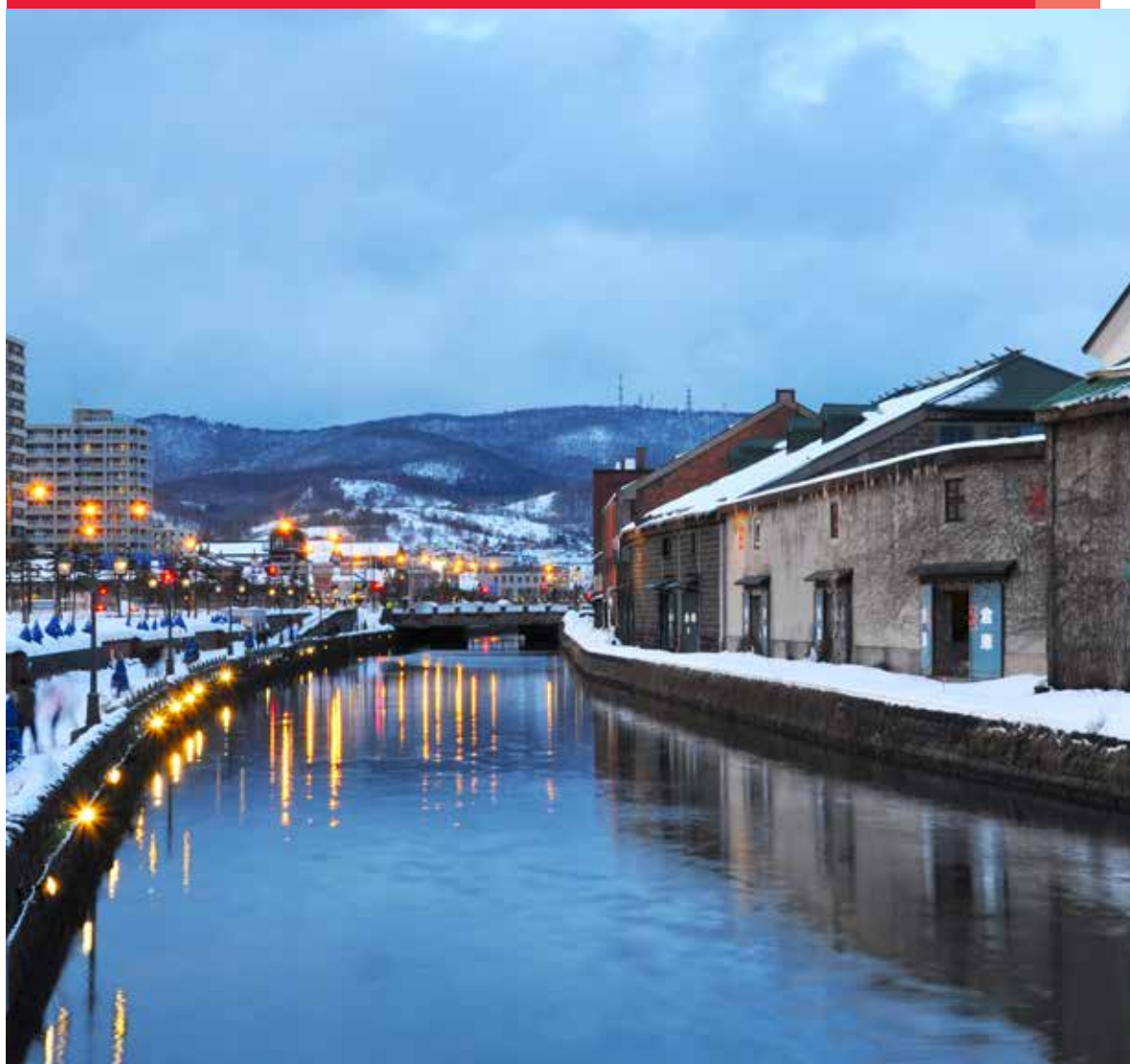


# *Japan Desk*

*Offering experienced  
guidance to Japanese  
Companies investing  
in Brazil*



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# *Japanese investments in Brazil*

The history of Brazilian society and its economic development have been strongly influenced by the Japanese culture. This influence is due to the historically strong ties of friendship and the presence of Japanese immigrant communities in Brazil. This is true for the past, the present and certainly for the future: Brazil's relationship with Japan is a concrete, long-lasting and sustainable reality.

In 2018, the Japanese immigration in Brazil celebrates its 110th anniversary. This celebration was preceded by the opening, in 2017, of the Japan House, which will be home to a number of historical and cultural events aiming at making the bilateral relationships between Brazil and Japan even stronger and deeper.

Japanese investments have been made in a wide variety of industries. However, in recent years, a higher concentration of funds have been directed to manufacturing, most heavily in the segments of metallurgy, automotive, equipment for the oil and gas and biofuel areas, paper and pulp and transportation equipment. Another important sector receiving investment has been metallic minerals, followed by the production and distribution of electricity, gas and water.

# Opportunities

Japanese companies use different strategies, from the start-up of new operations (“green field”), usually by large Japanese multinational groups that are investing in Brazil for the first time, as well as the continued expansion of businesses of well-established Japanese companies, usually trading houses. Potential new investments by Japanese companies will translate into significant business opportunities for PwC Brazil as follows:

- The Japan Desk team of PwC Brazil is comprised of experienced professionals with deep knowledge and experience on how to do business with Japanese companies, considering that there are cultural differences in the way business is conducted in Japan. Japanese companies have a “Japanese way” of conducting business driven by its own distinctive culture. The cultural identity of our team is here and alive to serve our Japanese clients. In addition, the existence of a Brazil Desk in PwC Japan, Tokyo, who also understand the Brazilian business environment ensures that we can provide tailored and high quality services to Japanese clients providing the best solutions in Japan and Brazil, as well as leveraging on client relationships and network.
- Japanese companies usually make long-term investments. They believe in the potential of the Brazilian market due to its size, population growth and credit expansion, among other factors. Given the significant differences in the regulatory and legal environment between Japan and Brazil it is expected that newcomers will seek for the professional advice of our team to ensure that their long-term investment strategy will have the most optimize tax structure from the beginning in compliance with local tax and regulatory framework.
- The complex tax regulatory system and labor legislation in Brazil require that foreign companies rely on professional assistance to enter the local market. Our experienced Japan Desk team of PwC Brazil is well positioned to support Japanese companies to understand such complex regulatory environment in order for them to make informed decisions on their investment strategy. We have the ability to provide support in, for example, identifying potential tax incentives (which can vary depending on each State in Brazil) and to understand the unique brazilian transfer pricing regulations.
- Brazil has important natural resources which represent attractive investment opportunities in fields such as oil and gas, mining and agribusiness. In fact, all of the largest and well-known Japanese trading companies have been historically investing in Brazil in all these areas for decades. The Japan Desk team of PwC Brazil has a track record of supporting these companies in merger and acquisitions transactions with proven success and experience in this area.
- After a period of economic recession, the Brazilian government has taken measures and implemented reforms that are attracting both the attention and interest of Japanese investors into areas such as infrastructure, agribusiness, health, public services, food and beverage, retail, and goods for consumption. PwC Brazil’s Japan Desk team is ready to meet the interests of the companies wishing to invest and grow in Brazil.
- Japanese multinational companies are frequently headquartered for the Americas Region in the USA. Our Global PwC Japan Business Network allow the Japan Desk team of PwC Brazil to be closely connected with the best resources of the Japan Desk professional group of PwC in the USA.

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# We speak your language

We are a network of firms with offices in 158 territories and more than 230,000 people who are focused on providing quality in audit and assurance, tax, corporate and business consulting, and transaction advisory services. PwC arrived in Brazil in 1915 and currently has approximately 4,200 people in 17 offices spread throughout the country.

We understand that Japanese companies have their own culture and strategies to conduct business. It is precisely for this reason that we have created our Japan desk, which is dedicated to serve and provide tailored services to Japanese companies operating or planning to enter the Brazilian market.

The services provided by our Japan Desk are distinctive because of the following:

- We have a strong global network, and a significant presence in Japan. Through the Japanese Business Network, which is present in almost all PwC offices worldwide, we have the ability to leverage and share information in relation to Japanese clients that are present in Brazil to ensure that high quality services are provided meeting their particular needs;
- We are able to communicate in Japanese. We have dedicated professionals that are Japanese descendants who can communicate in both Japanese and Portuguese and that deeply understand the Japanese business culture because they have worked in Japan or have a long history of working with Japanese companies in Brazil. In addition, the Japan desk has experienced professionals that have been seconded to PwC Brazil from Japan, who are key to ensure our strong ties with PwC Japan and who have played a significant role in leveraging PwC Japan's relationship with Japanese companies to develop business and win projects in Brazil;
- In addition to the above, each of the dedicated professionals in the Japan Desk has its own area of expertise in our range of services (Assurance, Tax, Advisory), which positions PwC Brazil in a competitive advantage as compared to its competitors that do not possess such coverage;
- In Brazil, PwC is the largest and most renowned firm in the market, providing assurance, advisory and tax consulting services; and
- PwC Brazil is comprised of professionals specialized by solutions and industries, ensuring the delivery of highly qualified services by professionals with deep knowledge of the market.

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# How PwC can help

In addition, new challenges of the international business market require a new way to deal with them and search for solutions. For this reason, we created the Japan Desk, a group specialized in supporting Japanese clients that conduct business in Brazil.

We use the multicultural makeup of our staff and complete and specialized knowledge of the Japanese culture in the Japan Desk, operating together with PwC Japan. Therefore, we are prepared to provide support both to Japanese companies investing in Brazil as well as Brazilian companies interested in investing in the Japanese market.

We offer our clients complete solutions for effective operations in the Brazilian market which are solid, sustainable and obtain results. We count on qualified specialists and methodologies consolidated in the marketplace, which give our clients confidence and contribute to the success of their operations.

In Brazil, our assurance, advisory and tax management consulting teams have years of experience and dedicated professionals in several industry segments. With complete and integrated solutions, we are concerned about improving our clients' performance, promoting operational, financial, organizational, human capital excellence and information technology (IT) management improvements, sustainability, governance, risks and compliance.

## Assurance

We have staff specialized in risk management services for every area and industrial segment. Our global standard audit services (assurance) are performed by experienced professionals auditing, not only statutory financial statements but also auditing financial statements prepared according to International Financial Reporting Standards (IFRS) and with complete command of generally accepted accounting principles in the United States (US GAAP). Among the main assurance services are:

- Statutory financial statement audit;
- IFRS financial statement audit;
- US GAAP financial statement audit;
- Consolidation package audit;
- Internal controls audit (US-SOX, J-SOX etc.);
- Systems audit;
- Other discretionary audits; and
- Capital Markets & Accounting Advisory Services.

We use the multicultural makeup of our staff and complete and specialized knowledge of the Japanese culture in the Japan Desk, operating together with PwC Japan.

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### **Tax Consulting**

We offer support in preparing annual corporate and individual income tax returns, consulting on related questions with tax due diligence and management of tax risks. PwC's global network also allows us to offer services on foreign taxes, transfer pricing, mergers and acquisitions and financing restructuring. The main services offered in this area are:

- Tax compliance;
- Tax planning;
- Transfer price consulting;
- Corporate income tax; and
- Individual income tax.

### **Mergers & Acquisitions and Finance Restructuring (Transaction Consulting)**

Our team consists of over 300 professional employees, with extensive experience in transactions in the Brazilian and international markets, who can offer full support in the analysis and performance of transactions involving business mergers, acquisitions, sales and financial and operational restructuring.

We support the preparation and definition of strategies and the analysis of the risks involved, as well as the performance of full due diligence (corporate, tax, financial and operational due diligence). Business valuation and capture of synergies and gains enable value creation through transaction and negotiation strategies and acting directly in negotiations with stakeholders (creditors, stockholders and other stakeholders). We continue by supporting the implementation of the related changes with a view to realizing the gains expected from the transaction.

### **Business and management consulting services**

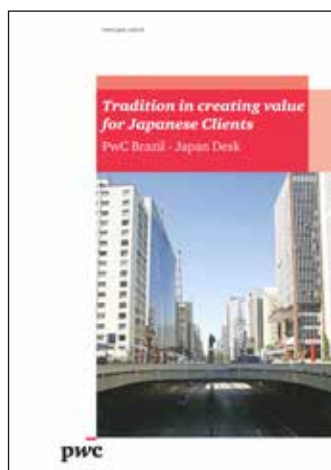
We offer financial, economic and strategic consulting on complex issues related to the business of our clients. In this area, the principal services are:

- Strategy;
- Finance;
- Operations;
- Information technology – Strategy and Security;
- People, Organization and Changes – Human Resources Consulting;
- Outsourcing of Tax, finance and Human Capital Resources;
- Corporate risk management and compliance;
- Forensics;
- Internal Audit;
- Actuarial Services;
- Corporate Governance;
- Project management;
- Organizational development;
- Business process consulting;
- Management of risk value; and
- Sustainability.

# PwC publications

We support the operation and development of Japanese Companies in Brazil. Our knowledge is also summarized and disseminated in our specialized publications for the business community of Japan.

## Tradition in creating value for Japanese clients



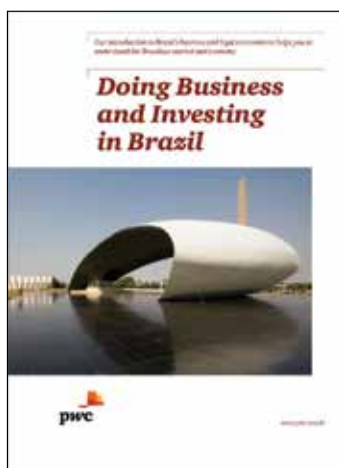
## Trilingual Accounting Terms Glossary



## Trilingual Business Terms Glossary



## Doing business and investing in Brazil



## Doing deals in Brazil



## Bilingual Legal Terms Glossary



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