

Cabinet Office Ordinance on Audit Certification of Financial Statements, etc.

(Ordinance of the Ministry of Finance No.12 of March 28, 1957)

Pursuant to the provisions of Article 193-2 of the Securities and Exchange Act (Act No.25 of 1948) and in order to enforce those provisions, we hereby enact a Ministerial Ordinance for the complete revision of the Rules on Audit Certification of Financial Documents (Securities and Exchange Commission Rules No. 4 of 1951) as follows.

(Scope of Documents on Finance and Accounting Subject to Audit Certification)
Article 1 The documents specified by a Cabinet Office Ordinance, referred to in Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act (Act No.25 of 1948, hereinafter referred to as the "Act"), shall be those set forth in the following items (excluding the explanatory notes set forth in Article 8-17, paragraph (1), item (x) of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance No.59 of 1963; hereinafter referred to as the "Ordinance on Financial Statements, etc.") (including the cases where applied mutatis mutandis pursuant to Article 5-10 of the Ordinance on Terminology, Forms, and Preparation Methods of Interim Financial Statements, etc. (Ordinance of the Ministry of Finance No.38 of 1977; hereinafter referred to as the "Ordinance on Interim Financial Statements , etc."), those set forth in Article 15, paragraph (1), item (vii) of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Financial Statements, etc. (Ordinance of the Ministry of Finance No.63 of 2007; hereinafter referred to as the "Ordinance on Quarterly Financial Statements, etc."), those set forth in Article 15-12, paragraph (1), item (xi) of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No.28 of 1976; hereinafter referred to as the "Ordinance on Consolidated Financial Statements") (including the cases where applied mutatis mutandis pursuant to Article 17-4 of the Ordinance on Terminology, Forms, and Preparation Methods of Interim Consolidated Financial Statements (Ordinance of the Ministry of Finance No.24 of 1999; hereinafter referred to as the "Ordinance on Interim Consolidated Financial Statements") and those set forth in Article 20, paragraph (1), item (viii) of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Ordinance of the Ministry of Finance No.64 of 2007; hereinafter referred to as the "Ordinance on Quarterly Consolidated Financial

Statements")):

- (i) from among the Financial Statements (meaning financial statements as set forth in Article 1, paragraph (1) of the Ordinance on Financial Statements, etc. other than those submitted by the designated juridical person set forth in said paragraph (hereinafter referred to as the "Designated Juridical Person") contained in the written notification submitted pursuant to the provision of Article 5, paragraph (1) of the Act; hereinafter the same shall apply in this Article) or the Financial Documents (meaning financial documents submitted by a foreign company as pursuant to the provisions of Article 129 of the Ordinance on Financial Statements, etc.; the same shall apply hereinafter), those for the most recent business year and the immediately preceding business year if they are related to securities other than Regulated Securities (meaning regulated securities as set forth in Article 5, paragraph (1) of that Act; hereinafter the same shall apply in this item) and those for the most recent Specified Period (meaning a specified period as set forth in Article 24, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 24, paragraph (5) of the Act; hereinafter the same shall apply in this item) and the immediately preceding Specified Period if they are related to Regulated Securities (excluding Financial Statements or the Financial Documents (hereinafter referred to as "Documents" in this item) of the most recent business year or Specified Period (hereinafter referred to as "Business Year, etc." in this Article) and the immediately preceding Business Year, etc. contained in a written notification, which have the same contents as the Documents contained in any of the written notifications or securities reports submitted previously pursuant to the provision of Article 5, paragraph (1) or Article 24, paragraph (1) or (3) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to paragraph, paragraph (5) of that Article; hereinafter the same shall apply in this Article));
- (ii) the Quarterly Financial Statements (meaning quarterly financial statements as set forth in Article 1, paragraph (1) of the Ordinance on Quarterly Financial Statements, excluding those submitted by a Designated Juridical Person; hereinafter the same shall apply in this Article) contained in the written notification submitted pursuant to the provision of Article 5, paragraph (1) (excluding Quarterly Financial Statements contained in a written notification which have the same contents as the Quarterly Financial Statements contained in any of the written notifications or quarterly reports (excluding a quarterly report submitted by a company engaged in any of the businesses set forth in the items of paragraph (2) of Article 17-15 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. (Ordinance of the Ministry of Finance No.5 of 1973; hereinafter referred to as the

- "Cabinet Office Ordinance on Disclosure") (such company shall hereinafter be referred to as a "Company Engaged in a Specified Business") for the Quarterly Accounting Period (meaning the quarterly accounting period set forth in Article 3, item (iv) of the Ordinance on Quarterly Financial Statements, etc.; the same shall apply hereinafter) following the first Quarterly Accounting Period in the relevant business year (hereinafter referred to as the "Second Quarterly Report")) submitted previously pursuant to the provision of Article 5, paragraph (1) or Article 24-4-7, paragraph (1) or (2) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to paragraph (3) of that Article; hereinafter the same shall apply in this Article));
- (iii) the Interim Financial Statements (meaning interim financial statements as set forth in Article 1, paragraph (1) of the Ordinance on Interim Financial Statements, etc. excluding those submitted by a Designated Juridical Person; hereinafter the same shall apply in this Article) contained in a written notification submitted pursuant to the provision of Article 5, paragraph (1) of the Act (excluding Interim Financial Statements contained in a written notification which have the same contents as the Interim Financial Statements contained in any of the written notifications, quarterly reports (limited to a Second Quarterly Report submitted by the a Company Engaged in a Specified Business), or interim reports submitted previously pursuant to the provision of Article 5, paragraph (1), Article 24-4-7, paragraph (1) or (2) or Article 24-5, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to paragraph (3) of that Article; hereinafter the same shall apply in this Article));
- (iv) the Consolidated Financial Statements (meaning the consolidated financial statements set forth in Article 1, item (xxi) of the Cabinet Office Ordinance on Disclosure excluding those submitted by a Designated Juridical Person; hereinafter the same shall apply in this Article) contained in a written notification submitted pursuant to the provision of Article 5, paragraph (1) of the Act (excluding Consolidated Financial Statements contained in a written notification which have the same contents as the Consolidated Financial Statements contained in any of the written notifications or securities reports submitted previously pursuant to the provision of Article 5, paragraph (1) or Article 24, paragraph (1) or (3) of the Act);
- (v) the Quarterly Consolidated Financial Statements (meaning quarterly consolidated financial statements as set forth in Article 1, paragraph (1) of the Ordinance on Quarterly Consolidated Financial Statements excluding those submitted by a Designated Juridical Person; hereinafter the same shall apply in this Article) contained in a written notification submitted pursuant to the provision of Article 5, paragraph (1) of the Act (excluding Quarterly

- Consolidated Financial Statements contained in a written notification which have the same contents as the Quarterly Consolidated Financial Statements contained in any of the written notifications or quarterly reports (excluding a Second Quarterly Report submitted by a Company Engaged in a Specified Business) submitted previously pursuant to the provision of Article 5, paragraph (1) or Article 24-4-7, paragraph (1) or (2) of the Act);
- (vi) the Interim Consolidated Financial Statements (meaning interim consolidated financial statements as set forth in Article 1, paragraph (1) of the Ordinance on Interim Consolidated Financial Statements excluding those submitted by a Designated Juridical Person; hereinafter the same shall apply in this Article) contained in a written notification submitted pursuant to the provision of Article 5, paragraph (1) of the Act (excluding Interim Consolidated Financial Statements contained in a written notification which have the same contents as the Interim Consolidated Financial Statements contained in any of the written notifications, quarterly reports (limited to a Second Quarterly Report submitted by a Company Engaged in a Specified Business), or interim reports submitted previously pursuant to the provision of Article 5, paragraph (1), Article 24-4-7, paragraph (1) or (2) or Article 24-5, paragraph (1) of the Act);
- (vii) from among the Financial Statements or the Financial Documents (hereinafter referred to as the "Documents" in this item) for the most recent Business Year, etc. and the immediately preceding Business Year, etc. contained in a securities report submitted pursuant to the provision of Article 24, paragraph (1) or (3) of the Act (excluding Documents for the immediately preceding Business Year, etc. contained in a securities report submitted pursuant to the provision of paragraph (1) of that Article which have the same contents as the Documents contained in any of the written notifications or securities reports submitted previously pursuant to the provision of Article 5, paragraph (1) or Article 24, paragraph (1) or (3) of the Act);
- (viii) the Consolidated Financial Statements contained in a securities report submitted pursuant to the provision of Article 24, paragraph (1) or (3) of the Act (excluding Consolidated Financial Statements for the Consolidated Fiscal Year (meaning a consolidated fiscal year as set forth in Article 3, paragraph (2) of the Ordinance on Consolidated Financial Statements; the same shall apply hereinafter) immediately preceding the most recent Consolidated Fiscal Year which have the same contents as the Consolidated Financial Statements contained in any of the written notifications or quarterly reports submitted previously pursuant to the provision of Article 5, paragraph (1) or Article 24, paragraph (1) or (3) of the Act);
- (ix) the Quarterly Financial Statements contained in a quarterly report

- (excluding a Second Quarterly Report submitted by a Company Engaged in a Specified Business) submitted pursuant to the provision of Article 24-4-7, paragraph (1) or (2) of the Act (excluding Quarterly Financial Statements for the business year immediately preceding the relevant business year contained in a quarterly report which have the same contents as the Quarterly Financial Statements contained in any of the written notifications or quarterly reports submitted previously pursuant to the provision of Article 5, paragraph (1) or Article 24-4-7, paragraph (1) or (2) of the Act);
- (x) the Interim Financial Statements contained in a quarterly report (limited to a Second Quarterly Report submitted by a Company Engaged in a Specified Business) submitted pursuant to the provision of Article 24-4-7, paragraph (1) or (2) of the Act (excluding Interim Financial Statements for the business year immediately preceding the relevant business year contained in a quarterly report which have the same contents as the Interim Financial Statements contained in any of the written notifications or quarterly reports submitted previously pursuant to the provision of Article 5, paragraph (1) or Article 24-4-7, paragraph (1) or (2) of the Act);
- (xi) the Quarterly Consolidated Financial Statements contained in a quarterly report (excluding a Second Quarterly Report submitted by a Company Engaged in a Specified Business) submitted pursuant to the provision of Article 24-4-7, paragraph (1) or (2) of the Act (excluding Quarterly Consolidated Financial Statements for the Consolidated Fiscal Year immediately preceding the relevant Consolidated Fiscal Year contained in a quarterly report which have the same contents as the Quarterly Consolidated Financial Statements contained in any of the written notifications or quarterly reports submitted previously pursuant to the provision of Article 5, paragraph (1) or Article 24-4-7, paragraph (1) or (2) of the Act);
- (xi)-2 the Consolidated Financial Statements under the provision of Article 93 of the Ordinance on Consolidated Financial Statements contained in a quarterly report (limited to a First Quarterly Report (meaning a quarterly report pertaining to the first Quarterly Accounting Period)) submitted pursuant to the provision of Article 24-4-7, paragraph (1) of the Act;
- (xii) the Interim Consolidated Finance Statements contained in a quarterly report (excluding a Second Quarterly Report submitted by a Company Engaged in a Specified Business) submitted pursuant to the provision of Article 24-4-7, paragraph (1) or (2) of the Act (excluding Interim Consolidated Financial Statements for the Consolidated Fiscal Year immediately preceding the relevant Consolidated Fiscal Year contained in a quarterly report which have the same contents as the Interim Financial Statements contained in any of the written notifications or quarterly reports submitted previously pursuant to the provision of Article 5, paragraph (1) or

- Article 24-4-7, paragraph (1) or (2) of the Act);
- (xiii) the Interim Financial Statements contained in an interim report submitted pursuant to the provision of Article 24-5, paragraph (1) of the Act (excluding Interim Financial Statements for the Business Year, etc. immediately preceding the relevant Business Year, etc. contained in an interim report which have the same contents as the Interim Financial Statements contained in any of the written notifications or interim reports submitted previously pursuant to the provision of Article 5, paragraph (1) or Article 24-5, paragraph (1) of the Act);
 - (xiv) the Interim Consolidated Financial Statements contained in an interim report submitted pursuant to the provision of Article 24-5, paragraph (1) of the Act (excluding Interim Consolidated Financial Statements for the Consolidated Fiscal Year immediately preceding the relevant Consolidated Fiscal Year contained in an interim report which have the same contents as the Interim Consolidated Financial Statements contained in any of the written notifications or interim reports submitted previously pursuant to the provision of Article 5, paragraph (1) or Article 24-5, paragraph (1) of the Act);
 - (xv) documents for amending the documents set forth in any of the preceding items, which are contained in an amendment or an amendment report submitted pursuant to the provision of Article 7, Article 9, paragraph (1) or Article 10, paragraph (1) of the Act (including cases where these provisions are applied mutatis mutandis pursuant to Article 24-2, paragraph (1), Article 24-4-7, paragraph (4) and Article 24-5, paragraph (5) of the Act);
 - (xvi) the documents set forth in item (i) to item (xiv) inclusive or documents equivalent thereto contained in a written notification submitted pursuant to the provision of Article 5, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act, in a securities report submitted pursuant to the provision of Article 24, paragraph (1) or (3) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 24, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act), in a quarterly report submitted pursuant to the provision of Article 24-4-7, paragraph (1) or (2) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 24-4-7, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act) and in a semiannual securities report submitted pursuant to the provision of Article 24-5, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act (including the cases where applied mutatis mutandis pursuant to Article 24-5, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act); and

(xvii) documents for amending the documents set forth in the preceding item contained in an amendment or an amendment report submitted pursuant to the provision of Article 7 of the Act as applied mutatis mutandis pursuant to Article 27 of the Act (including the cases where applied mutatis mutandis pursuant to Article 24-2, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act, the cases where applied mutatis mutandis pursuant to Article 24-4-7, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act and the cases where applied mutatis mutandis pursuant to Article 24-5, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act), or pursuant to the provision of Article 9, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act (including the cases where applied mutatis mutandis pursuant to Article 24-2, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act, the cases where applied mutatis mutandis pursuant to Article 24-4-7, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act and the cases where applied mutatis mutandis pursuant to Article 24-5, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act), or pursuant to the provision of Article 10, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act (including the cases where applied mutatis mutandis pursuant to Article 24-2, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act, the cases where applied mutatis mutandis pursuant to Article 24-4-7, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act and the cases where applied mutatis mutandis pursuant to Article 24-5, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act).

(Certification Deemed Equivalent to Audit Certification)

Article 1-2 The case of having received a certification deemed equivalent to an audit certification pursuant to the provisions of the Cabinet Office Ordinance as set forth in Article 193-2, paragraph (1), item (i) of the Act shall be the case of having received a certification deemed equivalent to an audit certification by way of receiving an offer of a service that is deemed to be equivalent to the service set forth in Article 2, paragraph (1) of the Certified Public Accountants Act (Act No. 103 of 1948) from a Foreign Auditing Firm, etc. (meaning a foreign auditing firm, etc. as set forth in Article 1-3, paragraph (7) of that Act) for Financial Documents of a Foreign Company, etc. (meaning financial documents of a foreign company, etc. as set forth in Article 34-35, paragraph (1) of that Act).

(Approval for Not Being Required to Receive an Audit Certification)

Article 1-3 In cases where a company (including a Designated Juridical Person; hereinafter the same shall apply) submitting the documents set forth in items of Article 1 intends to receive the approval set forth in Article 193-2, paragraph (1), item (iii) of the Act, it shall submit a written application for approval for said documents to the Director-General of a Local Finance Bureau, etc. (meaning the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau to whom said documents shall be submitted pursuant to the provisions of Article 20 (excluding paragraph (3)) of the Cabinet Office Ordinance on Disclosure or pursuant to the provisions of Article 30 of the Cabinet Office Ordinance on Disclosure of Contents, etc. of Regulated Securities (Ordinance of the Ministry of Finance No.22 of 1993).

(Special Interest between a Certified Public Accountant or an Auditing Firm and an Audited Company)

Article 2 (1) The interests specified by a Cabinet Office Ordinance concerning a certified public accountant (including a foreign certified public accountant as set forth in Article 16-2, paragraph (5) of the Certified Public Accountants Act; hereinafter the same shall apply) as set forth in Article 193-2, paragraph (4) of the Act shall be the interests in a case that falls under any of the following items; provided, however, that with regard to item (vi), such interests shall be limited to those in a case relating to the audit certification set forth in Article 193-2, paragraph (1) of the Act (hereinafter referred to as the "Audit Certification") for Consolidated Financial Statements, etc. (meaning Consolidated Financial Statements (meaning the consolidated financial statements specified in Article 1, item (xxi) of the Cabinet Office Ordinance on Disclosure; hereinafter the same shall apply), Interim Consolidated Financial Statements (meaning the interim consolidated financial statements specified in Article 1, paragraph (1) of the Ordinance on Interim Consolidated Financial Statements; the same shall apply hereinafter), and Quarterly Consolidated Financial Statements (meaning the quarterly consolidated financial statements specified in Article 1, paragraph (1) of the Ordinance on Quarterly Consolidated Financial Statements; the same shall apply hereinafter); the same shall apply hereinafter):

- (i) the case of having the interests set forth in Article 24, paragraph (1) or (3) of the Certified Public Accountants Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 16-2, paragraph (6) of that Act);
- (ii) the cases where, pursuant to the provision of Article 24-2 of the Certified Public Accountants Act (including the cases where applied mutatis mutandis

- pursuant to Article 16-2, paragraph (6) of that Act), the services set forth in Article 2, paragraph (1) of that Act may not be carried out;
- (iii) the cases where, pursuant to the provision of Article 24-3, paragraph (1) of the Certified Public Accountants Act (including the cases where applied mutatis mutandis pursuant to Article 16-2, paragraph (6) of that Act), the audit-related services set forth in Article 24-3, paragraph (3) of that Act may not be carried out;
 - (iv) the cases where a person who is engaged in the audit of the company which is to receive an Audit Certification (hereinafter referred to as the "Audited Company") as an assistant (hereinafter referred to as an "Assistant") has the interests set forth in Article 24, paragraph (1), item (i) or (ii), or paragraph (3) of the Certified Public Accountants Act, or in Article 7, paragraph (1), items (i), (iv) to (vi) inclusive, (viii) or (ix) of the Order for Enforcement of the Certified Public Accountants Act (Cabinet Order No.343 of 1952);
 - (v) the cases where any relative within the second degree of kinship with a certified public accountant has any of the interests set forth in Article 24, paragraph (1), item (i) of the Certified Public Accountants Act or in Article 7, paragraph (1), item (i) of the Order for Enforcement of the Certified Public Accountants Act; or
 - (vi) the cases where a certified public accountant, his/her spouse or an Assistant has any of the interests set forth in Article 24, paragraph (1), item (i) or (ii), or paragraph (3) of the Certified Public Accountants Act, or in Article 7, paragraph (1), item (i) or items (iv) to (vii) inclusive of the Order for Enforcement of the Certified Public Accountants Act (with regard to an Assistant, excluding the interests set forth in item (vii) of that paragraph) with a Consolidated Subsidiary Company (meaning a consolidated subsidiary company as set forth in Article 2, item (iv) of the Ordinance on Consolidated Financial Statements, Article 2, item (iii) of the Ordinance on Interim Consolidated Financial Statements, and Article 2, item (vii) of the Ordinance on Quarterly Consolidated Financial Statements when the Audited Company is a Domestic Company (meaning a domestic company as set forth in Article 1, item (xx)-3 of the Cabinet Office Ordinance on Disclosure; the same shall apply hereinafter) or meaning a company equivalent to a consolidated subsidiary company as set forth in Article 2, item (iv) of the Ordinance on Interim Consolidated Financial Statements, Article 2, item (iii) of the Ordinance on Interim Consolidated Financial Statements, and Article 2, item (vii) of the Ordinance on Quarterly Consolidated Financial Statements when the Audited Company is a Foreign Company (meaning a foreign company as set forth in Article 1, item (xx)-4 of the Cabinet Office Ordinance on Disclosure, the same shall apply hereinafter); the same shall apply hereinafter) or an Equity Method Affiliate (when the Audited Company is a

Domestic Company, this shall mean any Non-Consolidated Subsidiary Company (meaning a non-consolidated subsidiary company as set forth in Article 2, item (vi) of the Ordinance on Consolidated Financial Statements, Article 2, item (v) of the Ordinance on Interim Consolidated Financial Statements, and Article 2, item (ix) of the Ordinance on Quarterly Consolidated Financial Statements; the same shall apply hereinafter), and any Affiliated Company (meaning an affiliate as set forth in Article 2, item (vii) of the Ordinance on Consolidated Financial Statements, Article 2, item (vi) of the Ordinance on Interim Consolidated Financial Statements and Article 2, item (x) of the Ordinance on Quarterly Consolidated Financial Statements; the same shall apply hereinafter) to which the equity method set forth in Article 2, item (viii) of the Ordinance on Consolidated Financial Statements, Article 2, item (vii) of the Ordinance on Interim Consolidated Financial Statements and Article 2, item (xi) of the Ordinance on Quarterly Consolidated Financial Statements is applied, and when the Audited Company is a Foreign Company, this shall mean any company equivalent to a Non-Consolidated Subsidiary Company or to an Affiliated Company to which the equity method set forth in Article 2, item (viii) of the Ordinance on Consolidated Financial Statements, Article 2 (vii) of the Ordinance on Interim Consolidated Financial Statements, and Article 2, item (xi) of the Ordinance on Quarterly Consolidated Financial Statements is applied; the same shall apply hereinafter) of the Audited Company.

- (2) The interests specified by a Cabinet Office Ordinance concerning auditing firms, referred to in Article 193-2, paragraph (4) of the Act, shall mean those in the cases which fall under any of the following items; provided, however, that they shall be limited to those in cases concerning the Audit Certification of Consolidated Financial Statements, etc. with regard to item (vi) to item (ix) inclusive:
- (i) the case of having the interests set forth in Article 34-11, paragraph (1) of the Certified Public Accountants Act;
 - (ii) the case where the business set forth in Article 2, paragraph (1) of the Certified Public Accountants Act may not be carried out pursuant to Article 34-11-2 of that Act;
 - (iii) the case where the partner of the auditing firm who executes the service of the Audit Certification concerning the Audited Company or his/her spouse has the interests set forth in Article 34-11, paragraph (3) of the Certified Public Accountants Act;
 - (iv) the case where an Assistant has any of the interests set forth in Article 24, paragraph (1), item (i) or (ii) or paragraph (3) of the Certified Public Accountants Act, or in Article 7, paragraph (1), item (i), item (iv) to item (vi) inclusive, item (viii) or (ix) of the Order for Enforcement of the Certified

Public Accountants Act;

- (v) the case where any relative within the second degree of kinship with the partner who executes the service of the Audit Certification for the Audited Company has any of the interests set forth in Article 24, paragraph (1), item (i) of the Certified Public Accountants Act or in Article 7, paragraph (1), item (i) of the Order for Enforcement of the Certified Public Accountants Act;
- (vi) the case where an auditing firm has any of the interests set forth in Article 34-11, paragraph (1), item (i) of the Certified Public Accountants Act or in Article 15, item (i) to item (iii) inclusive of the Order for Enforcement of the Certified Public Accountants Act with a Consolidated Subsidiary Company or an Equity Method Affiliate of the Audited Company;
- (vii) the case where the partner of the auditing firm who executes the service of the Audit Certification for the Audited Company or his/her spouse or an Assistant has any of the interests set forth in Article 24, paragraph (1), item (i) or (ii), or paragraph (3) of the Certified Public Accountants Act, or in Article 7, paragraph (1), item (i) or item (iv) to item (vii) inclusive of the Order for Enforcement of the Certified Public Accountants Act (with regard to an Assistant, excluding the interests set forth in item (vii) of that paragraph) with a Consolidated Subsidiary Company or an Equity Method Affiliate of the Audited Company;
- (viii) the case where any of the partners of the auditing firm is a person who serves as a director, executive officer, auditor, or employee of an Equity Method Affiliate of the Audited Company, or a person who has any of the interests set forth in Article 15, item (v) of the Order for Enforcement of the Certified Public Accountants Act with a Consolidated Subsidiary Company or an Equity Method Affiliate of the Audited Company; or
- (ix) the case where half or more of the partners of the auditing firm have, with regard to themselves or their spouses, the interests set forth in Article 15 (vii) of the Order for Enforcement of the Certified Public Accountants Act with the Audited Company or any of the interests set forth in Article 24, paragraph (1), item (i) or (ii), or paragraph (3) of the Certified Public Accountants Act or in Article 7, paragraph (1), item (i) or item (iv) to item (vii) inclusive of the Order for Enforcement of the Certified Public Accountants Act with a Consolidated Subsidiary Company or an Equity Method Affiliate of the Audited Company.

(Audit Certification Procedure)

Article 3 (1) The Audit Certification of Financial Statements (meaning financial statements as set forth in Article 1, paragraph (1) of the Ordinance on Financial Statements, etc.; the same shall apply hereinafter), Financial Documents or Consolidated Financial Statements (hereinafter collectively

referred to as "Financial Statements, etc.") shall be made based on an audit report prepared by the certified public accountant or the auditing firm who has carried out the audit of the Financial Statements, etc. , the Audit Certification of Interim Financial Statements (meaning interim financial statements as set forth in Article 1, paragraph (1) of the Ordinance on Interim Financial Statements, etc.; the same shall apply hereinafter) or Interim Consolidated Financial Statements (hereinafter collectively referred to as "Interim Financial Statements, etc.") shall be made based on an Interim Audit report prepared by the certified public accountant or the auditing firm who has carried out the audit of the Interim Financial Statements, etc. (hereinafter referred to as "Interim Audit"), and the Audit Certification of Quarterly Financial Statements (meaning quarterly financial statements as set forth in Article 1, paragraph (1) of the Ordinance on Quarterly Financial Statements, etc.; the same shall apply hereinafter), or Quarterly Consolidated Financial Statements (hereinafter collectively referred to as "Quarterly Financial Statements, etc.") shall be made based on a Quarterly Review report prepared by the certified public accountant or the auditing firm who has carried out the audit of the Quarterly Financial Statements, etc. (hereinafter referred to as "Quarterly Review").

- (2) The audit report, the Interim Audit report, or the Quarterly Review report set forth in the preceding paragraph shall be prepared based on the results of the audit, the Interim Audit or the Quarterly Review that has been conducted in accordance with the standards and the practices concerning auditing that are generally accepted as fair and appropriate.
- (3) The standards for the audit made public by the Business Accounting Council as prescribed in Article 24, paragraph (1) of the Cabinet Order for Organization of the Financial Services Agency (Cabinet Order No. 392 of 1998) shall fall under the standards concerning auditing that are generally accepted as fair and appropriate as referred to in the preceding paragraph.

(Matters to Be Stated in the Audit Report, etc.)

Article 4 (1) On the audit report, the Interim Audit report, or the Quarterly Review report set forth in paragraph (1) of the preceding Article, a certified public accountant or a representative of an auditing firm shall concisely and clearly state the matters specified in the following items for the respective categories set forth in those items, and shall state the date of preparation and affix his/her name and seal thereto. In this case, if an auditing firm prepares said audit report, said Interim Audit report, or said Quarterly Review report, in addition to the representative of said auditing firm, the partner who executes the services concerning said Audit Certification (hereinafter referred to as the "Managing Partner") shall affix his/her name and seal thereto;

provided, however, that in cases where said Audit Certification is a Designated Certification (meaning a designated certification as set forth in Article 34-10-4, paragraph (2) of the Certified Public Accountants Act.) or a Specified Certification (meaning a specified certification as set forth in Article 34-10-5 (2) of that Act), the Managing Partner serving as the Designated Partner (meaning a designated partner as set forth in Article 34-10-4, paragraph (2) of that Act) related to said Designated Certification or as the Designated Limited Partner (meaning a designated limited partner as set forth in Article 34-10-5, paragraph (2) of that Act; the same shall apply hereinafter) related to said Specified Certification shall state the date of preparation and affix his/her name and seal thereto:

- (i) an audit report: the following matters:
 - (a) the subject of the audit;
 - (b) the outline of the audit that has been conducted;
 - (c) opinions as to whether the Financial Statements, etc. subject to the audit adequately present all the material points of the financial position, operating results, and conditions of cash flow in the business year (the Consolidated Fiscal Year in the case of Consolidated Financial Statements) pertaining to said Financial Statements, etc. in accordance with the business accounting standards that are generally accepted as fair and appropriate;
 - (d) additional information; and
 - (e) the interests which should be clearly indicated pursuant to the provision of Article 25, paragraph (2) of the Certified Public Accountants Act (including the cases where applied mutatis mutandis pursuant to Article 16-2, paragraph (6) and Article 34-12, paragraph (3) of that Act; the same apply hereinafter);
- (ii) an Interim Audit report: the following matters:
 - (a) the subject of the Interim Audit;
 - (b) the outline of the Interim Audit that has been conducted;
 - (c) opinions as to whether the Interim Financial Statements, etc. subject to the Interim Audit presents useful information as to the financial position, operating results, and conditions of cash flow in the interim accounting period (the Interim Consolidated Accounting Period (meaning an interim consolidated accounting period as set forth in Article 3, paragraph (2) of the Ordinance on Interim Financial Statements, etc.; the same shall apply hereinafter) in the case of Interim Consolidated Financial Statements) pertaining to said Interim Financial Statements, etc. in accordance with the standards for preparation of Interim Financial Statements, etc. that are generally accepted as fair and appropriate;
 - (d) additional information; and

- (e) the interests which should be clearly indicated pursuant to the provision of Article 25, paragraph (2) of the Certified Public Accountants Act;
- (iii) a Quarterly Review report - the following matters:
 - (a) the subject of the Quarterly Review;
 - (b) the outline of the Quarterly Review that has been conducted;
 - (c) a conclusion as to whether the Quarterly Financial Statements, etc. subject to the Quarterly Review were found to contain any matters, in any of the material points, that would lead one to believe that the Quarterly Financial Statements, etc. fail to adequately present the financial position, operating results, and conditions of cash flow in the Quarterly Accounting Period, etc. (meaning a quarterly accounting period and a business year to date as set forth in Article 3, item (vi) of the Ordinance on Quarterly Financial Statements, etc.; the same shall apply hereinafter) pertaining to said Quarterly Financial Statements, etc. (in the case of Quarterly Consolidated Financial Statements, it shall be the Quarterly Consolidated Accounting Period, etc. (meaning a quarterly consolidated accounting period as set forth in Article 3, item (v) of the Ordinance on Interim Financial Statements, etc. and the consolidated accounting year to date set forth in item (vii) of that Article); the same shall apply hereinafter), in accordance with the standards for preparation of Quarterly Financial Statements, etc. that are generally accepted as fair and appropriate;
 - (d) additional information; and
 - (e) the interests which should be clearly indicated pursuant to the provision of Article 25, paragraph (2) of the Certified Public Accountants Act.
- (2) The following matters shall be stated with regard to the subject of the audit specified in sub-item (a) of item (i) of the preceding paragraph:
 - (i) the scope of the Financial Statements, etc. that were the subject of the audit;
 - (ii) a statement that the operator has a liability to prepare the Financial Statements, etc. ; and
 - (iii) a statement that the certified public accountant or the auditing firm conducting the audit has a liability to express their opinions on the Financial Statements, etc. from an independent standpoint.
- (3) The following matters shall be stated with regard to the outline of the audit specified in paragraph (1), item (i), sub-item (b); provided, however, that in cases where any important audit procedure could not be implemented, said audit procedure which could not implemented shall be stated:
 - (i) a statement that the audit was conducted based on the audit standards that are generally accepted as fair and appropriate;
 - (ii) a statement that the audit standards require the certified public accountant or the auditing firm conducting the audit to reasonably guarantee

- that there is no material misstatement in the Financial Statements, etc. ;
- (iii) a statement that the audit has been conducted based on audit testing;
 - (iv) a statement that the presentation in the Financial Statements, etc. has been reviewed as a whole, including an evaluation of the accounting policy and the application method thereof adopted by the operator and the estimates made by the operator; and
 - (v) a statement that a reasonable basis to allow for the expressing of opinions has been gained as a result of the audit.
- (4) With regard to the opinions specified in paragraph (1), item (i), sub-item (c), the matters set forth in the following items shall be stated for the respective categories of opinions set forth in those items:
- (i) an unqualified opinion: a statement that the Financial Statements, etc. which have been subject to the audit are found to adequately present all the material points of the financial position, operating results and conditions of cash flow in the business year pertaining to said Financial Statements, etc. in accordance with the business accounting standards that are generally accepted as fair and appropriate;
 - (ii) a qualified opinion with an exceptive item: a statement that, apart from an exceptive item, the Financial Statements, etc. which have been subject to the audit adequately present all the material points of the financial position, operating results, and conditions of cash flow in the business year pertaining to said Financial Statements, etc. in accordance with the business accounting standards that are generally accepted as fair and appropriate, along with said exceptive item and the influence of said exceptive item on said Financial Statements, etc. or the matters on which the fact that some important audit procedure could not be implemented exerts influence; or
 - (iii) an adverse opinion: a statement that the Financial Statements, etc. which have been subject to the audit are inadequate and the reason therefor.
- (5) With regard to the matters set forth in paragraph (1), item (i), sub-item (d), any matters concerning the explanatory notes under the provision of Article 8-27 of the Ordinance on Financial Statements, etc. or Article 15-22 of the Ordinance on Consolidated Financial Statements, any change in the accounting policy on justifiable grounds, any material contingency, and any material post-balance sheet events, which the certified public accountant or the auditing firm conducting the audit determines appropriate to explain or emphasize, shall be stated.
- (6) With regard to the subject of the Interim Audit set forth in paragraph (1), item (ii), sub-item (a), the following matters shall be stated:
- (i) the scope of the Interim Financial Statements, etc. that were the subject of the Interim Audit.
 - (ii) a statement that the operator has a liability to prepare the Interim

- Financial Statements, etc. ; and
- (iii) a statement that the certified public accountant or the auditing firm conducting the Interim Audit has a liability to express their opinions on the Interim Financial Statements, etc. from an independent standpoint.
- (7) The following matters shall be stated with regard to the outline of the Interim Audit set forth in paragraph (1), item (ii), sub-item (b); provided, however, that in cases where any important audit procedure could not be implemented, said procedure which could not be implemented shall be stated:
- (i) a statement that the Interim Audit was conducted based on Interim Audit standards;
 - (ii) a statement that the Interim Audit standards require the certified public accountant or the auditing firm conducting the Interim Audit to reasonably guarantee that the Interim Financial Statements, etc. as a whole contain no material misstatement which impairs the decision-making of investors with regard to the useful presentation of the Interim Financial Statements, etc. ;
 - (iii) a statement that the Interim Audit has been conducted mainly by using analytical procedures and applying additional audit procedures as needed; and
 - (iv) a statement that a reasonable basis to allow for the expressing of opinions has been gained as a result of the Interim Audit.
- (8) With regard to the opinions specified in paragraph (1), item (ii), sub-item (c), the matters set forth in the following items shall be stated for the respective categories of opinions set forth in those items:
- (i) an opinion that the Interim Financial Statements, etc. present useful information: the fact that the Interim Financial Statements, etc. subject to the Interim Audit present useful information concerning the financial position, operating results, and conditions of cash flow in the Interim Accounting Period pertaining to said Interim Financial Statements, etc. in accordance with the standards for preparation of Interim Financial Statements, etc. that are generally accepted as fair and appropriate;
 - (ii) a qualified opinion with an exceptive item: a statement that, apart from an exceptive item, the Interim Financial Statements, etc. which have been subject to the Interim Audit adequately present all the material points of the financial position, operating results, and conditions of cash flow in the Interim Accounting Period pertaining to said Interim Financial Statements, etc. in accordance with the standards for preparing Interim Financial Statements, etc. that are generally accepted as fair and appropriate. , along with said exceptive item and the influence of said exceptive item on said Interim Financial Statements, etc. or the matters on which the fact that some important audit procedure could not be implemented exerts influence; or

- (iii) an opinion that the Interim Financial Statements, etc. do not present useful information: a statement that the Interim Financial Statements, etc. which have been subject to the Interim Audit do not present useful information and the reason therefor.
- (9) With regard to the matters set forth in paragraph (1), item (ii), sub-item (d), any matters concerning the explanatory notes under the provision of Article 5-18 of the Ordinance on Interim Financial Statements, etc. or Article 17-14 of the Ordinance on Interim Consolidated Financial Statements, any change in the accounting policy on justifiable grounds, any material contingency, and any material post-balance sheet events which the certified public accountant or the auditing firm conducting the Interim Audit determines appropriate to explain or emphasize, shall be stated.
- (10) With regard to the subject of the Quarterly Review, the following matters shall be stated:
 - (i) the scope of the Quarterly Financial Statements, etc. that were the subject of the Quarterly Review;
 - (ii) a statement that the operator has a liability to prepare the Quarterly Financial Statements, etc. ; and
 - (iii) a statement that the certified public accountant or the auditing firm conducting the Quarterly Review is to express their opinions on the Quarterly Financial Statements, etc. from an independent standpoint.
- (11) The following matters shall be stated with regard to the outline of the Quarterly Review set forth in paragraph (1), item (iii), sub-item (b); provided, however, that in cases where any important Quarterly Review procedure could not be implemented, said procedure shall be stated:
 - (i) a statement that the Quarterly Review was conducted based on the Quarterly Review standards that are generally accepted as fair and appropriate;
 - (ii) a statement that the Quarterly Review was conducted by questioning procedures, analytical procedures, or any other Quarterly Review procedures, and that it was conducted under more limited procedures than the audit of Financial Statements, etc. ;
- (12) With regard to the conclusion set forth in paragraph (1), item (iii), sub-item (c), the matters set forth in the following items shall be stated for the respective categories of conclusions set forth in those items:
 - (i) an unqualified conclusion: a conclusion that the Quarterly Financial Statements, etc. subject to the Quarterly Review were found to contain no matters, in any of the material points, that would lead one to believe that the Quarterly Financial Statements, etc. fail to adequately present the financial position, operating results, and conditions of cash flow in the Quarterly Accounting Period, etc. pertaining to said Quarterly Financial Statements,

- etc. , in accordance with the standards for preparation of Quarterly Financial Statements, etc. that are generally accepted as fair and appropriate;
- (ii) a qualified conclusion with an exceptive item: a conclusion that, apart from an exceptive item, the Quarterly Financial Statements, etc. subject to the Quarterly Review were found to contain no matters that would lead one to believe that the Quarterly Financial Statements, etc. fail to adequately present the financial position, operating results, and conditions of cash flow in the Quarterly Accounting Period, etc. pertaining to said Quarterly Financial Statements, etc. , in accordance with the standards for preparation of Quarterly Financial Statements, etc. that are generally accepted as fair and appropriate, along with said exceptive item and the influence of said exceptive item on said Quarterly Financial Statements, etc. (limited to cases where it is possible to state such influence) or the matters on which the fact that some important Quarterly Review procedures could not be implemented exerts influence; or
- (iii) a negative conclusion: a conclusion that the Quarterly Financial Statements, etc. subject to the Quarterly Review were found to contain matters that would lead one to believe that the Quarterly Financial Statements, etc. fail to adequately present the financial position, operating results, and conditions of cash flow in the Quarterly Accounting Period, etc. pertaining to said Quarterly Financial Statements, etc. , in accordance with the standards for preparation of Quarterly Financial Statements, etc. that are generally accepted as fair and appropriate, and the reason therefor.
- (13) With regard to the matters set forth in paragraph (1), item (iii), sub-item (d), any matters concerning the explanatory notes under the provisions of Article 21 of the Ordinance on Quarterly Financial Statements, etc. or Article 27 of the Ordinance on Quarterly Consolidated Financial Statements, any change in the accounting policy on justifiable grounds, any material contingency, and any material post-balance sheet events, which the certified public accountant or the auditing firm conducting the Quarterly Review determines appropriate to explain or emphasize, shall be stated.
- (14) In cases where the certified public accountant or the auditing firm could not gain a reasonable basis to allow for the expression of an opinion as set forth in paragraph (1), item (i), sub-item (c) or paragraph (1), item (ii), sub-item (c) or could not express the conclusion set forth in paragraph (1), item (iii), sub-item (c) because any of the material audit procedures or Quarterly Review procedures were not implemented or due to any other reason, notwithstanding the provision of that paragraph, the certified public accountant or the auditing firm shall include a statement, in the audit report, Interim Audit report, or Quarterly Review Report, that the opinion set forth in item (i), sub-item (c), or item (ii), sub-item (c) of that paragraph or the conclusion set forth in item (iii),

sub-item (c) of that paragraph will not be expressed and the reason therefor.

(Submission of a Written Outline of the Audit, etc.)

Article 5 (1) As part of the report or materials to be submitted pursuant to the provision of Article 193-2, paragraph (6) of the Act, a certified public accountant or an auditing firm shall submit, after the termination of the Audit, etc. , a written outline containing the names of the persons engaged in the audit, the Interim Audit or the Quarterly Review (hereinafter referred to as the "Audit, etc."), the number of days required for the Audit, etc. , and the outline of any other matters concerning the Audit, etc. to the Director-General of a Local Finance Bureau, etc. to whom the documents set forth in the items of Article 1 concerning said Audit, etc. should be submitted.

(2) The written outline set forth in the preceding paragraph shall be prepared by using the forms specified in the following items for the respective categories of Audit, etc. set forth in those items:

(i) the written outline of an audit of Financial Statements, etc. (excluding Financial Statements, etc. concerning the fund specified in Article 1, item (ix) of the Cabinet Office Ordinance on Disclosure of Contents, etc. of Regulated Securities and the trust property specified in item (ix)-4 of that Article (hereinafter referred to as a "Fund or Trust Property" in this paragraph)): Form No. 1;

(ii) the written outline of an Interim Audit of Interim Financial Statements, etc. (excluding Interim Financial Statements, etc. concerning a Fund or Trust Property): Form No. 2;

(iii) the written outline of an audit of Financial Statements, etc. or an Interim Audit of Interim Financial Statements, etc. concerning a Fund or Trust Property: Form No. 3; and

(iv) the written outline of a Quarterly Review: Form No. 4.

(3) The written outline specified in paragraph (1) shall be submitted by the dates specified in the following items for the respective categories of written outlines set forth in those items:

(i) the written outline set forth in items (i), (ii) and (iv) of the preceding paragraph: the last day of the month following the date of preparation of the audit report, the Interim Audit report, or the Quarterly Review report pertaining to said written outline;

(ii) the written outline set forth in item (iii) of the preceding paragraph: the last day of the month in which three months have elapsed from the date of preparation of the audit report or the Interim Audit report pertaining to said written outline.

(Acceptance of Documents Related to Audit Certification by the Director-

General of a Local Finance Bureau, etc.)

Article 5-2 The documents specified by a Cabinet Office Ordinance as set forth in Article 39, paragraph (2), item (i) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No.321 of September 30, 1965) shall be the written outline of the audit, the written outline of the Interim Audit, or the written outline of the Quarterly Review prescribed in paragraph (1) of the preceding Article.

(Preparation and Keeping of the Audit Record)

Article 6 A certified public accountant or an auditing firm shall, without delay after termination of the Audit, etc. , arrange the records and materials concerning said Audit, etc. into an audit record of said Audit, etc. and shall keep it at the office of the certified public accountant or the auditing firm.

(Notification of Violations of Laws and Regulations)

Article 7 A certified public accountant or an auditing firm that has found any Violations of Laws and Regulations (meaning violations of laws and regulations as set forth in Article 193-3, paragraph (1) of the Act) by a Specified Issuer (meaning a specified issuer as set forth in Article 193-2, paragraph (1) of the Act; the same shall apply in the following Article) in conducting an Audit Certification shall give notice to the auditor, the inspector, or a person equivalent thereto of said Specified Issuer (in cases where there is any other appropriate person for taking the appropriate measures set forth in Article 193-3, paragraph (1) of the Act, such a person) by means of a document stating the contents of the violations and the fact that the violations should be corrected or that any other appropriate measures should be taken.

(Procedure for Proposing an Opinion)

Article 8 A certified public accountant or an auditing firm who intends to make the proposal set forth in Article 193-3, paragraph (2) of the Act shall submit a document containing the following matters to the Commissioner of the Financial Services Agency:

- (i) the name and address or the location of the principal office of the certified public accountant or the auditing firm;
- (ii) the trade name or the name of the Specified Issuer;
- (iii) the date that the notice under Article 193-3, paragraph (1) of the Act was given;
- (iv) the gist of the opinion; and
- (v) the contents of the opinion (the contents shall be stated separately for the matter set forth in Article 193-3, paragraph (2), item (i) of the Act and for the matter set forth in item (ii) of that paragraph).