Eligible for fictitious dividends among merger profits (ⓐ+ⓑ+ⓒ, merger profit limit) Subject to fictitious dividend among split profits (ⓐ+ⓑ, split profit limit) ⓐ If the value of the property inherited by the merged corporation as of the merger registration date exceeds the book value of the property of the merged corporation, the excess amount ⓐ If the value of the property inherited by the division and new corporation, etc. as of the division registration date exceeds the book value of the division of the property, the excess amount ⓑ Among the capital surplus of the merged corporation, the amount equivalent to the surplus in accordance with the main text of 16 ①(2) of the Corporate Tax Act ⓑ If the reduction in the capital and capital surplus of the divided corporation resulting from the division, other than the capital surplus subject to fictitious dividends, is less than the net asset book value of the divided business division as of the division registration date, the amount less than that ※ In this case, the limit is the sum of the retained earnings before division as of the division registration date of the divided corporation and the amount equivalent to the capital surplus subject to constructive dividends ⓒ Amount equivalent to the profit bonus of the merged corporation Order of capital transfer: When transferring part of merger profits or division profits to capital or investment, amounts other than those subject to constructive dividends are transferred first • The sum of the following amounts among qualified mergers, mergers resulting from spin-offs, and spin-off gains : ☞ 2019.2.12. Applicable starting from the capital transfer of surplus inherited due to subsequent merger or division