

**Cash Management: Notice for Abolishment of Local Withholding Tax on
Deposit Interest for Corporate Customers**

November, 2015

To our valued customers;

Thank you for your patronage to HSBC.

With effect from 1st January 2016, the local withholding tax on the deposit interest (*rishi-wari*) will be abolished with respect to corporate entities as a result of tax reform. Accordingly, we will not withhold such local tax from the deposit interest to be paid to our corporate customers after 1st January 2016.

< Relevant Deposits and Applicable Tax >

Please find the details of the change regarding the withholding tax on the deposit interest and the relevant deposits as follows:

Deposit Type	Interest Payment Date	Tax Rate on Interest
<ul style="list-style-type: none">• JPY Savings Deposit• FCY Savings Deposit• JPY Term Deposit• FCY Term Deposit	On or before 31 st December 2015	20.315% (National Tax (Income Tax) 15.315% and Local Tax 5%)
	On or after 1 st January 2016	15.315% (National Tax (Income Tax) only)

- The National Tax (Income Tax) above includes the Reconstruction Special Income Tax (0.315%) which will continue to be applicable until 31st December 2037.
- The applicable tax rate(s) may change as a result of future tax reform.
- For any detailed tax advice, please contact your certified public accountant or tax accountant directly.

Should you have any questions, please contact below.

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Truly Yours,

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