

Order for Enforcement of the Trust Business Act

(Cabinet Order No. 427 of December 27, 2004)

The Cabinet hereby enacts this Cabinet Order pursuant to the provisions of Article 2, paragraph (3), item (i); Article 5, paragraph (2), items (ii) and (vi) and paragraph (7), item (ii); Article 7, paragraphs (3) and (5) (including the cases in which these provisions are applied mutatis mutandis pursuant to Article 54, paragraph (2) of the Trust Business Act (Act No. 154 of 2004)); Article 10, paragraph (1), item (ii); Article 11, paragraphs (2), (3), (7) and (10); Article 26, paragraph (2) (including the cases in which it is applied mutatis mutandis pursuant to Article 27, paragraph (2) and Article 29, paragraph (4) of that Act); Article 29, paragraph (2), item (i); Article 53, paragraph (6), item (ii); Article 54, paragraph (6), item (ii); Article 86, paragraphs (3) and (5); Article 91, paragraphs (2), (3), (7) and (10); Article 95, paragraph (2); and Article 107, paragraphs (1) and (2) of that Act, and Article 123 of the supplementary provisions of that Act.

(Definitions)

Article 1 The terms "trust company," "custodian-type trust company," "foreign trust company," "custodian-type foreign trust company" and "trust agreement agent" as used in this Cabinet Order mean the trust company, custodian-type trust company, foreign trust company, custodian-type foreign trust company and trust agreement agent as prescribed in Article 2, paragraphs (2), (4), (6), (7), and (9) of the Trust Business Act (hereinafter referred to as the "Act") respectively.

(Exclusion from Categorization as Trust Business)

Article 1-2 The acceptance of a trust as specified by Cabinet Order that is provided for in Article 2, paragraph (1) of the Act is an action set forth as follows that falls under the category of the acceptance of a trust:

- (i) the receipt, by an attorney or a legal professional corporation, of a deposit of money from a client, with the intention that the money will be allocated to cover the costs needed for the attorney services that the attorney or legal professional corporation will provide; or any other receipt, by the mandatary under a mandate agreement, of a deposit of money from the mandator, with the intention that the money will be allocated to cover the costs needed for the entrusted business that the mandatary will undertake;
- (ii) the receipt, by the contractor under a contract for work, of a deposit of money from the person placing the order, with the intention that the money will be allocated to cover the costs needed for the work that the contractor

- will carry out; and
- (iii) any action specified by Cabinet Office Order as equivalent to the actions set forth in the preceding two items.

(Scope of Persons Closely Related to the Trustee)

Article 2 (1) The person specified by Cabinet Order that is provided for in Article 2, paragraph (3), item (i) of the Act is any person as follows:

- (i) an officer (meaning the director, executive officer, accounting advisor (including the member responsible for performing the duties of the accounting advisor, if the accounting advisor is a corporation), company auditor, or any other person holding a position similar thereto; the same applies hereinafter) or employee of the relevant trustee;
- (ii) a subsidiary corporation, etc. of the trustee;
- (iii) the parent corporation, etc. that has the trustee as its subsidiary corporation, etc.;
- (iv) a subsidiary corporation, etc. of the parent corporation, etc. that has the trustee as its subsidiary corporation, etc. (other than the trustee itself and any person as set forth in one of the preceding two items);
- (v) an affiliated corporation, etc. of the trustee;
- (vi) an affiliated corporation, etc. of the parent corporation, etc. that has the trustee as its subsidiary corporation, etc. (other than a person as set forth in the preceding item);
- (vii) the specified individual shareholder of the trustee; and
- (viii) a company or partnership or other entity similar thereto as follows (including one in a foreign state that is equivalent thereto, and excluding the trustee itself; hereinafter collectively referred to as a "corporation, etc." in this item and Article 12-2, paragraph (2), item (viii)) that is associated with the individual set forth in the preceding item:
 - (a) a corporation, etc. (inclusive of its subsidiary corporations, etc. and affiliated corporations, etc.) in which the individual specified in the preceding item holds voting rights that exceed 50 percent of the voting rights of all of the shareholders or investors (for a stock company, this excludes voting rights from shares that do not allow a person to exercise voting rights with regard to all of the matters that can be resolved at a shareholders meeting, but includes voting rights from shares that are deemed to have voting rights pursuant to the provisions of Article 879, paragraph (3) of the Companies Act (Act No. 86 of 2005); the same applies hereinafter); and
 - (b) a corporation, etc. in which the individual specified in the preceding item holds voting rights that constitute not less than 20 percent but not more than 50 percent of the voting rights of all of the shareholders or investors.

- (2) The term "parent corporation, etc." as used in the preceding paragraph means a person specified by Cabinet Office Order as the corporation, etc. (meaning a company or partnership or other entity similar thereto (including a company or partnership or other such entity in a foreign state that is equivalent thereto); hereinafter the same applies in this paragraph and the following paragraph) that controls the body that decides the financial and operational or business policies (meaning the shareholders meetings or any other body equivalent thereto; hereinafter referred to as a "decision-making body" in this paragraph) of a second corporation, etc.; and the term "subsidiary corporation, etc." as used in the preceding paragraph and the following paragraph means a corporation, etc. whose decision-making body is controlled by a parent corporation, etc. In such a case, if a parent corporation, etc. and its subsidiary corporations, etc. , or its subsidiary corporations, etc. control the decision-making body of another corporation, etc., the other corporation, etc. is deemed to be a subsidiary corporation, etc. of that parent corporation, etc.
- (3) The term "affiliated corporation, etc." as used in paragraph (1) means a person specified by Cabinet Office Order as a corporation, etc. (excluding a subsidiary corporation, etc.) whose financial and operational or business policy decisions another corporation, etc. (inclusive of its subsidiary corporations, etc.) is able to materially influence through the making of contributions; through the assumption of the office of director or other equivalent position by a person that is or was an officer or employee of the other corporation, etc.; through financing; through the guaranteeing of obligations or provision of collateral; through the provision of technology; or through an operational or business transaction, etc.
- (4) The term "specified individual shareholder" as used in paragraph (1) means an individual who holds subject voting rights (meaning subject voting rights as prescribed in Article 5, paragraph (5) of the Act) that exceed 50 percent of the voting rights of all of the shareholders or investors of the relevant corporation.
- (5) In the cases referred to in paragraph (1), item (viii), the voting rights held by the individual specified in item (vii) of that paragraph include voting rights associated with shares or equity that cannot be duly asserted against the issuer pursuant to the provisions of Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book- Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001) (including as applied mutatis mutandis pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1) or Article 276 (limited to the part concerning item (ii)) of that Act).

(Minimum Amount of Stated Capital of an Investment-Based Trust Company)
Article 3 The amount specified by Cabinet Order that is provided for in Article 5, paragraph (2), item (ii) of the Act is 100 million yen.

(Scope of Laws That Stipulate Licensing Standards)

Article 4 The laws specified by Cabinet Order that are provided for in Article 5, paragraph (2), item (vi) of the Act are as follows:

- (i) the Commodity Derivatives Transaction Act (Act No. 239 of 1950);
- (ii) the Building Lots and Buildings Transaction Business Act (Act No. 176 of 1952);
- (iii) the Act Regulating the Receipt of Contributions, the Receipt of Deposits, and Interest Rates (Act No. 195 of 1954);
- (iv) the Patent Act (Act No. 121 of 1959);
- (v) the Utility Model Act (Act No. 123 of 1959);
- (vi) the Design Act (Act No. 125 of 1959);
- (vii) the Trademark Act (Act No. 127 of 1959);
- (viii) the Installment Sales Act (Act No. 159 of 1961);
- (ix) the Copyright Act (Act No. 48 of 1970);
- (x) the Money Lending Business Act (Act No. 32 of 1983);
- (xi) the Act on the Circuit Layout of Semiconductor Integrated Circuits (Act No. 43 of 1985);
- (xii) the Act on the Deposit Transaction Agreements of Specific Commodities (Act No. 62 of 1986);
- (xiii) the Act on Specified Joint Real Estate Ventures (Act No. 77 of 1994);
- (xiv) the Plant Variety Protection and Seed Act (Act No. 83 of 1998); and
- (xv) the Act on the Issuance of Corporate Bonds for Financial Corporations' Loan Business (Act No. 32 of 1999).

(Special Affiliation)

Article 5 (1) The special affiliation specified by Cabinet Order that is provided for in Article 5, paragraph (7), item (ii) of the Act is the affiliation specified in each of the following items for the category of persons set forth in the relevant item:

- (i) a person holding subject voting rights (meaning subject voting rights as prescribed in Article 5, paragraph (5) of the Act and excluding subject voting rights that are deemed to be held pursuant to the provisions of paragraph (7) of that Article (limited to the part concerning item (ii)); hereinafter the same applies in this item) in the person in question or a person whose controlled company holds subject voting rights in the person in question: the affiliation between that person and the following persons:
 - (a) a person that jointly holds subject voting rights with that person or that has agreed to exercise subject voting rights together with that person (referred to as a "joint holder" in paragraph (3));
 - (b) that person's spouse;

- (c) that person's controlled company;
 - (d) that person's controlling shareholder, etc.; and
 - (e) another controlled company with the same controlling shareholder, etc. as that person; and
 - (ii) a person other than one as set forth in the preceding item: the affiliation between that person and the persons set forth in (a) or (b) of that item.
- (2) The term "controlling shareholder, etc." as used in item (i), sub-items (d) and (e) of the preceding paragraph means a person that holds voting rights that exceed 50 percent of the voting rights of all of a company's shareholders or investors, and the term "controlled company" as used in that item means a company in which a controlling shareholder, etc. holds voting rights that exceed 50 percent of the voting rights of all of the shareholders or investors. When this is the case, if a controlling shareholder, etc. and its controlled companies jointly hold voting rights that exceed 50 percent of the voting rights of all of another company's shareholders or investors, the other company is deemed to be the controlled company of the controlling shareholder, etc. and the controlling shareholder, etc. is deemed to be the controlling shareholder, etc. of the other company.
- (3) If a person, in combination with a joint holder, holds voting rights that exceed 50 percent of the voting rights of all of the shareholders or investors of a company, the person is deemed to be the controlling shareholder, etc. (meaning the controlling shareholder, etc. as prescribed in the preceding paragraph; the same applies in the following paragraph) of the company, the company is deemed to be the controlled company (meaning the controlled company as prescribed in the preceding paragraph; the same applies in the following paragraph) of the person, and the provisions of paragraph (1) apply.
- (4) If a person, in combination with that person's spouse, holds voting rights that exceed 50 percent of the voting rights of all of a company's shareholders or investors, the person is deemed to be the controlling shareholder, etc. of the company, the company is deemed to be the controlled company of the person, and the provisions of paragraph (1) apply.
- (5) The provisions of Article 2, paragraph (5) apply mutatis mutandis to voting rights held by the persons prescribed in the preceding three paragraphs in the cases prescribed in those paragraphs. When this is the case, the phrases "Article 147, paragraph (1) or Article 148, paragraph (1) (including as applied mutatis mutandis pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1) and Article 276 (limited to the part concerning item (ii)) of that Act)" and "shares or equity" in Article 2, paragraph (5) is deemed to be replaced with "Article 147, paragraph (1) or Article 148, paragraph (1)" and "shares", respectively.

(Period for Applying to Renew the Registration of a Custodian-type Trust Company)

Article 6 The period specified by Cabinet Order that is provided for in Article 7, paragraph (3) of the Act (including as applied mutatis mutandis pursuant to Article 50-2, paragraph (2) and Article 54, paragraph (2) of the Act; the same applies hereinafter) is the period from the day three months prior to the day immediately before the day on which the valid period of the registration referred to in Article 7, paragraph (1), Article 50-2, paragraph (1) or Article 54, paragraph (1) of the Act expires, until the day two months prior to the day it expires.

(Fees for Renewing the Registration of a Custodian-type Trust Company)

- Article 7 (1) The amount of the fees provided for in Article 7, paragraph (5) of the Act (including as applied mutatis mutandis pursuant to Article 54, paragraph (2) of the Act) is 67,700 yen (or 67,500 yen, if the person, pursuant to Article 3, paragraph (1) of the Act on Use of Information and Communications Technology in Administrative Procedures (Act No. 151 of 2002), uses an electronic data processing system as prescribed in that paragraph to file an application to renew its registration as referred to in Article 7, paragraph (3) of the Act).
- (2) The amount of the fees provided for in Article 7, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 50-2, paragraph (2) of the Act, is 66,400 yen (or 66,200 yen, if the person, pursuant to Article 3, paragraph (1) of the Act on Use of Information and communications technology in administrative procedures, uses an electronic data processing system as prescribed in that paragraph to file an application to renew its registration as referred to in Article 7, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 50-2, paragraph (2) of the Act).
- (3) A person must pay the fees referred to in the preceding two paragraphs by affixing revenue stamps in an amount equivalent to the amount of the fees to a written application prescribed in Article 8, paragraph (1), Article 50-2, paragraph (1) or Article 54, paragraph (3) of the Act; provided, however, that if a person, pursuant to Article 3, paragraph (1) of the Act on Use of Information and Communications Technology in Administrative Procedures (Act No. 151 of 2002), uses an electronic data processing system as prescribed in that paragraph to file an application to renew its registration as referred to in Article 7, paragraph (3) of the Act, a person may pay those fees in cash pursuant to the provisions of Cabinet Office Order.

(Minimum Amount of Stated Capital for a Custodian-type Trust Company)

Article 8 The amount specified by Cabinet Order that is provided for in Article

10, paragraph (1), item (ii) of the Act is 50 million yen.

(Amount of the Security Deposit Deposited by a Trust Company)

Article 9 The amount specified by Cabinet Order that is provided for in Article 11, paragraph (2) of the Act is the amount specified in the relevant of the following items for the category of person set forth in that item:

- (i) a trust company that is not a custodian-type trust company, or a foreign trust company that is not a custodian-type foreign trust company: 25 million yen;
- (ii) a custodian-type trust company or a custodian-type foreign trust company: 10 million yen;
- (iii) a person registered as referred to in Article 50-2, paragraph (1) of the Act: 10 million yen; and
- (iv) an approved business operator (meaning an approved business operator as prescribed in Article 52, paragraph (1) of the Act that is deemed to be a trust company or custodian-type trust company pursuant to the provisions of paragraph (3) of that Article; the same applies in the following Article): 10 million yen.

(Terms of a Contract Substituted for a Security Deposit by a Trust Company)

Article 10 When a trust company, a foreign trust company, a person registered as referred to in Article 50-2, paragraph (1) of the Act, or an approved business operator (hereinafter collectively referred to as a "trust company, etc.") concludes a contract provided for in Article 11, paragraph (3) of the Act, the counterparty to the contract must be a bank provided for in Article 2, paragraph (1) of the Banking Act (Act No. 59 of 1981), a life insurance company provided for in Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995), a foreign insurance company, etc. provided for in paragraph (7) of that Article, or any other type of financial institution provided for by Cabinet Office Order, and the contract terms must comply with the following requirements:

- (i) at the order of the Commissioner of the Financial Services Agency under Article 11, paragraph (4) of the Act, a security deposit in the amount so ordered will be deposited with an official depository, without delay, for the relevant trust company, etc.;
- (ii) the contract is valid for a period of one year or longer; and
- (iii) the parties may not cancel the contract or modify the terms thereof without the approval of the Commissioner of the Financial Services Agency.

(Procedures for the Enforcement of Rights to the Security Deposit of a Trust Company)

- Article 11 (1) A person that holds a right under Article 11, paragraph (6) of the Act (hereinafter simply referred to as the "right" in this Article) may file a petition for the enforcement of the right with the Commissioner of the Financial Services Agency.
- (2) When a petition as referred to in the preceding paragraph has been filed and the Commissioner of the Financial Services Agency finds the petition to be reasonable, the commissioner must issue a public notice notifying persons that have a right to the relevant security deposit that they must report that right within a fixed period not shorter than 60 days, and that persons with rights will be excluded from the distribution process if they fail to report those rights within that period, and the commissioner must notify the person that filed the petition pursuant to the preceding paragraph (hereinafter referred to as the "petitioner" in this Article) and the depositor to that effect (if the depositor has deposited the full amount of the security deposit under Article 11, paragraph (1) of the Act on behalf of the trust company, etc. pursuant to a contract as referred to in paragraph (3) of that Article based on an order issued under paragraph (4) of that Article, the depositor includes the trust company, etc.; the same applies in paragraphs (4) and (5)).
- (3) Once the public notice under the preceding paragraph has been given, even if the petitioner withdraws the petition, it does not prevent the process from proceeding.
- (4) The Commissioner of the Financial Services Agency must make an examination into the rights without delay after the period referred to in paragraph (2) has elapsed. When this is the case, the Commissioner of the Financial Services Agency must, in advance, issue a public notice of the date and place of the examination, notify the depositor, and give the petitioner, any person that has notified the commissioner of a right within the designated period, and the depositor, the opportunity to present evidence and state opinions as to the existence of a right and the amount of the claim secured by that right.
- (5) The Commissioner of the Financial Services Agency must prepare a distribution list based on the results of the examination under the preceding paragraph without delay, issue a public notice of the contents of the list, and notify the depositor of its contents.
- (6) A distribution must be implemented in accordance with the distribution list referred to in the preceding paragraph after 110 days have elapsed from the day on which the public notice under the preceding paragraph is issued.
- (7) If securities (including book entry transfer bonds as prescribed in Article 278, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares) have been deposited, and if it is necessary for the enforcement of a right, the Commissioner of the Financial Services Agency may realize the

securities. When this is the case, the expenses for the realization are deducted from the proceeds of the realization.

(Recovery of the Security Deposit for a Trust Company)

Article 12 (1) If a trust company, etc. has come to fall under any of the following cases, the trust company, etc., its successor, or the person that has deposited the security deposit on behalf of the trust company, etc. may recover the full amount of the security deposit that it deposited with the approval of the Commissioner of the Financial Services Agency:

- (i) if the trust company, etc. changes official depositories as provided in Article 11, paragraph (1) of the Act due to a change in the location of its main office (meaning the trust company's head office, the foreign trust company's principal branch office (meaning a principal branch office as prescribed in Article 53, paragraph (1) of the Act), the principal business office at which a person registered under Article 50-2, paragraph (1) of the Act engages in administrative affairs involved in a trust created by any of the methods set forth in Article 3, item (iii) of the Trust Act (Act No. 108 of 2006), or the approved business operator's principal business office or office; the same applies in Article 20, paragraphs (1) through (3) and (5)), and it deposits the full amount of the security deposit with the new official depository;
- (ii) if any of the following apply and the trust property has finished being assigned to the new trustee or transferred to the holder of a vested right:
 - (a) if a renewal of registration as referred to in Article 7, paragraph (3) of the Act has not been carried out;
 - (b) if a license as referred to in Article 3 of the Act has been rescinded pursuant to the provisions of Article 44, paragraph (1) of the Act;
 - (c) if a registration as referred to in Article 7, paragraph (1), Article 50-2, paragraph (1), or Article 52, paragraph (1) of the Act has been rescinded pursuant to the provisions of Article 45, paragraph (1) of the Act;
 - (d) if a license as referred to in Article 3 or Article 53, paragraph (1) of the Act, or a registration as referred to in Article 7, paragraph (1), Article 50-2, paragraph (1), Article 52, paragraph (1), or Article 54, paragraph (1) of the Act has lost effect pursuant to the provisions of Article 46, paragraph (1) of the Act;
 - (e) if a license as referred to in Article 53, paragraph (1) of the Act has been rescinded pursuant to the provisions of Article 59, paragraph (1) of the Act; or
 - (f) if a registration as referred to in Article 54, paragraph (1) of the Act has been rescinded pursuant to the provisions of Article 60, paragraph (1) of the Act.
- (2) If a trust company, etc. has come to fall under any of the following items and

the amount of the security deposit (including a contract amount (meaning a contract amount as provided in Article 11, paragraph (3) of the Act; hereinafter the same applies in this paragraph)) for the trust company, etc. has come to exceed the amount that must be deposited pursuant to the provisions of paragraphs (1) and (2) of that Article, the trust company, etc. or the person that deposited the security deposit on behalf of the trust company, etc. may recover all or part of the amount that is in excess, within the scope of the amount calculated by deducting the contract amount from the amount of the security deposit, with the approval of the Commissioner of the Financial Services Agency:

- (i) if the relevant trust company, etc. has concluded a contract as referred to in Article 11, paragraph (3) of the Act, or changed the contents of that contract and notified the Commissioner of the Financial Services Agency to that effect; or
- (ii) if a license as referred to in Article 3 or Article 53, paragraph (1) of the Act has lost effect pursuant to the provisions of Article 46, paragraph (2) of the Act.

(Persons Closely Related to the Settlor and Trustee)

Article 12-2 (1) The person that Cabinet Order prescribes as being closely related to the settlor, as provided in Article 23, paragraph (2) of the Act, is as follows:

- (i) an officer or employee of the settlor;
- (ii) a subsidiary corporation, etc. (meaning a subsidiary corporation, etc. as prescribed in Article 2, paragraph (2); hereinafter the same applies in this Article and Article 14) of the settlor;
- (iii) the parent corporation, etc. (meaning a parent corporation, etc. as prescribed in Article 2, paragraph (2); hereinafter the same applies in this Article and Article 14) that has the settlor as its subsidiary corporation, etc.;
- (iv) a subsidiary corporation, etc. of the parent corporation, etc. that has the settlor as its subsidiary corporation, etc. (other than the settlor itself and any person as set forth in one of the preceding two items);
- (v) an affiliated corporation, etc. (meaning an affiliated corporation, etc. as prescribed in Article 2, paragraph (3); hereinafter the same applies in this Article and Article 14) of the settlor;
- (vi) an affiliated corporation, etc. of the parent corporation, etc. that has the settlor as its subsidiary corporation, etc. (other than a person as set forth in the preceding item);
- (vii) the specified individual shareholder (meaning the specified individual shareholder as prescribed in Article 2, paragraph (4); hereinafter the same applies in this Article and Article 14) of the settlor; or

- (viii) a company or partnership or other entity similar thereto as follows (including one in a foreign state that is equivalent thereto, and excluding the relevant settlor itself; hereinafter collectively referred to as the "corporation, etc." in this item) that is associated with the individual set forth in the preceding item:
 - (a) a corporation, etc. (inclusive of its subsidiary corporations, etc. and affiliated corporations, etc.) in which the individual specified in the preceding item holds voting rights that exceed 50 percent of the voting rights of all of the shareholders or investors; or
 - (b) a corporation, etc. in which the individual specified in the preceding item holds voting rights that constitute not less than 20 percent but not more than 50 percent of the voting rights of all of the shareholders or investors.
- (2) The person that Cabinet Order prescribes as being closely related to the trustee, as provided, in Article 23, paragraph (2) of the Act, is as follows:
 - (i) an officer or employee of the trustee;
 - (ii) a subsidiary corporation, etc. of the trustee;
 - (iii) the parent corporation, etc. that has the trustee as its subsidiary corporation, etc.;
 - (iv) a subsidiary corporation, etc. of the parent corporation, etc. that has the trustee as its subsidiary corporation, etc. (other than a person as set forth in one of the preceding two items);
 - (v) an affiliated corporation, etc. of the trustee;
 - (vi) an affiliated corporation, etc. of the parent corporation, etc. that has the trustee as its subsidiary corporation, etc. (other than a person as set forth in the preceding item);
 - (vii) the specified individual shareholder of the trustee; and
 - (viii) a corporation, etc. (inclusive of its subsidiary corporations, etc. and affiliated corporations, etc.) in which the individual specified in the preceding item holds voting rights that exceed 50 percent of the voting rights of all of the shareholders or investors, or a corporation, etc. in which the individual specified in the preceding item holds voting rights that constitute not less than 20 percent but not more than 50 percent of the voting rights of all of the shareholders or investors.
- (3) In the cases referred to in paragraph (1), item (viii) and item (viii) of the preceding paragraph, the provisions of Article 2, paragraph (5) apply mutatis mutandis to the voting rights held by the individual set forth in paragraph (1), item (vii) or the individual set forth in item (vii) of the preceding paragraph.

(Using Information and Communications Technology to Provide a Person with Information)

Article 12-3 (1) Before seeking to provide a person, pursuant to the provisions of

Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (12) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis), and Article 34-4, paragraph (3) and Article 37-3, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; hereinafter the same applies in this Article) with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) as applied mutatis mutandis pursuant to Article 24-2 of the Act (hereinafter referred to as the "Financial Instruments and Exchange Act as Applied Mutatis Mutandis"), a trust company, in advance and pursuant to the provisions of Cabinet Office Order, must indicate to the person to which it seeks to provide that information the type and details of the means prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis that it will use (hereinafter referred to as "electronic or magnetic means" in this Article), and obtain the person's authorization to do so in writing or by electronic or magnetic means.

- (2) If a trust company that has obtained a party's authorization under the preceding paragraph is notified by the party, in writing or by electronic or magnetic means, that the party will not accept information provided to it by electronic or magnetic means, the trust company must not provide the party with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis by electronic or magnetic means; provided, however, that this does not apply if the party has reaffirmed its authorization under the preceding paragraph.

(Using Information and Communications Technology to Gain a Person's Consent)

Article 12-4 (1) Before seeking to gain a person's consent by a means specified by Cabinet Office Order as referred to in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (hereinafter such a means is referred to as "electronic or magnetic means" in this Article) in lieu of a written consent under paragraph (11) of that Article, pursuant to the provisions of Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (3) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis);

hereinafter the same applies in this Article), a trust company, in advance and pursuant to the provisions of Cabinet Office Order, must indicate to the person whose consent it seeks to gain the type and details of the electronic or magnetic means that it will use, and gain authorization to do so in writing or by electronic or magnetic means.

- (2) If a trust company that has obtained a party's authorization under the preceding paragraph is notified by the party, in writing or by electronic or magnetic means, that the party will not give consent by electronic or magnetic means, the trust company may not use electronic or magnetic means to obtain the consent prescribed in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis from the party; provided, however, that this does not apply if the party has reaffirmed its authorization under the preceding paragraph.

(Material Particulars That Impact Customers' Judgment)

Article 12-5 (1) The information specified by Cabinet Order that is provided for in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis is as follows:

- (i) information specified by Cabinet Office Order about the fees, remuneration, or other type of consideration that a customer must pay under a specified trust agreement (meaning a specified trust agreement as prescribed in Article 24-2 of the Act; the same applies hereinafter);
 - (ii) the following information, if there is a risk of a loss arising in connection with the customer's conclusion of a specified trust agreement as a direct result of fluctuations in the money rate, the value of currencies, quotations on a financial instruments market as prescribed in Article 2, paragraph (14) of the Financial Instruments and Exchange Act, or any other indicator:
 - (a) the indicator in question;
 - (b) the fact that there is a risk that the customer will incur a loss due to fluctuations in the relevant indicator and the reason therefor; and
 - (iii) information specified by Cabinet Office Order as being equivalent to the information set forth in the preceding two items.
- (2) Notwithstanding the provisions of the preceding paragraph, if a person undertakes an action provided for in Article 37, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis by causing something to be broadcast using the broadcasting equipment of a basic broadcaster (meaning a basic broadcaster as prescribed in Article 2, item (xxiii) of the Broadcast Act (Act No. 132 of 1950) and excluding the Japan Broadcasting Corporation and the Open University of Japan prescribed in Article 3 of the Act on the Open University of Japan (Act No. 156 of 2002)) or by any other means specified by Cabinet Office Order as being equivalent

thereto, the information specified by Cabinet Order that is provided for in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis is as follows:

- (i) an indication that there is a risk of a loss arising in connection with the customer's conclusion of a specified trust agreement as a direct result of fluctuations in the interest rate, the value of currencies, quotations on a financial instruments market, or any other indicator, if such a risk is present; and
- (ii) information specified by Cabinet Office Order as being equivalent to the information set forth in the preceding item.

(Deemed Replacement of Terms When the Financial Instruments and Exchange Act Applies Mutatis Mutandis)

Article 12-6 The technical replacement of terms under the provisions of Article 24-2 of the Act is as in the following table:

Provisions of the Financial Instruments and Exchange Act whose phrasing is deemed to be replaced	Original phrasing	Phrasing deemed to replace the original phrasing
Article 34	Article 2, paragraph (31), item (iv)	Article 2, paragraph (31), item (iv)
Article 37, paragraph (1), item (i)	the trade name or name	the trade name
Article 40, item (ii)	what is set forth in the preceding item	a situation found to violate the provisions of Article 24, paragraph (2) of the Trust Business Act

(Means of Using Information and Communications Technology)

Article 13 (1) Before seeking to provide a settlor, pursuant to the provisions of Article 26, paragraph (2) of the Act, with the information prescribed in that paragraph, a trust company, in advance and pursuant to the provisions of Cabinet Office Order, must indicate to the settlor the type and details of the electronic or magnetic means prescribed in that paragraph that it will use (hereinafter simply referred to as "electronic or magnetic means" in this Article) and obtain the settlor's authorization to do so in writing or by electronic or magnetic means.

(2) If a trust company that has obtained a settlor's authorization under the preceding paragraph is notified by the settlor, in writing or by electronic or magnetic means, that the settlor will not accept information provided to it by

electronic or magnetic means, the trust company must not provide the settlor with the information prescribed in Article 26, paragraph (2) of the Act by electronic or magnetic means; provided, however, that this does not apply if the settlor has reaffirmed its authorization under the preceding paragraph.

- (3) The provisions of the preceding two paragraphs apply mutatis mutandis if the provisions of Article 26, paragraph (2) of the Act apply mutatis mutandis pursuant to Article 27, paragraph (2) or Article 29, paragraph (4) of the Act. When this is the case, the term "settlor" in these provisions is deemed to be replaced with "the beneficiary of the trust property".

(Scope of Persons Closely Related to a Trust Company)

Article 14 (1) The person specified by Cabinet Order that is provided for in Article 29, paragraph (2), item (i) of the Act is one that is as follows:

- (i) an officer or employee of the relevant trust company;
 - (ii) a subsidiary corporation, etc. of the trust company;
 - (iii) the parent corporation, etc. that has the trust company as its subsidiary corporation, etc.;
 - (iv) a subsidiary corporation, etc. of the parent corporation, etc. that has the trust company as its subsidiary corporation, etc. (other than the trust company itself and any person as set forth in one of the preceding two items);
 - (v) an affiliated corporation, etc. of the trust company;
 - (vi) an affiliated corporation, etc. of the parent corporation, etc. that has the trust company as its subsidiary corporation, etc. (excluding the persons set forth in the preceding item);
 - (vii) the specified individual shareholder of the trust company;
 - (viii) a company or partnership or other entity similar thereto as follows (including one in a foreign state that is equivalent thereto, and excluding the relevant trust company itself; hereinafter collectively referred to as the "corporation, etc." in this item) that is associated with the individual set forth in the preceding item:
 - (a) a corporation, etc. (inclusive of its subsidiary corporations, etc. and affiliated corporations, etc.) in which the individual specified in the preceding item holds voting rights that exceed 50 percent of the voting rights of all of the shareholders or investors; and
 - (b) a corporation, etc. in which the individual specified in the preceding item holds voting rights that constitute not less than 20 percent but not more than 50 percent of the voting rights of all of the shareholders or investors.
- (2) To apply the provisions of the preceding paragraph to the person entrusted with trust business in a case in which the trust company has entrusted trust business pursuant to the provisions of Article 22, paragraph (1) of the Act, the term "trust company" in the preceding paragraph is deemed to be replaced with

"the person entrusted with trust business by the trust company".

- (3) The provisions of Article 2, paragraph (5) apply mutatis mutandis to voting rights held by a person set forth in paragraph (1), item (vii) in the case referred to in item (viii) of that paragraph.

(Deemed Replacement of Terms in the Provisions of the Companies Act as Applied Mutatis Mutandis to a Case in Which a Trust Company Issues a Public Notice by Means of an Electronic Public Notice)

Article 15 When a trust company issues a public notice under the provisions of the Act or any other Act (excluding a public notice under the provisions of the Companies Act) pursuant to the provisions of Article 41, paragraph (6) of the Act and the provisions of Article 940, paragraph (3) of the Companies Act apply mutatis mutandis, the technical replacement of terms in the provisions of Article 940, paragraph (3) of the Companies Act is as in the following table:

Provisions of the Companies Act whose phrasing is deemed to be replaced	Original phrasing	Phrasing deemed to replace the original phrasing
Article 940, paragraph (3)	the preceding two paragraphs	paragraph (1)
	these provisions	that paragraph

(Cases in Which Many Persons May Acquire a Beneficial Interest)

Article 15-2 (1) The number of persons specified by Cabinet Order that is provided for in Article 50-2, paragraph (1) of the Act is 50.

- (2) The cases specified by Cabinet Order that are provided for in the main clause of Article 50-2, paragraph (1) of the Act and paragraph (10) of that Article are cases that fall under any of the following items (excluding item (iii) and item (iv), sub-item (b), in the cases specified by Cabinet Order which are referred to in that paragraph):

- (i) a case in which the number of beneficiaries at the time when a single trust created by any of the methods set forth in Article 3, item (iii) of the Trust Act (hereinafter referred to as a "subject trust" in this Article) becomes effective (excluding the number of persons set forth in sub-item (b)1. through 3. of the following item; hereinafter referred to as the "number of beneficiaries of the subject trust" in this paragraph) is equal to or greater than the number of persons prescribed in the preceding paragraph;
- (ii) a case in which the total number of persons set forth in the following sub-item (hereinafter referred to as the "total number of beneficiaries, etc. of the subject trust" in this paragraph) is equal to or greater than the number of

persons prescribed in the preceding paragraph (excluding the cases set forth in the preceding item):

- (a) the number of beneficiaries of the subject trust (excluding the number of business operators under a silent partnership agreement as referred to in sub-item (b)4. that are partners enjoying benefits, etc. as referred to in sub-item (b) in the cases prescribed in sub-item (b), and issuers of the securities as referred to in sub-item (b)5.);
- (b) if the person that seeks to create the subject trust seeks to create the subject trust for the purpose of having the following persons (hereinafter referred to as "partners enjoying benefits, etc." in this paragraph) enjoy the benefits of the subject trust, the number of partners enjoying benefits, etc. at the time when the subject trust becomes effective:
 - 1. partners under a partnership contract (meaning a partnership contract as prescribed in Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896));
 - 2. partners under an investment limited partnership agreement (meaning a limited partnership agreement for investment as prescribed in Article 3, paragraph (1) of the Limited Partnership Act for Investment (Act No. 90 of 1998));
 - 3. partners under an investment limited liability partnership agreement (meaning an investment limited liability partnership agreement as prescribed in Article 3, paragraph (1) of the Limited Liability Partnership Act (Act No. 40 of 2005));
 - 4. silent partners under a silent partnership agreement (meaning a silent partnership agreement as prescribed in Article 535 of the Commercial Code (Act No. 48 of 1899));
 - 5. persons that have acquired securities (limited to securities specified by Cabinet Office Order as being necessary for securing the protection of the person that acquires them);
- (c) in cases other than those prescribed in sub-item (b), when the beneficial interest in the relevant subject trust is co-owned by multiple persons based on any of the agreements referred to in sub-item (b)1. through 3. at the time when the subject trust becomes effective, the number of persons calculated if the multiple persons under each such agreement are deemed to be one person for each agreement;
- (d) if the person that seeks to create the subject trust seeks to create the subject trust with the knowledge that, after the time when the subject trust becomes effective, the persons set forth in sub-item (b)1. through 3. and persons other than persons falling under the category of business operators under a silent partnership agreement referred to in sub-item (b)4. that are partners enjoying benefits, etc. or issuers of the securities referred

- to in sub-item (b)5. in the cases prescribed in sub-item (b), will come to acquire a beneficial interest in the subject trust, the number of such persons;
- (e) if the person that seeks to create the subject trust seeks to create the subject trust for the purpose of having persons that fall under the category of partners enjoying benefits, etc. enjoy benefits in the subject trust after the time when the subject trust becomes effective, the number of persons that fall under the category of partners enjoying benefits, etc.;
- (f) in cases other than those prescribed in sub-item (e), if the person that seeks to create the relevant subject trust seeks to create the subject trust with the knowledge that, after the time when the subject trust becomes effective, persons falling under the category of persons set forth in sub-item (b)1. through 3. will come to acquire a beneficial interest in the subject trust, and the beneficial interest in the subject trust will come to be co-owned by multiple persons based on any of the agreements referred to in sub-item (b)1. through 3., the number of persons calculated when the multiple persons under each such agreement are deemed to be one person for each agreement;
- (iii) a case in which the sum total of the following numbers is equal to or greater than the number of persons prescribed in the preceding paragraph (excluding the cases set forth in the preceding two items), if, aside from the relevant subject trust, the person that seeks to create the subject trust has created a trust that is found to be created by a method set forth in Article 3, item (iii) of the Trust Act and that is the same as or of the same type as the subject trust in light of the purpose of the trust, the type and value of the trust property, the trust period, the method of managing or disposing of the trust property, and any other content of the act of trust (hereinafter referred to as a "trust with the same content" in this Article):
- (a) the Total Number of Beneficiaries, etc. of the Subject Trust; and
- (b) the number equivalent to the total number of beneficiaries, etc. of the subject trust that would exist if the trust with the same content were treated as the subject trust prescribed in the preceding item (referred to as the "total number of beneficiaries, etc. of a trust with the same content" in sub-item (b) of the following item);
- (iv) a case that falls under any of the following (excluding the cases set forth in the preceding three items):
- (a) a case in which the number of beneficial interests in the subject trust is 50 or greater (except when the act of trust specifies that a beneficial interest may not be transferred other than in a manner that is specified in advance, and when, pursuant to the provisions of the trust deed, the total number of beneficiaries, etc. of the subject trust will never reach or exceed

- the number of persons prescribed in the preceding paragraph);
- (b) a case in which, aside from the relevant subject trust, the person seeking to create the subject trust has created a trust with the same content, and the sum total of the number of beneficial interests in the trust with the same content and the number of beneficial interests in the subject trust is 50 or greater (except when the act of trust of the subject trust and that of the trust with the same content specify that a beneficial interest may not be transferred other than in a manner that is specified in advance, and when, pursuant to the provisions of the trust deed, the sum total of the total number of beneficiaries, etc. of the subject trust and the total number of beneficiaries, etc. of the trust with the same content will never reach or exceed the number of persons prescribed in the preceding paragraph, and excluding a case set forth in sub-item (a)); or
 - (c) a case in which the terms of trust of the subject trust do not include provisions that prohibit the splitting of a beneficial interest (except when the terms of trust specify that a beneficial interest may not be split other than in a way that is specified in advance, and when, pursuant to the provisions of the trust deed, the total number of beneficiaries, etc. of the subject trust will never reach or exceed the number of persons prescribed in the preceding paragraph, and excluding a case set forth in sub-items (a) and (b)).

(Exclusion from Application)

Article 15-3 The cases specified by Cabinet Order that are provided for in the proviso to Article 50-2, paragraph (1) of the Act are the following cases:

- (i) a case in which the Japan Finance Corporation creates a trust by any of the methods set forth in Article 3, item (iii) of the Trust Act;
- (ii) a case in which the Japan Bank for International Corporation creates a trust by any of the methods set forth in Article 3, item (iii) of the Trust Act;
- (iii) a case in which the Urban Renaissance Agency creates a trust by any of the methods set forth in Article 3, item (iii) of the Trust Act pursuant to the provisions of Article 36 or Article 37, item (i) of the Act on the Urban Renaissance Agency, Independent Administrative Agency (Act No. 100 of 2003);
- (iv) a case in which the Japan Housing Finance Agency creates a trust by any of the methods set forth in Article 3, item (iii) of the Trust Act pursuant to the provisions of Article 21 or Article 22, item (i) of the Act on the Japan Housing Finance Agency, Independent Administrative Agency (Act No. 82 of 2005);
- (v) a case in which a person that manages or collects a specified monetary claim (meaning a specified monetary claim as prescribed in Article 2,

paragraph (1) of the Act on Special Measures concerning the Claim Management and Collection Business (Act No. 126 of 1998)) creates a trust by any of the methods set forth in Article 3, item (iii) of the Trust Act with money that the person manages incidental to those actions or with any other property similar thereto (hereinafter referred to as "money, etc.") as trust property;

- (vi) a case in which an attorney or a legal professional corporation creates a trust by any of the methods set forth in Article 3, item (iii) of the Trust Act with Money, etc. that it manages incidental to the attorney services conducted thereby as the trust property, or a case in which the mandatary of a mandate agreement creates a trust by any of the methods set forth in Article 3, item (iii) of the Trust Act with money, etc. that it manages incidental to the entrusted business conducted thereby as the trust property (excluding a case set forth in the preceding item);
- (vii) a case in which a contractor under a contract of work creates a trust by any of the methods set forth in Article 3, item (iii) of the Trust Act with money, etc. that it manages incidental to the work conducted thereby as the trust property;
- (viii) a case in which a person that accepts money on behalf of another person creates a trust by any of the methods set forth in Article 3, item (iii) of the Trust Act with money, etc. that it manages incidental to the acceptance of that money as the trust property (excluding a case set forth in the preceding three items); and
- (ix) cases specified by Cabinet Office Order as equivalent to the cases set forth in the preceding items.

(Minimum Amount of Stated Capital for a Registration as Referred to in Article 50-2, Paragraph (1) of the Act)

Article 15-4 The amount specified by Cabinet Order that is provided for in Article 50-2, paragraph (6), item (ii) of the Act is 30 million yen.

(Person That Inspects Matters Involving the Property Included in the Trust Property)

Article 15-5 The person specified by Cabinet Order that is provided for in Article 50-2, paragraph (10) of the Act is any of the following persons:

- (i) an attorney or legal professional corporation other than the following persons:
 - (a) in the case of an attorney, the following persons:
 1. the officer or employee of a person registered under Article 50-2, paragraph (1) of the Act;
 2. a person that may not engage in the business activities involved in an

- inspection under the provisions of Article 50-2, paragraph (10) of the Act, pursuant to the provisions of the Attorney Act (Act No. 205 of 1949);
- (b) in the case of a legal professional corporation, the following persons:
 - 1. a person that has a person set forth in sub-item (a)1. as a member;
 - 2. a person that may not engage in the business activities involved in an inspection under the provisions of Article 50-2, paragraph (10) of the Act, pursuant to the provisions of the Attorney Act;
 - (ii) a certified public accountant (including a foreign certified public accountant as prescribed in Article 16-2, paragraph (5) of the Certified Public Accountant Act (Act No. 103 of 1948); the same applies hereinafter) or auditing firm other than the following persons:
 - (a) in the case of a certified public accountant, the following persons:
 - 1. the officer or employee of a person registered under Article 50-2, paragraph (1) of the Act;
 - 2. a person that may not engage in the business activities involved in an inspection under the provisions of Article 50-2, paragraph (10) of the Act, pursuant to the provisions of the Certified Public Accountant Act;
 - (b) in the case of an audit corporation, the following persons:
 - 1. a person that has a person set forth in sub-item (a)1. as a member;
 - 2. a person that may not engage in the business activities involved in an inspection under the provisions of Article 50-2, paragraph (10) of the Act, pursuant to the provisions of the Certified Public Accountant Act;
 - (iii) a certified public tax accountant or tax accountant corporation other than the following persons:
 - (a) in the case of a certified public tax accountant, the following persons:
 - 1. the officer or employee of a person registered under Article 50-2, paragraph (1) of the Act;
 - 2. a person that may not engage in the business activities involved in an inspection under the provisions of Article 50-2, paragraph (10) of the Act, pursuant to the provisions of the Certified Public Tax Accountant Act (Act No. 237 of 1951);
 - (b) in the case of a tax accountant corporation, the following persons:
 - 1. a person that has a person set forth in sub-item (a)1. as a member;
 - 2. a person that may not engage in the business activities involved in an inspection under the provisions of Article 50-2, paragraph (10) of the Act, pursuant to the provisions of the Certified Public Tax Accountant Act;
 - (iv) a real estate appraiser other than the following persons (but only if the trust property is real property (meaning land or a building, or rights to land or a building other than ownership rights; hereinafter the same applies in

this item) and the beneficial interest is in a trust in which only real property is entrusted):

- (a) the officer or employee of a person registered under Article 50-2, paragraph (1) of the Act;
- (b) a person that may not engage in the business activities involved in an inspection under the provisions of Article 50-2, paragraph (10) of the Act, pursuant to the provisions of the Act on Real Property Appraisal (Act No. 152 of 1963);
- (v) a patent attorney or patent professional corporation other than the following persons (but only if the trust property is intellectual property rights as prescribed in Article 2, paragraph (2) of the Intellectual Property Basic Act (Act No. 122 of 2002) (hereinafter the same applies in this item) and the beneficial interest is in a trust in which only intellectual property rights are entrusted):
 - (a) in the case of a patent attorney, the following persons:
 - 1. the officer or employee of a person registered under Article 50-2, paragraph (1) of the Act;
 - 2. a person that may not engage in the business activities involved in an inspection under the provisions of Article 50-2, paragraph (10) of the Act, pursuant to the provisions of the Patent Attorney Act (Act No. 49 of 2000);
 - (b) in the case of a patent professional corporation, the following persons:
 - 1. a person that has a person set forth in sub-item (a)1. as a member;
 - 2. a person that may not engage in the business activities involved in an inspection under the provisions of Article 50-2, paragraph (10) of the Act, pursuant to the provisions of the Patent Attorney Act; and
- (vi) a person other than those set forth in the preceding items that is specified by Cabinet Office Order as a person with expert knowledge regarding the condition of property included in the trust property and any other particulars of the relevant property.

(Minimum Amount of Stated Capital of an Investment-Based Foreign Trust Company)

Article 16 The amount specified by Cabinet Order that is provided for in Article 53, paragraph (6), item (ii) of the Act is an amount equivalent to 100 million yen.

(Minimum Amount of Stated Capital of a Custodian-type Foreign Trust Company)

Article 17 The amount specified by Cabinet Order that is provided for in Article 54, paragraph (6), item (ii) of the Act is an amount equivalent to 50 million yen.

(Deemed Replacement of Terms in the Provisions of the Companies Act as Applied Mutatis Mutandis to a Case in Which a Foreign Trust Company Issues a Public Notice by Means of an Electronic Public Notice)

Article 18 When a foreign trust company issues a public notice under the provisions of the Act or other Acts (excluding a public notice under the provisions of the Companies Act) by means of an electronic public notice pursuant to the provisions of Article 57, paragraph (6) of the Act and the provisions of Article 940, paragraph (3) and Article 941 of the Companies Act apply mutatis mutandis, the technical replacement of terms for the provisions of Article 940, paragraph (3) and Article 941 of the Companies Act is as in the following table:

Provisions of the Companies Act whose phrasing is deemed to be replaced	Original phrasing	Phrasing deemed to replace the original phrasing
Article 940, paragraph (3)	these provisions	that paragraph
Article 941	public notice under the provisions of this Act or another Act (excluding the public notice under the provisions of Article 440, paragraph (1); hereinafter the same applies in this Section)	public notice under the provisions of the Trust Business Act or other Acts (excluding the Companies Act)

(Application Mutatis Mutandis of the Financial Instruments and Exchange Act to Foreign Trust Companies)

Article 18-2 The technical replacement of terms under the provisions of Article 24-2 of the Act as they apply to foreign trust companies pursuant to the provisions of Article 63 of the Act is as in the following table:

Provisions of the Financial Instruments and Exchange Act whose phrasing is deemed to be replaced	Original phrasing	Phrasing deemed to replace the original phrasing
Article 34	Article 2, paragraph (31), item (iv)	Article 2, paragraph (31), item (iv)

Article 37, paragraph (1), item (i)	the trade name or name	the names of branch offices
Article 40, item (ii)	what is set forth in the preceding item	a situation found to violate the provisions of Article 24, paragraph (2) of the Trust Business Act

(Designation under Provisions of Other Acts in Relation to Business Activities Equivalent to Dispute Resolution)

Article 18-3 The designation specified by Cabinet Order that is provided for in Article 85-2, paragraph (1), item (ii) and item (iv), (d), Article 85-6 and Article 85-23, paragraph (3) of the Act is one of the following designations:

- (i) a designation under the provisions of Article 156-39, paragraph (1) of the Financial Instruments and Exchange Act; or
- (ii) a designation set forth in one of the items of Article 18-5.

(Proportion of the Total Number of Trust Companies That the Number of Trust Companies Raising Objections Accounts For)

Article 18-4 The proportion specified by Cabinet Order that is provided for in Article 85-2, paragraph (1), item (viii) of the Act is one-third.

(Exclusion from Application of the Restrictions on the Use of Names)

Article 18-5 The person specified by Cabinet Order that is provided for in Article 85-17 of the Act is a person that has been accorded one of the following designations:

- (i) a designation under the provisions of Article 35-2, paragraph (1) of the Mutual Finance Business Act (Act No. 42 of 1931);
- (ii) a designation under the provisions of Article 12-2, paragraph (1) of the Act on Engagement in Trust Business by Financial Institutions (Act No. 43 of 1943);
- (iii) a designation under the provisions of Article 92-6, paragraph (1) of the Agricultural Co-operatives Act (Act No. 132 of 1947);
- (iv) a designation under the provisions of Article 121-6, paragraph (1) of the Fisheries Cooperatives Act (Act No. 242 of 1948);
- (v) a designation under the provisions of Article 69-2, paragraph (1) of the Small and Medium Sized Enterprise Cooperatives Act (Act No. 181 of 1949);
- (vi) a designation under the provisions of Article 85-12, paragraph (1) of the Credit Union Act (Act No. 238 of 1951);
- (vii) a designation under the provisions of Article 16-8, paragraph (1) of the Long-Term Credit Bank Act (Act No. 187 of 1952);
- (viii) a designation under the provisions of Article 89-13, paragraph (1) of the

- Worker's Bank Act (Act No. 227 of 1953);
- (ix) a designation under the provisions of Article 52-62, paragraph (1) of the Banking Act;
 - (x) a designation under the provisions of Article 41-39, paragraph (1) of the Money Lending Business Act;
 - (xi) a designation under the provisions of Article 308-2, paragraph (1) of the Insurance Business Act;
 - (xii) a designation under the provisions of Article 95-6, paragraph (1) of the Norinchukin Act (Act No. 93 of 2001); or
 - (xiii) a designation under the provisions of Article 99, paragraph (1) of the Act on Settlement of Funds (Act No. 59 of 2009).

(Authority Excluded from Delegation to the Commissioner of the Financial Services Agency)

Article 19 The authority specified by Cabinet Order that is provided for in Article 87, paragraph (1) of the Act is authority over the following:

- (i) licensing under the provisions of Article 3 and Article 53, paragraph (1) of the Act; and
- (ii) rescission, under the provisions of Article 44, paragraph (1) and Article 59, paragraph (1) of the Act, of the licensing referred to in Article 3 and Article 53, paragraph (1) of the Act.

(Delegation of Authority over Trust Companies to the Director-General of the Local Finance Bureau)

Article 20 (1) Within the scope of the authority delegated to the Commissioner of the Financial Services Agency pursuant to the provisions of Article 87, paragraph (1) of the Act and the authority of the Commissioner of the Financial Services Agency under this Cabinet Order (hereinafter referred to as the "commissioner's authority"), the authority set forth in the following items is delegated to the Director-General of the Local Finance Bureau with jurisdiction over the locality of the main office of a trust company, etc. (including the Director-General of a Local Finance Branch Bureau; the same applies hereinafter):

- (i) acceptance of a written application for registration under the provisions of Article 8, paragraph (1) (including as applied mutatis mutandis pursuant to Article 52, paragraph (2) of the Act), Article 50-2, paragraph (3) and Article 54, paragraph (3) of the Act;
- (ii) registration under the provisions of Article 9, paragraph (1) (including as applied mutatis mutandis pursuant to Article 52, paragraph (2) of the Act), Article 12, paragraph (3), Article 50-2, paragraph (8), Article 54, paragraph (9), and Article 56, paragraph (3) of the Act, and renewal of registration

- under the provisions of Article 7, paragraph (3) of the Act;
 - (iii) public inspection under the provisions of Article 9, paragraph (2) (including as applied mutatis mutandis pursuant to Article 52, paragraph (2) of the Act), Article 50-2, paragraph (9) and Article 54, paragraph (10) of the Act;
 - (iv) refusal of registration under the provisions of Article 10, paragraph (1) (including as applied mutatis mutandis pursuant to Article 52, paragraph (2) of the Act), Article 50-2, paragraph (6) and Article 54, paragraph (6) of the Act (including the renewal of registration referred to in Article 7, paragraph (3) of the Act); and
 - (v) deletion of registration under the provisions of Article 47 of the Act.
- (2) The part of the commissioner's authority that is as set forth in the following items (excluding authority over trust companies and foreign trust companies designated by the Commissioner of the Financial Services Agency) is delegated to the Director-General of the Local Finance Bureau with jurisdiction over the locality of the main office of the trust company, etc.; provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authority set forth in items (vi) and (vii) (excluding authority over custodian-type trust companies):
- (i) authorization under the provisions of Article 6 and Article 13, paragraph (1) of the Act;
 - (ii) acceptance of a notification under the provisions of Article 11, paragraphs (3), (5) and (8), Article 12, paragraphs (1) and (2), Article 13, paragraph (2), Article 41, paragraphs (1), (2) and (4), Article 56, paragraphs (1) and (2), and Article 57, paragraphs (1), (2) and (4) of the Act;
 - (iii) orders under the provisions of Article 11, paragraph (4), Article 45, paragraph (2), and Article 60, paragraph (2) of the Act;
 - (iv) approval under the provisions of Article 16, paragraph (1) and Article 21, paragraphs (2) and (4) of the Act (including as applied mutatis mutandis pursuant to Article 63, paragraph (2) of the Act);
 - (v) acceptance of documents under the provisions of Article 21, paragraph (3) (including as applied mutatis mutandis pursuant to Article 63, paragraph (2) of the Act) and Article 33 of the Act;
 - (vi) issuance of orders to give reports and submit materials, and the conducting of questioning and inspection under the provisions of Article 42, paragraph (1) (including as applied mutatis mutandis pursuant to Article 50, paragraph (3) of the Act (including as applied mutatis mutandis pursuant to Article 62, paragraph (2) of the Act)) and Article 58, paragraph (1) of the Act;
 - (vii) issuance of orders under the provisions of Article 43 of the Act;
 - (viii) rescission of registrations and orders for suspension of the whole or part of business under the provisions of Article 45, paragraph (1) and Article 60,

- paragraph (1) of the Act;
- (ix) public notices under the provisions of Article 48 of the Act (excluding public notices regarding dispositions rescinding licensing as referred to in Article 3 or Article 53, paragraph (1) of the Act under the provisions of Article 44, paragraph (1) or Article 59, paragraph (1) of the Act, and orders for suspension of the whole or part of business under the provisions of Article 44, paragraph (1) and Article 59, paragraph (1));
 - (x) petitions under the provisions of Article 58, paragraph (4) of the Trust Act (including as applied *mutatis mutandis* pursuant to Article 70 of that Act) as applied following a deemed replacement of certain terms pursuant to the provisions of Article 49, paragraph (1) of the Act (excluding the part concerning the rescission of a license as referred to in Article 3 of the Act under the provisions of Article 44, paragraph (1) of the Act, and including as applied *mutatis mutandis* pursuant to Article 61 of the Act) and notices and petitions under the provisions of Article 62, paragraphs (2) and (4) and Article 63, paragraph (1) of the Trust Act as applied by replacing certain terms pursuant to the provisions of Article 49, paragraph (2) of the Act (excluding the part concerning the rescission of a license as referred to in Article 3 of the Act under the provisions of Article 44, paragraph (1) of the Act, and including as applied *mutatis mutandis* pursuant to Article 61 of the Act);
 - (xi) acceptance of requests under the provisions of Article 50, paragraph (1) and Article 62, paragraph (1) of the Act, and statements of opinions under the provisions of Article 50, paragraph (2) of the Act (including as applied *mutatis mutandis* pursuant to Article 62, paragraph (2) of the Act);
 - (xii) approval under the provisions of Article 10, item (iii) and Article 12, paragraphs (1) and (2); and
 - (xiii) acceptance of petitions, public notice, notice, investigation, granting of opportunities to state opinions, preparation of distribution lists, and realization, under the provisions of Article 11.
- (3) In addition to the Director-General of the Local Finance Bureau provided for in the preceding paragraph, the Director-General of the Local Finance Bureau with jurisdiction over the locality of a branch office, other business office, or office other than the main office of a trust company, etc.; a person that has business dealings with a trust company, etc.; or a holding company as prescribed in Article 5, paragraph (2), item (ix) of the Act that has the trust company, etc. as its subsidiary company (meaning a subsidiary company as prescribed in Article 5, paragraph (6) of the Act) (hereinafter collectively referred to as a "branch office, etc." in this Article) (if a person that has business dealings with a trust company, etc. is an individual, the domicile or residence of that individual) may also exercise the authority set forth in item

(vi) of the preceding paragraph (excluding the authority over trust companies and foreign trust companies designated by the Commissioner of the Financial Services Agency as prescribed in that paragraph) as it concerns that branch office, etc.

- (4) The authority set forth in paragraph (2), item (vi) over the branch office, etc. of a trust company or foreign trust company designated by the Commissioner of the Financial Services Agency as prescribed in that paragraph is delegated to the Director-General of the Local Finance Bureau with jurisdiction over the locality of the relevant branch office, etc. (if the person conducting transactions with the trust company or foreign trust company is an individual, the domicile or residence); provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising that authority.
- (5) If the Director-General of a Local Finance Bureau who has ordered a branch office, etc. to give a report or submit materials or who has conducted questioning or inspections at a branch office, etc. pursuant to the provisions of the preceding two paragraphs (hereinafter referred to as an "inspection, etc." in this paragraph) finds, as a result of the inspection, etc., that it is necessary to conduct an inspection, etc. at the main office of the trust company, etc. or at a branch office, etc. other than the branch office, etc. in question, the director-general may conduct an inspection, etc. at the main office or other branch office, etc.
- (6) Having conferred a designation as referred to in paragraph (2), the Commissioner of the Financial Services Agency must issue public notice of this. The same applies if the Commissioner of the Financial Services Agency has rescinded such a designation.

(Delegation of Authority over the Major Shareholders of a Trust Company to the Director-General of the Local Finance Bureau)

Article 21 (1) The part of the commissioner's authority that is as set forth in the following items is hereby delegated; that which concerns residents (meaning residents as prescribed in Article 6, paragraph (1), item (v) of the foreign exchange and Foreign Trade Act (Act No. 228 of 1949); hereinafter the same applies in this Article, the following Article and Article 23, paragraph (1)) is delegated to the Director-General of the Local Finance Bureau with jurisdiction over the locality of the principal business office or office of the resident (if the resident is an individual, the domicile or residence thereof; and if the resident is a foreign company whose head office or principal office is located in a foreign state, the locality of its business office within Japan; the same applies in paragraph (1) of the following Article); and that which concerns non-residents (meaning non-residents as prescribed in Article 6, paragraph (1), item (vi) of that Act; the same applies in the following Article

and Article 23, paragraph (1)) is delegated to the Director-General of the Kanto Local Finance Bureau; provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authority set forth in item (ii):

- (i) acceptance of statements of holdings in subject voting rights under the provisions of Article 17, paragraph (1) of the Act (including as applied mutatis mutandis pursuant to Article 20 of the Act) and acceptance of notifications under the provisions of Article 19 of the Act (including as applied mutatis mutandis pursuant to Article 20 of the Act); and
 - (ii) issuance of orders to give reports and submit materials, and the conducting of questioning and inspections under the provisions of Article 42, paragraph (2) of the Act.
- (2) The part of the commissioner's authority constituting authority to issue orders under the provisions of Article 18 of the Act (including as applied mutatis mutandis pursuant to Article 20 of the Act) (excluding the authority over trust companies designated by the Commissioner of the Financial Services Agency) is delegated to the Director-General of the Local Finance Bureau with jurisdiction over the locality of the trust company's head office.
- (3) In addition to the Director-General of the Local Finance Bureau who is provided for in paragraph (1), the Director-General of the Local Finance Bureau with jurisdiction over the locality of a trust company's head office may also exercise the authority set forth in paragraph (1), item (ii).
- (4) In addition to the Directors-General of the Local Finance Bureaus provided for in paragraph (1) and the preceding paragraph, the Director-General of the Local Finance Bureau with jurisdiction over the locality of a non-principal business office or office of a resident that is a corporation (hereinafter referred to as a "secondary business office, etc." in this paragraph) may also exercise the authority set forth in paragraph (1), item (ii) to conduct questioning and inspections at that secondary business office, etc.
- (5) Having conferred a designation as referred to in paragraph (2), the Commissioner of the Financial Services Agency must issue a public notice of this. The same applies if the Commissioner of the Financial Services Agency has rescinded such a designation.

(Delegation of Authority Over a Person Entrusted With Business by a Trust Company to the Director-General of the Local Finance Bureau)

Article 22 (1) The commissioner's authority to order persons to give reports and submit materials and to conduct questioning and inspections under the provisions of Article 42, paragraph (3) of the Act is hereby delegated; that which concerns residents is delegated to the Director-General of the Local Finance Bureau with jurisdiction over the locality of the principal business

office or office of the relevant resident; and that which concerns non-residents is delegated to the Director-General of the Kanto Local Finance Bureau; provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising that authority.

- (2) In addition to the Director-General of the Local Finance Bureau who is provided for in the preceding paragraph, the Director-General of the Local Finance Bureau who has jurisdiction over the locality of the relevant trust company's head office may also exercise the authority prescribed in the preceding paragraph.
- (3) In addition to the Directors-General of the Local Finance Bureaus provided for in the preceding two paragraphs, the Director-General of the Local Finance Bureau with jurisdiction over the locality of a non-principal business office or office of a resident that is a corporation (hereinafter referred to as the "secondary business office, etc." in this paragraph) may also exercise the authority prescribed in paragraph (1) to conduct questioning and inspections at that secondary business office, etc.

(Delegation of Authority Over the Trustee of a Trust Created between Persons Belonging to the Same Company Group to the Director-General of the Local Finance Bureau)

- Article 23 (1) The part of the commissioner's authority that is set forth in the following items is hereby delegated; that which concerns residents that are the trustees of trusts as referred to in Article 51, paragraph (1) of the Act is delegated to the Director-General of the Local Finance Bureau with jurisdiction over the locality of the principal business office or office of the relevant trustee (hereinafter referred to as the "principal business office, etc." in this Article); and that which concerns non-residents that are the trustees of trusts as referred to in that paragraph is delegated to the Director-General of the Kanto Local Finance Bureau; provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authority set forth in item (iii):
- (i) acceptance of a notification under the provisions of Article 51, paragraphs (2) and (5) of the Act;
 - (ii) orders under the provisions of Article 51, paragraph (4) of the Act; and
 - (iii) issuance of orders to give reports and submit materials, and the conducting of questioning and inspections under the provisions of Article 51, paragraph (6) of the Act.
- (2) In addition to the Director-General of the Local Finance Bureau provided for in the preceding paragraph, the Director-General of the Local Finance Bureau with jurisdiction over the locality of a business office or office of the trustee of a trust as referred to in Article 51, paragraph (1) of the Act which is not the

principal business office, etc. thereof (hereinafter referred to as a "secondary business office, etc." in this paragraph and the following paragraph) may also exercise the authority set forth in item (iii) of the preceding paragraph as it concerns that secondary business office, etc.

- (3) If the Director-General of a Local Finance Bureau who has ordered a secondary business office, etc. to give a report or submit materials or who has conducted questioning or inspections at a secondary business office, etc. pursuant to the provisions of the preceding paragraph (hereinafter referred to as an "inspection, etc." in this paragraph) finds, as a result of the inspection, etc., that it is necessary to conduct an inspection, etc. at the principal business office, etc. of the trustee or at a secondary business office, etc. other than the secondary business office, etc. in question, the Director-General may conduct an inspection, etc. at the principal business office, etc. or other secondary business office, etc.

(Delegation of Authority Over a Trust Agreement Agent to the Director-General of the Local Finance Bureau)

Article 24 (1) The part of the commissioner's authority that is as set forth in the following items is delegated to the Director-General of the Local Finance Bureau with jurisdiction over the locality of the principal business office or office of the trust agreement agent (hereinafter referred to as the "principal business office, etc." in this Article); provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authority set forth in item (vii):

- (i) acceptance of written applications for registration under the provisions of Article 68, paragraph (1) of the Act;
- (ii) registration under the provisions of Article 69, paragraph (1) and Article 71, paragraph (2) of the Act;
- (iii) making the relevant information available for public inspection under the provisions of Article 69, paragraph (2) and Article 77, paragraph (2) of the Act;
- (iv) refusal of registrations under the provisions of Article 70 of the Act;
- (v) acceptance of notifications under the provisions of Article 71, paragraphs (1) and (3) and Article 79 of the Act;
- (vi) acceptance of reports under the provisions of Article 77, paragraph (1) of the Act;
- (vii) issuance of orders to give reports and submit materials, and the conducting of questioning and inspections under the provisions of Article 80, paragraph (1) of the Act;
- (viii) rescission of registrations and issuance of orders under the provisions of Articles 81 and 82 of the Act; and

- (ix) deletion of registrations under the provisions of Article 84 of the Act.
- (2) In addition to the Director-General of the Local Finance Bureau provided for in the preceding paragraph, the Director-General of the Local Finance Bureau with jurisdiction over the locality of a branch office or office of a trust agreement agent that is not the principal business office, etc. thereof or over a person that has business dealings with a trust agreement agent (hereinafter referred to as a "secondary business office, etc." in this Article) (or, if the person that has business dealings with a trust agreement agent is an individual, the domicile or residence thereof) may also exercise the authority set forth in item (vii) of the preceding paragraph as it concerns that secondary business office, etc.
- (3) If the Director-General of a Local Finance Bureau who has ordered a secondary business office, etc. to give a report or submit materials or who has conducted questioning or inspections at a secondary business office, etc. pursuant to the provisions of the preceding paragraph (hereinafter referred to as an "inspection, etc." in this paragraph) finds, as a result of the inspection, etc., that it is necessary to conduct an inspection, etc. at the principal business office, etc. of the Trust Agreement Agent or at a secondary business office, etc. other than the secondary business office, etc. in question, the Director-General may conduct an inspection, etc. at the principal business office, etc. or other secondary business office, etc.