistent delivery of fair and high-quality services. To achieve this, we have invested in advanced technologies, developed experts, and established a system that allows us to provide globally consistent services. This is the essence of KPMG Japan’s reputation for quality.

Commitment to enhancing clients’ corporate value

KPMG Japan has established an operational approach that ensures the delivery of high value-added services appropriate to the client’s characteristics and the size and complexity of the service. We maintain a database of our people’s skills and experience which we use to ensure our team consists

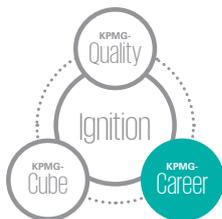
of professionals with the relevant expertise and experience. For engagements of a certain scale, the appointment of a quality control review partner is required, and for complex and sophisticated services an engagement leader is assigned based on the firm’s accreditation system, KPMG’s internal certification. To be a trusted partner who works shoulder-to-shoulder with clients and listens to feedback from the front line, our professionals ask themselves: “Am I contributing to value creation for my clients? What is necessary for the client to grow continuously in the mid-to-long term?” By constantly asking these questions, we ensure that our people are committed to providing high-quality services.

Quality Career Cube



Message

Developing professional talent



Hiroyuki YAMADA Head of People, Performance and Culture

KPMG Japan's vision is to be the Clear Choice. In other words, Our Vision is to be the firm of choice by our stakeholders, now and in the future, through having each and every one of our people provide outstanding services as true professionals. In order to achieve this, our people need to accurately identify the changes our clients are facing and come up with appropriate solutions on their own. We focus on the "Three O's" - On-the-Job Training (OJT), Off-JT and Opportunities – and evolve the "knowledge" of our professionals from simple information into "wisdom" that can be used to find solutions.

Revolutionary innovations in technology have allowed the collection, analysis and advanced use of data. We are in an era where insights gained from utilizing such data create new added-value. We have assembled diverse talent with the digital literacy needed to address such innovations, and will continue to strengthen the latest digital capabilities among our professionals, as well as pursuing strategic investments in technology development. As the necessity of caregiving and child rearing increases, and as value systems become increasingly diverse, we have worked on enhancing various policies and efforts to respond to the needs of our people. We want to provide an environment that allows them to achieve their fullest potential while maintaining good physical and mental health, while fostering a culture of mutual respect for diversity.

As management, we are determined to implement various measures on a systematic and continuous basis to achieve Our Vision to be the Clear Choice.

Human Resource Development Principles and the “Three O’s”

KPMG AZSA has established basic principles for the systematic creation and maintenance of an environment that enables personnel to acquire the expertise and skills necessary to provide high-quality services, thereby fostering the development of true professionals. At KPMG AZSA, true professionals are developed through the “Three O’s,” namely: OJT (on-the-job training), Off-JT (off-the-job training; practical and pragmatic training), and Opportunities (providing a wide range of work opportunities).

Fostering a growth mindset and effective engagement conduct among audit teams through OJT

The pillars of the OJT basic policy are (1) engagement conduct that enables the active and appropriate communication with clients that is necessary to identify and solve issues, and (2) audit work paper review, discussion, and feedback for training purposes. We believe that fostering a talent development mindset in our people is essential to achieve these goals.

Effective human resource development through the PDCA cycle in OJT

We hold team management discussions to provide a regular opportunity to think about the optimal approach to engagement conduct. We have also developed a set of guidelines laying out expectations for OJT, and continuously review our initiatives for human resource development through the sharing of best practices and by obtaining feedback from the audit front line. By going through this PDCA cycle as a part of OJT, we are able to foster talent more effectively.



Hiring and fostering top talent

At KPMG Tax Corporation, we are implementing initiatives to actively recruit top talent regardless of whether someone is already a Certified Public Tax Accountant or not. Specifically, we offer university internship programs for students to get a real sense of the advanced expertise and international nature of KPMG’s tax-related work. Prospective employees also attend multiple trainings before and after formally joining the firm and are well-supported to develop the expertise required as tax professionals.

Providing opportunities to grow as a professional

We hold training on a regular basis that strengthens our technical tax knowledge and language ability in order to be able to tackle any tax challenges faced by our clients. In addition, we provide the opportunity for each professional to attend KPMG Tax Professional Camp where they discuss awareness and their understanding of tax-related matters through various tangible scenarios that allows us to further hone our technical expertise, client focus, and ability to work as a team.

Offering training programs for each field of expertise and providing career advancement opportunities

To accurately identify the increasingly complex challenges faced by our clients and provide optimal solutions, we have developed training curricula for each service, in addition to providing training by industry and on the latest trends such as fintech. We have also improved the training we provide for soft skills, to help professionals achieve growth at an individual level.

International. Through this program we aim to improve the digital literacy of all our advisory professionals. We are also promoting participation in training programs in Japan and abroad with the objective of fostering leaders in various fields.

Keeping up with technology and improving digital literacy

With technologies such as digital, AI, IoT, and blockchain becoming major themes in many companies, we introduced the “Technology Foundation Program” developed by KPMG

Hiring new grads and developing global talent for the long term

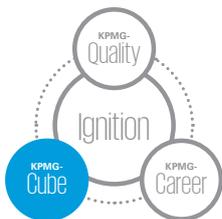
We have prepared various curricula to help our new graduates grow as professionals. In order to develop global talent capable of executing cross-border projects, we encourage our people to seize opportunities to improve communication skills including language studies, in addition to working abroad and participating in overseas training programs.

Quality Career Cube



Message

Demonstrate our collective strength



Masahiko CHINO Head of Advisory

Disruptive technologies and innovations have not only pushed companies to undergo drastic transformations – the effects have also spread to individual lifestyles and even industrial structure. Markets and business models that have succeeded in the past can now disappear in the blink of an eye. Companies must undergo transformation under such circumstances, while also facing geopolitical risks and addressing stricter regulations in Japan and abroad. We need solutions to various challenges and obstacles for our clients to stay competitive in an increasingly global landscape and continue to grow sustainably in the future.

KPMG Japan integrates professional expertise and proprietary methodologies from across Audit, Tax and Advisory which are enabled through the advanced technology at KPMG Ignition Tokyo. Through this process, we as a firm also undergo transformation to ensure that we continue to deliver solutions that meet present-day client needs through the KPMG global network, and consequently gain the trust of our clients and society.

Communication strategy for successful M&A

KPMG conducted a survey of companies listed on the first section of the Tokyo Stock Exchange, and noted that responses to what Japanese companies would have done differently in M&A procedures included "communication with the target company" prior to the PMI process. Sufficient communication is crucial in fostering a trusted relationship with the management of the target company. There are many matters relating to an integrated vision and governance that need to be agreed upon before starting the PMI process. KPMG will support the successful M&A of clients through our involvement from the pre-deal phase through the PMI process.

Connected Enterprise breaking down the walls in an organization

Digital transformation (DX) is expanding from the front office operations of customer service and products to middle and back office operations such as logistics, procurement, accounting and HR management. There will be growing demand for connected enterprises in which data is directly linked between different departments in a timely manner.

KPMG utilizes global best practices, taking a comprehensive approach that not only provides cutting-edge technologies but also includes the reworking of existing black-box systems, development of digital talent, and strengthening of data security. We are ready to support a company-wide digital transformation.

Global tax governance

The introduction and strengthening of taxation schemes that apply across corporate groups, including overseas subsidiaries, means that the operations of Japanese multinational companies will become more transparent. Japanese companies must address BEPS on a global basis including transfer pricing documentation requirements and taxation systems designed to counter tax havens. These companies are therefore required to transform themselves on an unprecedented scale to achieve global tax management and cope with taxation risk. Significant tax reform is expected to happen globally, like in the US where the corporate income tax rate was lowered from 35% to 21%. In this context, a global approach to the tax function has become increasingly important.

KPMG supports global Japanese companies through close collaboration between our Japanese and local tax experts, who are experienced in diverse tax management and international taxation services and knowledgeable about best practices. In addition to addressing taxation risk on a global scale, they also assist clients to realize globally competitive effective tax rates for their corporate groups.

Using technology to make internal audits more sophisticated

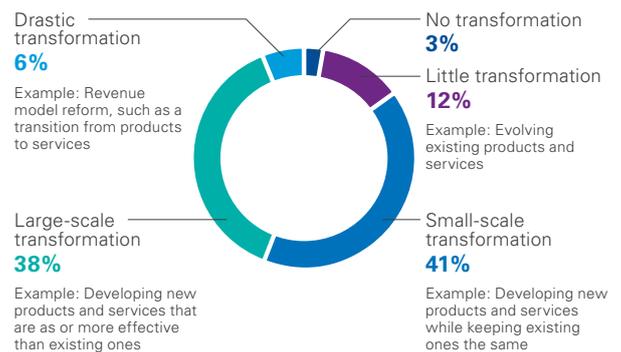
The impact of technological advancements has extended to the way internal audits are conducted, with the internal audit function also entering a period of major transformation. We are seeing a shift from people-centric to technology-centric businesses, with IT system-based processing of operations and the introduction of robots. The approach and methodology of an internal audit will also be required to assess risks and controls that accompany such environmental changes. The introduction of technology in the operation and procedures of internal audits, such as data analytics and the utilization of character and image data, has enabled more efficient and precise audit results to be achieved than through the conventional approach of manual audit procedures by auditors.

Matters that should have been agreed upon before concluding an M&A deal

| | | |
|----|---|-----|
| 1. | Creation and dissemination of specific measures to realize synergies | 24% |
| 2. | Creation and dissemination of a post-integration vision for the target company (or business) | 15% |
| 3. | Relevant reviews and integration for sales and marketing | 12% |
| 4. | Integration of corporate culture and dissemination of management policies | 10% |
| 5. | Review and organization of decision-making processes (including rules on authority), and review of management role appointments | 9% |

Source: M&A Survey by KPMG FAS
- Survey on key factors for successful M&A and challenges in the future

To what extent will the organization's main business activities change in the next three years?



Source: Harvey Nash / KPMG CIO Survey 2019

Effective tax rates of major countries



Source: OECD table of effective tax rates after American corporate tax reform
https://stats.oecd.org/index.aspx?DataSetCode=TABLE_I11

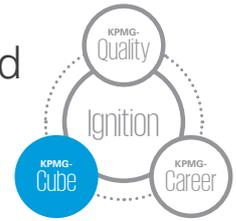
Examples of internal audits applying digital solutions





Demonstrate our collective strength

KPMG’s collective strength combined with diverse expertise and global capability helps empower change.



Strength in diversity

Professionals in specialized areas across KPMG Japan’s member firms work together and share industry-specific knowledge across sectors as each client engagement demands a unique set of abilities spanning various fields of expertise and requires us to reach across organizational

boundaries. Only by collaborating can we support our clients in creating value and tackling the issues they face. At the same time, this diversity of experience enriches our people and contributes to the growth of our organization as a whole.

| Function / Service line | |
|-----------------------------------|--------------------------------|
| Advisory | |
| Strategy & operations | People and change |
| Financial and accounting strategy | IT strategy and implementation |
| Transactions | Corporate finance |
| Restructuring | Internal control |
| Risk management | IPO |
| Tax | |
| Domestic taxation | International taxation |
| Transfer pricing | M&A |
| Audit | |
| Statutory audit | Non-statutory audit |

Implementation of a corridor scheme connecting overseas KPMG firms

The challenges faced by Japanese companies expanding their overseas operations are becoming increasingly complex. KPMG Japan has launched a corridor scheme with overseas KPMG firms to support clients with global operations. We use the term “corridor” as a reflection of our desire to support clients by connecting Japan seamlessly with other countries and regions in a timely manner. Currently we have established corridors with Thailand, Singapore, Vietnam, the Philippines, Taiwan and India, and support local Japanese companies while strengthening the development of global talent within KPMG.



Thought Leadership

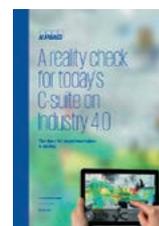
KPMG publishes timely reports on emerging and current business issues, incorporating the results of surveys and research and adding our analysis and insights.



2019 Global CEO Outlook



AI Compliance in control



A reality check for today's C-suite on Industry 4.0

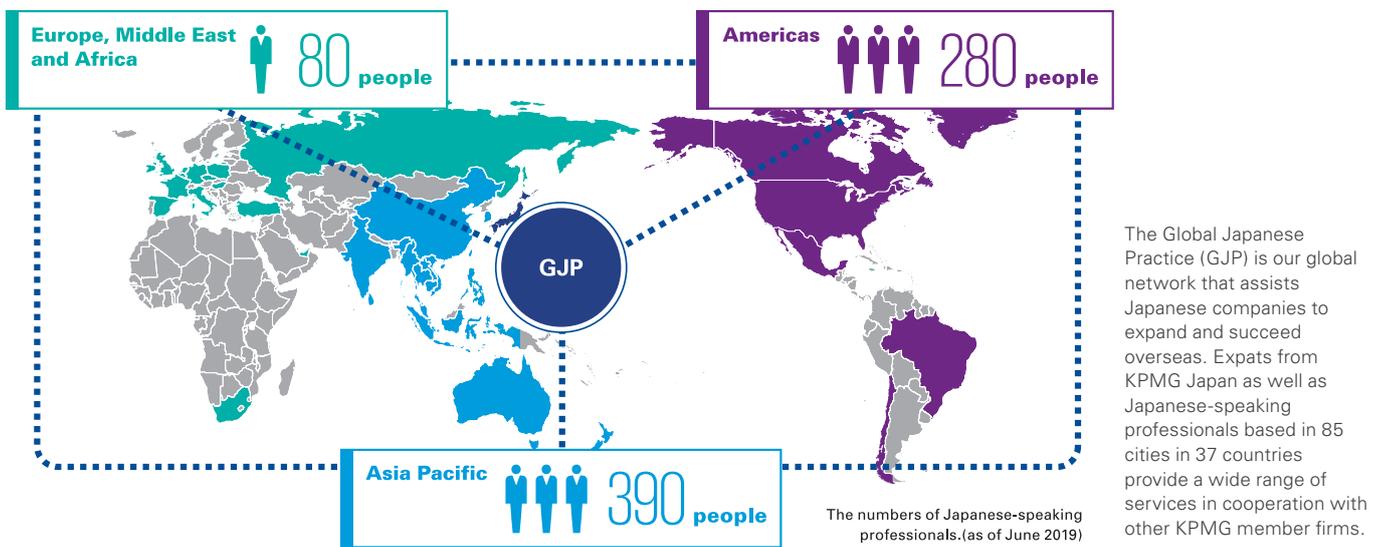


Global Automotive Executive Survey 2019

Global Japanese Practice as the core of our global capabilities

KPMG does not work in silos; Audit, Tax and Advisory achieve borderless and seamless collaboration across functions and services. By organizing the best teams we can send on the field, we mobilize for each client our

collective strength based on various areas of expertise and global capabilities. We support and catalyze our clients' value creation and deliver solutions to their challenges.



The Americas

The Americas region includes the United States, Canada, Mexico, Chile, and Brazil. The Head of the Americas GJP is based in New York. KPMG has worked for over 40 years as a pioneer supporting Japanese companies in the United States, where more than 280 Japanese professionals are currently located. The head of GJP for Latin America is based in Brazil and provides assistance to business development of subsidiaries of Japanese companies within the sub-region.

Europe, Middle East and Africa

GJP in this region has its Head in London and manages services to subsidiaries of Japanese companies in the United Kingdom, Germany and other major countries in Europe, as well as in the Eastern Europe, the Middle East and Africa regions. Concerning the ongoing challenges of Brexit, the KPMG Brexit and EU response team, with members based in Japan, the UK and Belgium, are in close touch with the people and organizations behind this change, which has significance for all our clients. Sub-region Heads are assigned to cover the Middle East and Africa, Central and Eastern Europe, and CIS for delivering assistance specific to the sub-region.

Asia Pacific

For the rapidly growing ASEAN, China and India economies, a sub-region Head has been appointed for each. In Oceania, East Asia (other than Japan) and South India (including Bangladesh and Sri Lanka), we are expanding our range of services to subsidiaries of Japanese companies. These services include entry into new markets and expansion of existing business lines.

KPMG's global network

KPMG's global network has a presence in 153 countries and includes nearly 210,000 people. We have established an organization to provide high-quality, integrated services anywhere in the world and our professionals coordinate with each other across countries and regions, service lines and industry sectors.

| | | Europe, Middle East and Africa | Asia Pacific | The Americas | Total |
|---|-------------------|--------------------------------|-------------------------|------------------------|-------------------------|
| KPMG International As of September 30, 2018 | People | 106,396 | 43,207 | 57,447 | 207,050 |
| | Countries | 113 | 20 | 20 | 153 |
| Global Japanese Practice (GJP) As of June 30, 2019 | Japanese speakers | 80 | 390 | 280 | 750 |
| | Locations | 23 cities, 16 countries | 37 cities, 16 countries | 25 cities, 5 countries | 85 cities, 37 countries |

Management Committee Members

KPMG Japan provides services in the three areas of Audit, Tax, and Advisory, with member firms working in harmony as one, under an efficient and disciplined management structure.



Toshiya MORI
Chairman, KPMG Japan /
Chairman, Global Japanese Practice



Hiroyuki TAKANAMI
CEO, KPMG Japan /
CEO, KPMG AZSA LLC



Toshihiro OTSUKA
cfo



Mitsugu DOI
coo



Takuji KANAI
Head of Audit



Hiroyuki YAMADA
Head of People,
Performance and Culture



Masahiro MIYAHARA
President, KPMG Consulting



Yutaka TERASAWA
Head of Financial Services



Hideaki KOYAMA
Head of Quality and Risk Management



Eiji MIZUTANI
Chairman of the Senior Review Board,
KPMG AZSA LLC



Daisuke HARADA
Head of Kansai Area and Osaka Office
Managing Partner, KPMG AZSA LLC



Michitaka SHISHIDO
Head of Tokai Area, KPMG AZSA LLC

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© 2020 KPMG Tax Corporation, a tax corporation incorporated under the Japanese CPTA Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Governance Structure

KPMG Japan stands on the foundation formed by an audit firm and a tax accounting firm. Our audit firm is committed to contributing to the sound development of the economy by ensuring the credibility of financial information from an independent point of view, thus ensuring fair corporate activities and the protection of stakeholders. Our tax accounting firm's mission is to live up to the trust placed in us by taxpayers and ensure, from an independent and fair-minded position, that tax obligations are fulfilled appropriately.

As a professional firm that bears this social responsibility, member firms of KPMG Japan provide advisory services to satisfy the needs of clients and society and achieve Our Vision of being the Clear Choice.

Management policies of KPMG Japan Management Committee

The KPMG Japan Management Committee comprises representatives from the major member firms of KPMG Japan including KPMG AZSA LLC, KPMG Tax Corporation, KPMG Consulting, and KPMG FAS. The Committee discusses and decides on the collaborative structure used by KPMG Japan as well as material matters pertaining to the management of the firms, including talent development, service improvement, and quality control. In this way, we are able to pool all of the available resources of KPMG to deliver the best possible services that meet our clients' management requirements.

KPMG Japan's governance

As an accounting firm with a public interest mission, it is our policy not to simply seek profit but to provide services that contribute to the sound growth of clients and live up to the trust placed in us by society. This policy is not limited to audit and tax compliance, but applies to all of our services.

In order to live up to the high expectations for our firm in this constantly changing environment, we are continually seeking the ideal group governance model.

Provision of non-audit services may cause a breach of independence where we also provide audit services or a conflict of interest between non-audit services. To avoid these situations, we continue to strengthen firm governance and use Sentinel, KPMG International's proprietary global conflicts and independence checking system.



Yuichi KOMAKINE
Head of Tax / Senior Partner,
KPMG Tax Corporation



Masahiko CHINO
Head of Advisory / Representative
Partner, KPMG FAS

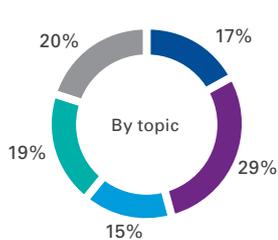


Tatsuya ENDOH
Deputy Head of Tax, KPMG Tax
Corporation

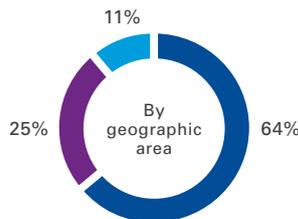


Hikaru OKADA
Head of Deal Advisory / Representative
Partner, KPMG FAS

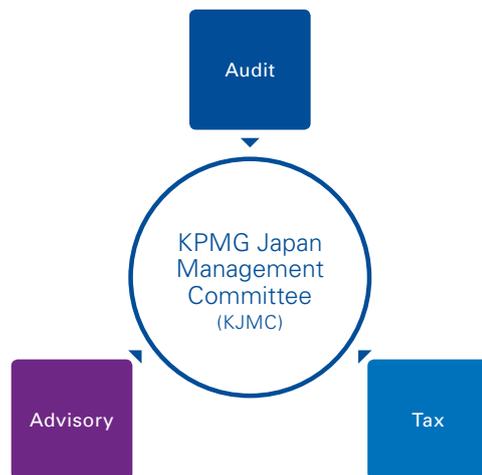
Agenda of the KPMG Japan Management Committee
July 1, 2018 – June 30, 2019



- Developing talent
- Strategy
- Performance and business planning
- Marketing
- Governance and risk management



- Japan
- Global
- Asia Pacific



Service Line

Promotion of information technologies within the business has eliminated restrictions of time and space on economic activities and taken corporate activities to a new level.

Connecting all information in a network has sharply reduced the cost of information necessary for decision-making, thus making accurate information and credible insights more valuable than ever.

KPMG Japan provides audit services to ensure the credibility of financial information, tax services to promote fair tax practices and contribute to trust in society, and advisory services based on credible insights to clear a way forward in an increasingly complex society.

Audit

KPMG AZSA LLC

In recent years, society has come to expect not only financial information, but also credibility and transparency from corporations regarding their activities. The scope of assurance engagements has therefore been expanding.

With KPMG AZSA's financial audit services at our core, KPMG Japan also provides assurance services for areas including internal control, IT systems and sustainability related information.

By providing credible services related to financial and nonfinancial information, we contribute to the growth of clients and the economy.

Tax

KPMG Tax Corporation

KPMG Social Insurance and Labor Advisors Corporation

KPMG Tax Corporation provides tax services in Japan.

The global business landscape is continuing to undergo tremendous change and companies are ever more exposed to new challenges such as measures taken by tax authorities to address aggressive tax avoidance by multinational corporations.

By drawing on not only our Japan network but also our tax professionals from KPMG's global network, we are dedicated to helping our clients succeed and are passionate about providing comprehensive advice.

Using our understanding of governance and our deep industry knowledge, we help clients stay competitive and compliant.

Advisory

KPMG AZSA LLC

KPMG Consulting Co., Ltd.

KPMG FAS Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.

KPMG Healthcare Japan Co., Ltd.

KPMG Japan's advisory services comprise three service groups: Risk Consulting, Deal Advisory, and Management Consulting.

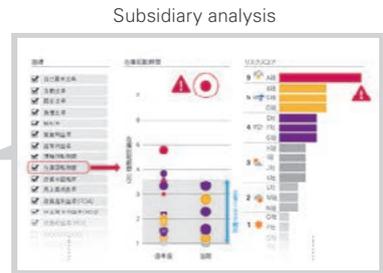
As our clients face more complex and sophisticated management issues, our experts across various fields work as one in providing optimal solutions through our global KPMG network to support the sustainable growth of our clients.

KPMG Japan's initiative for social value creation

Digital audit initiatives

KPMG AZSA established Digital Innovation as an expansion of the current Statistical and Technological Audit Research Team, to ensure that our audits utilize the latest technologies and meet the expectations of society. Our Digital Innovation group will drive the digitalization of audit, and provide clients and the public with value-added insights and knowledge. Through an organic liaison with KPMG Ignition Tokyo, which supports clients' digital transformation and innovation, they will incorporate cutting-edge technologies including AI into audit procedures.

Tool Book



We have published a brochure summarizing some of the solutions we have delivered in the digital audit field to share with our clients and for our audit teams to use in discussions.

KPMG Japan's initiative for social value creation

Ten Things to Do to Achieve for Global Tax Management

Guidelines for Japanese companies to solve challenges in the global tax environment

For Japanese companies accelerating the expansion of their business overseas, the establishment of a global tax management system is an important and ongoing management issue. KPMG Tax Corporation regularly publishes an online newsletter titled "Ten Things to Do to Achieve Global Tax Management" which provides guidelines for headquarters regarding tax planning, tax risk management, and other tax issues to help support the tax



departments of Japanese multinationals understand what they need to address in the current environment. Furthermore, KPMG International publishes the Global Tax Benchmarking Survey report assessing the current status and future outlook of tax departments worldwide, which offers useful information regarding the challenges and opportunities, such as the scope of duties, structure and budget of the tax department.

KPMG Japan's initiative for social value creation

Introducing the Advanced Innovative Technology team

While there have been in recent years an increasing number of projects utilizing cutting-edge technology including AI for businesses, we believe that few have actually achieved transformation at a fundamental level. Advanced Innovative Technology (AIT) uses advanced technology to address companies' deep challenges, the essential nature of their business, and their corporate strategy. This allows us to focus on ways to turn a company's tacit knowledge into explicit knowledge. The more advanced a business field is, the more the business is based on the tacit knowledge of competent

professionals. An advanced business field requires decision-making among a limited number of people, and any mistakes in decision-making can have a significant impact. AIT use AI and other cutting-edge technology to enable anyone to reproduce a company's tacit knowledge, thereby enhancing the sophistication of the business. Turning tacit knowledge into explicit knowledge allows everyone to access the wisdom of our predecessors, making it possible to gain speed and credibility in business. We are working on this initiative with the belief that it will contribute to a competitive-edge for Japan in the future.

Service portfolio

Statutory audit

Audit under the Financial Instruments and Exchange Act
 Audit under the Companies Act
 Audit of Financial Statements prepared in accordance with the International Financial Reporting Standards (IFRS)
 Audit of financial statements under SEC standards
 Incorporated administrative agency audit
 Incorporated educational institution audit
 Credit union, workers' credit union, credit cooperative audit
 Labor union audit
 Investment Limited Partnerships (ILPs) audit
 Special Purpose Company (SPC) audit

Nonstatutory audit

Financial statement audit of companies to which statutory audit is not applicable
 Audit in accordance with the Financial Instruments and Exchange Act for the purpose of public offering
 Audit of financial statements prepared in accordance with special purpose framework
 Audit of single financial statements and specific elements, accounts or items of a financial statement
 Systems audit/project audit

Assurance

Assurance engagement other than auditor review of historical financial information
 Assurance engagement for internal control concerning fiduciary obligation
 Information security verification services
 Assurance engagement for sustainability reporting

Service portfolio

Addressing BEPS* issues through KPMG's international tax and transfer pricing services

Following the OECD's fundamental review of global tax rules, multinational companies are required to submit country-by-country reports, which could increase the risk of double taxation. While the appropriate control of tax-related risks is a key issue, many companies in Japan do not have a clear understanding of their overseas subsidiaries' tax status resulting in a lag in the implementation of a global tax governance policy. Going forward, it is only a matter of time before tax authorities set up an information network globally and companies' profit and loss and tax burden in each jurisdiction becomes transparent. In such an environment, the proper handling of BEPS issues will

| | |
|--------------------------|------------------|
| International tax | Transfer pricing |
| Domestic tax | M&A |
| Real estate transactions | Global mobility |
| Finance & technology | Outsourcing |

present a critical challenge for companies to become truly global. At KPMG Japan, we help Japanese companies build a global tax governance system which is spearheaded by their headquarters in Japan. We support clients to enhance their management process and help them succeed amidst intense international competition.

*BEPS: BEPS or Base Erosion and Profit Shifting refers to multinational companies' tax avoidance strategies on the basis of national taxation. As BEPS is regarded as a factor that could threaten the credibility of tax schemes, international measures are being carried out to prevent it.

Advisory Service Framework

Risk Consulting

We provide practical know-how regarding potential risks to growth and the smooth operation of clients' business. This includes challenges related to the increasingly complex financial accounting function, risk management, compliance and internal control, as well as internal audit and IT security, among other areas. We also support clients in building and implementing optimal global group management structures.

Deal Advisory

We provide comprehensive one-stop support needed from pre-deal to post-deal for M&A advisory and business portfolio restructuring to assist clients in revitalizing their businesses. We also provide services relating to the formulation and implementation of growth strategies.

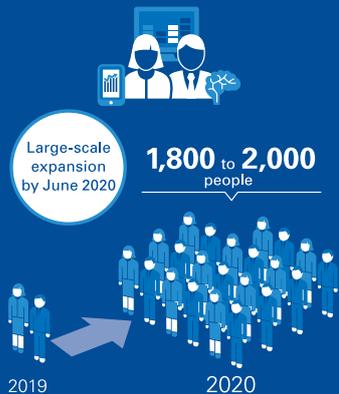
Management Consulting

We support the transformation of business models and operations of clients doing business globally. Consulting services utilize digital technologies to provide comprehensive support, covering a wide range from planning of business operations and digital strategies, supply chain optimization and management framework reorganization, to designing of organizational and personnel systems, and proposals on how to use IT and systems to achieve the optimal effect for each of these services.

Industry-specific advisory

KPMG uses global tools based on a wide range of up-to-date industry information accumulated across our global network, while collecting knowledge from As-a-Service models such as MaaS, which are used across different business fields in order to respond to diverse needs.

Fostering and expanding our digital talent



Reasons to choose us

01

A quality control system that clarifies roles and responsibilities and helps management policies to be disseminated throughout the organization (Four Defense Lines)

02

Initiatives centered around KPMG Ignition Tokyo with the objective of using cutting-edge technology for advanced data analysis

03

Use of KPMG's global network and diversity of professionals who can cope with globalization issues faced by companies

Our Story - Audit 2019

01

Delivered audit services and demonstrated expertise and professional skepticism to respond to various risks that companies face

02

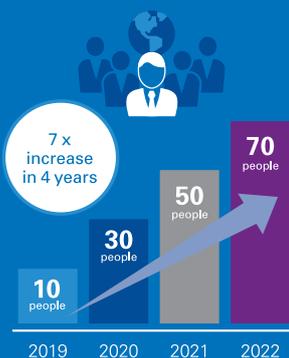
Improved the effectiveness and efficiency of audit operations by adopting audit methods driven by Data & Analytics

03

Established necessary audit infrastructure to allow judgments to be made within Japan, which includes expertise on IFRS, US GAAP and Japan GAAP,

Tax Reimagined*1 Service

Talent expansion plan



*1 Refers to the reconsideration and restructuring of the tax function, an essential part of creating a global tax management structure in Japanese companies

Reasons to choose us

01

Our capabilities in providing cross-border services by utilizing KPMG's global network

02

A wealth of top-class tax professionals with expertise in each specialized area

03

Provision of practical tax advice with cutting-edge IT technology in accordance with the particular needs of clients

Our Story - Tax 2019

01

Expanded M&A related services in line with an increase in overseas expansions and cross-border transactions by Japanese companies

02

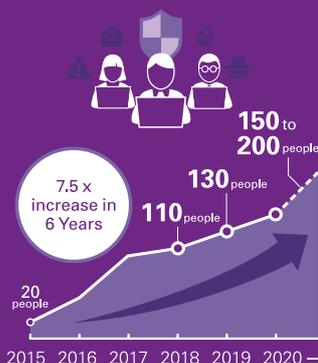
Increased international tax and transfer pricing services to respond to the growing importance for multinationals to address BEPS

03

Provided tax cost optimization services in relation to development/reorganization of a supply chain which takes account of customs duties and other indirect taxes

Cyber security service

Talent growth and future expansion plan



Reasons to choose us

01

Provision of one-stop advice, through organic collaboration with specialists with various expertise in different service lines and industries and KPMG's global network

02

Use of advanced technologies to support the transformation of clients' business models and operations

03

Provision of quality-focused services by professionals with expertise

Our Story - Advisory 2019

01

Undertook cross-border, cross-functional comprehensive initiatives to fulfill various needs of globalizing corporations

02

Expanded initiatives to use cutting-edge digital technology, such as AI, the cloud, robotics and blockchain

03

Provided advisory services that address expanding risks and opportunities presented by advanced digital technology

Citizenship

We take our role as a corporate citizen in society seriously.
 In addition to fulfilling our responsibilities as professionals,
 we act in good faith to help enrich the society and environment that support us.



Managerial talent development

KPMG AZSA holds pro bono seminars at research institutions including graduate schools, as well as a seminar for the development of female leaders in finance and accounting. Through these activities, we hope to contribute to the improvement of business management literacy by making the most of our accumulated professional skills and insights.

Career development support for elementary, high-school and university students

As a pro-bono activity in the education field, KPMG Japan supports the development of next-generation leaders in looking ahead to the future. We support the mission of CEE-Japan (Japan branch of the Council for Economic Education), and professional volunteers from KPMG Japan held model classes on economic education at public elementary and middle schools in Saitama in March 2019, and at a private high-school in Tokyo in June 2019.

In June of the same year KPMG Japan and KAPION EDUCATION ORGANIZATIONS jointly hosted the “KPMG Educational Impact Workshop for GTE” for middle and high school students at our Otemachi office.



©Nippon Foundation Paralympic Support Center

Sports-related initiatives

KPMG Japan also supports sports-related initiatives. One example is our support for the development of sports for the people with disabilities in Japan. We provide services for the internal audits conducted by the Nippon Foundation Paralympic Support Center for each athletics organization, in addition to sponsoring blind soccer, an official Paralympic sport since 2016.

Inclusion & Diversity

Building an inclusive future for all entails not only providing a comfortable workplace environment as our HR policy, but building strategic foundations to strengthen our competitive edge and growth as a business.

We would further embrace diversity, so our people can demonstrate their capabilities through acknowledging and making the most of one another's individual qualities, and work towards the same goal of contributing to our clients and society through providing high-quality services.



Sponsorship of W20 Japan

We sponsored for the W20 Japan 2019 summit held on March 23-24, 2019, where Nobel Peace Prize laureate, Malala Yousafzai delivered the keynote speech. Three thousand people, including distinguished guests from across the globe and foreign ministers from eight countries, joined the event.

In various breakout sessions, based on the SDGs (Sustainable Development Goals) theme of Realizing a sustainable society that is diverse and inclusive and ensures that "not one person is left behind", participants from diverse backgrounds held discussions on societal issues in Japan and internationally. KPMG Global Head of People, Susan Ferrier, participated in the panel discussion "Closing the Gender Gap at Work" and shared her insights on the various challenges women face from a gender gap in the workplace and at home, along with specific measures to close the gap.

*W20 is an official G20 engagement group that proposes policy recommendations related to women. Engagement groups influence the creation of a new international economic order by making policy recommendations to the G20 leaders.



WWN (Working Women's Network)

WWN was established in 2007 by female employees of KPMG AZSA, based on the concept that a women-friendly working environment is one in which everyone feels comfortable and free to make full use of their abilities.

It aims to provide working people with opportunities for growth and developing their capabilities, as well as offering opportunities for networking and mutual improvements. We use the term "women," but the network is intended to encourage all working people regardless of gender to grow as business professionals while making the most of their diverse personalities through their careers and various life events.

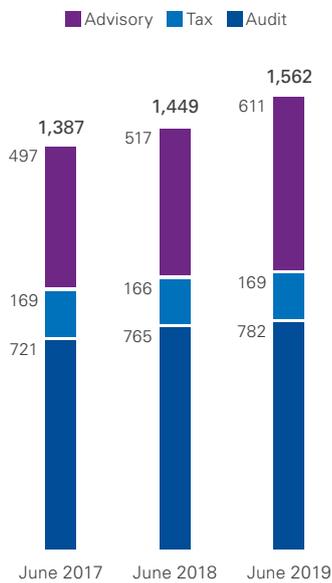


TOKYO RAINBOW PRIDE 2019

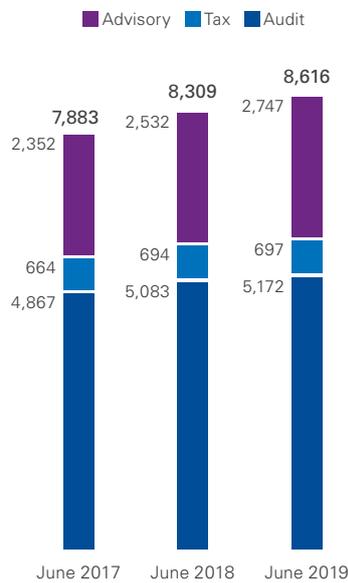
TOKYO RAINBOW PRIDE is an event that promotes a society of acceptance and equality, in which all people can have pride in who they are and enjoy life. As the two main events of the largest LGBT celebration in Japan, there was a festival at Yoyogi park and a parade in Shibuya/Harajuku on April 28-29, 2019. Members from KPMG Japan also joined the festivities to celebrate and promote inclusivity.

Our Performance

Revenue (hundred million yen)

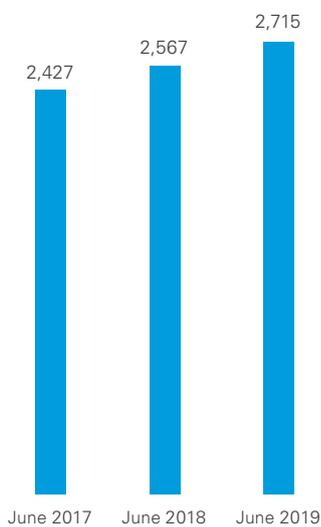


Number of Employees

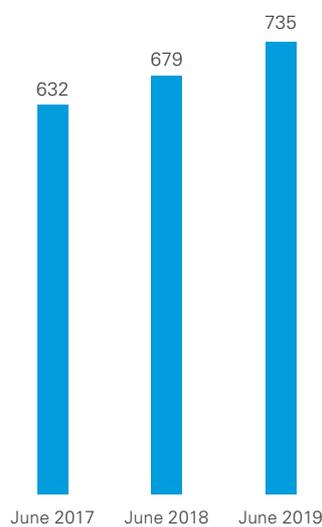


* Tax service revenues included are for fiscal years from October 1 to September 30.

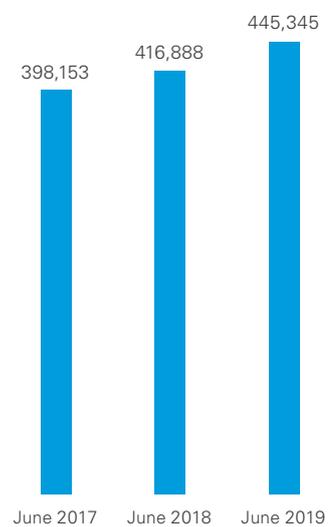
Number of Global Professionals*



Number of Employees Seconded Overseas



Aggregate Training Hours



* Global professionals are those who have overseas work experience, have been in global skill training courses, or are foreign nationals.

M&A Advisory Ranking (including banks, securities companies, and other financial institutions)

Source: Refinitiv (formerly Thomson Reuters Financial & Risk)

| | 2017 | 2018 | 2019 | | 2017 | 2018 | 2019 |
|-----------------------------------|------|------|------|---|------|------|------|
| Based on publicly announced deals | 5 | 5 | 4 | Based on In-Out deals (Acquisition of foreign companies by companies based in Japan) | 3 | 3 | 1 |

Overview of Member Firms

About KPMG

KPMG is a global network of professional firms providing Audit, Tax and Advisory services. The KPMG network was formed in 1987 when Peat Marwick International (PMI) and Klynveld Main Goerdeler (KMG) merged along with their respective member firms. Member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), the Swiss entity.

KPMG Japan Member Firms

KPMG Japan

Chairman
Toshiya MORI
CEO
Hiroyuki TAKANAMI

KPMG AZSA LLC

CEO, **Hiroyuki TAKANAMI**

KPMG AZSA LLC offers professional services, including audit, assurance, IFRS advisory, accounting advisory, financial advisory, IT advisory, and middle market development. In addition, we deliver expert services tailored to the sector-specific needs of the financial, information/telecommunication/media, retail, energy, manufacturing, and public sectors.

KPMG Tax Corporation

Representative Partner, **Yuichi KOMAKINE**

KPMG Tax Corporation's teams of specialists offer bespoke tax advice to Japanese companies, Japanese subsidiaries of foreign companies, and more. Our tax-related services include preparation of tax returns, tax investigation support, advice related to M&A, corporate restructuring and revitalization, consolidated tax return filing, international taxation, transfer pricing, customs and tariffs, and business inheritance.

KPMG Consulting Co., Ltd.

President, **Masahiro MIYAHARA**

KPMG Consulting assists clients to transform business models or improve operations through the utilization of advanced technology. Our advisory services are diverse, some of which include business strategy planning, improvement in operational efficiency, profit management capability, governance, risk management, IT strategy planning, IT system/tool implementation support, organization and human resource management reform, and cyber security.

KPMG FAS Co., Ltd.

Representative Directors, **Hikaru OKADA, Osamu MATSUSHITA, Masahiko CHINO**

KPMG FAS offers comprehensive support across all phases of corporate activities to add the most value, ranging from strategy planning and transactions (such as M&A, business restructuring, and corporate revitalization) to post-deal. Primary services are related to M&A advisory work (feasibility analysis, valuation, due diligence, structuring advice), corporate revitalization advisory work, management strategy consulting, and fraud investigation.

KPMG International

(As of September 2018)

| | |
|---------------------|-------------------------|
| Revenues | US\$28.9 billion |
| Number of personnel | 207,050 |
| Number of countries | 153 |
| Registration | Zug, Switzerland |

KPMG Healthcare Japan Co., Ltd.

Representative Directors,
Keiichi OWARI, Jun MATSUDA

KPMG Healthcare Japan provides business and financial advisory services in the healthcare industry, including medical and nursing care. Advisory services are related to strategy, risk evaluation, M&A, finance, and business revitalization.

KPMG AZSA Sustainability Co., Ltd.

Managing Partners,
Kazuhiko SAITO, Yoshitake FUNAKOSHI

KPMG AZSA Sustainability provides third-party assurance services for companies to raise the credibility of their non-financial information. We assist companies' pursuit of sustainability by supporting corporate performance and risk control in the sustainability field as well as enhancement of non-financial disclosures.

KPMG Social Insurance and Labor Advisors Corporation

Representative, **Mayumi OGAWA**

KPMG Social Insurance and Labor Advisors provides outsourcing services to back-office administrative operations primarily for foreign corporations entering Japan and subsidiaries of Japanese companies. Specific services range from support of the establishment of a legal entity in Japan to ongoing human resource services (payroll and social/labor insurance administration).

KPMG Ignition Tokyo Inc.

CEO, **Masayuki CHATANI**

KPMG Ignition Tokyo is a hub for combining the knowledge of our professionals and digital experts with the latest digital technologies and supporting Japanese clients on their digital transformation journey. We collaborate with the global organization and KPMG Japan member firms to create common foundations and solutions and to support our clients in the business transformations that accompany digitalization.

AZSA Office Mate Co., Ltd.

President, **Michitaka SHISHIDO**

In order to assist individuals with disabilities achieve independence, AZSA Office Mate employs individuals with primarily intellectual disabilities as "office mates." These employees are responsible for work including preparation for external seminars, printing and binding materials, sorting and filing accounting documents, sorting and shipping of stationary for reuse, business card printing and restocking of stationary.

Editorial Policy Since 2015, we have been issuing KPMG Japan Our Story, which reports on KPMG Japan's shared principles and philosophy, as well as initiatives whereby we can consistently respond to social and client expectations to provide more value as a group of professional firms dedicated to delivering outstanding service. This report is prepared and edited with the principles of integrated reporting in mind.

Scope of the Report In principle, the Report focuses on KPMG Japan's member firms. Information and performance data of specific organizations are individually described. KPMG Japan's member firms are listed above.

Reporting Period Performance data is provided for primarily the period of July 2018 – June 2019. In addition to reviewing the current state of the firm, the report also presents our outlook for the years to come.

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