

Real Estate Investing in Japan

 株式会社 **STAR FIELD**

Why Real Estate in Japan?

- Real estate prices which were rising most notably in central Tokyo have decreased considerably.
- Current real estate market downturn should continue since the stabilization of the global financial market appears unlikely anytime soon.



Some Factors to Consider:

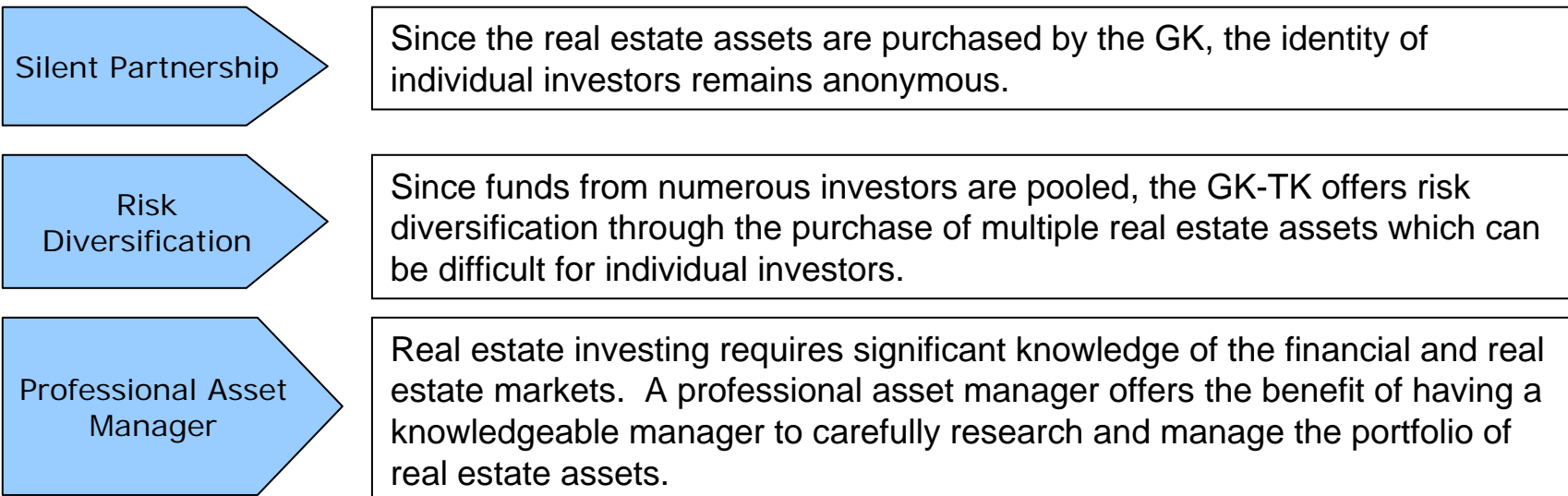
1. Yield gaps in Japan are considered higher than in most developed countries and Japan was not caught in a complete real estate bubble as the United States, meaning that the impact is seen as being less severe.
2. Population growth resulting from strong in-migration to the Greater Tokyo area.
3. Tokyo is the largest non-financial commercial center which adds to its appeal as a real estate investment market. In many major cities financial sector employees account for a large share of the labour force and as such office markets are consequently highly dependent on financial sector tenants.

- Strategies for investing in Japanese real estate.

GK-TK Structure:

- Typically a limited liability company, *godo kaisha* (GK) under the Company Law acts as a special purpose company and holds an investment portfolio and investors make investments into the GK through a silent partnership (*tokumei kumiai*, TK) agreement.
- Funds from the investors are pooled and the asset manager has partial discretion to invest in unspecified real estate assets and real estate securities and earnings are distributed to investors.

Advantages of
Investing Through a
GK-TK Structure



株式会社 **STAR FIELD**

- Provides comprehensive consultation services related to real estate investment strategies and schemes (GK, TK)
- Provides assistance/support in identifying potential real estate investment opportunities
- Asset management services
- Selection and introduction of property management firms

Shihoshoshi & Gyoseishoshi Lawyers **Hoshino Godo Office**

- Vehicle (GK, TK, etc) incorporation and corporate legal services

-
1. Hoshino Godo Office is an alliance partner of Starfield Co., Ltd.
 2. Both Starfield and Hoshino have onsite, full-time native English speaking staff and thus can engage in negotiation and prepare all reports in English.