

Regulation for Enforcement of the Banking Act

(Ministry of Finance Order No. 10 of March 31, 1982)

In accordance with provisions of the Banking Act and the Enforcement Order of the Banking Act, and in order to enforce that Act and that Order, a ministerial order to amend all the Detailed Regulations of the Banking Act (Ministry of Finance Order No. 31 of 1927) is provided as follows.

Chapter I General Provisions (Articles 1 to 11)

Chapter II Services (Articles 12 to 17)

Chapter III Subsidiary Companies (Articles 17-2 to 17-7-3)

Chapter IV Accounting (Articles 17-7-4 to 21)

Chapter V Merger, Company Splits, or Business Transfer or Acquisition
(Articles 22 to 24)

Chapter VI Discontinuance and Dissolution (Articles 25 to 27)

Chapter VII Foreign Bank Branches (Articles 28 to 34)

Chapter VII-2 Special Provisions on Foreign Bank Agency Services (Article 34-2 to Article 34-2-46)

Chapter VIII Shareholders

Section 1 General Rules (Articles 34-2-47 to 34-5)

Section 2 Special Provisions on Banks' Major Shareholders

Subsection 1 General Rules (Articles 34-6 to 34-8)

Subsection 2 Supervision (Article 34-9)

Section 3 Special Provisions on Bank Holding Companies

Subsection 1 General Rules (Articles 34-10 to 34-14)

Subsection 2 Services and Subsidiary Companies (Articles 34-14-2 to 34-23-2)

Subsection 3 Accounting (Articles 34-24 to 34-28)

Subsection 4 Merger, Split, Transfer or Acquisition of Business (Articles 34-29 to 34-31)

Chapter VIII-2 Bank Agency Services

Section 1 General Rules (Articles 34-32 to 34-40)

Section 2 Services (Articles 34-41 to 34-57)

Section 3 Accounting (Articles 34-58 to 34-60)

Section 4 Supervision (Articles 34-61 and 34-62)

Section 5 Principal Banks (Articles 34-63 and 34-64)

Chapter VIII-3 Electronic Payment Services

Section 1 General Rules (Articles 34-64-2 to 34-64-8)

Section 2 Services (Articles 34-64-9 to 34-64-19)

Section 3 Supervision (Articles 34-64-20 to 34-64-22)
Section 4 Certified Associations of Electronic Payment Service Providers
(Articles 34-64-23 to 34-64-26)
Chapter VIII-4 Designated Dispute Resolution Organizations
Section 1 General Rules (Articles 34-65 to 34-68)
Section 2 Services (Articles 34-69 to 34-76)
Section 3 Supervision (Articles 34-77 to 34-78)
Chapter IX Miscellaneous Provisions (Articles 35 to 40)
Supplementary Provisions

Chapter I General Provisions

(Definitions)

Article 1 The terms "bank", "banking", "installment savings", "installment savings, etc.", "depositor, etc.", "total shareholder or investor voting rights", "shares or equity", "subsidiary company", "major shareholder threshold", "bank's major shareholder", "holding company", "bank holding company", "bank agency services", "bank agent", "principal bank", "electronic payment services", "electronic payment service provider", "certified association of electronic payment service providers", "designated dispute resolution organization", "banking services", "complaint processing procedures", "dispute resolution procedures", "dispute resolution services", and "basic contract for the implementation of dispute resolution procedures" as used in this Cabinet Office Order means a bank, banking, installment savings, installment savings, etc., depositor, etc., total shareholder or investor voting rights, shares or equity, subsidiary company, major shareholder threshold, bank's major shareholder, holding company, bank holding company, bank agency services, bank agent, principal bank, electronic payment services, electronic payment service provider, certified association of electronic payment service providers, designated dispute resolution organization, banking services, complaint processing procedures, dispute resolution procedures, dispute resolution services, and basic contract for the implementation of dispute resolution procedures, respectively, as provided in Article 2 of the Banking Act (Act No. 59 of 1981; hereinafter referred to as "the Act").

(Requirements for Judgement of Existence of a Fact That Is Presumed to Significantly Affect Decisions on Financial and Business Policies of the Company)

Article 1-2 The requirements specified by Cabinet Office Order that are provided for in Article 2, paragraph (9) of the Act means the requirements set forth in Article 8, paragraph (6), item (ii), (a) through (e) of the Regulation on

Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ministry of Finance Order No. 59 of 1963; hereinafter referred to as the "Regulation on Financial Statements, etc.").

(Voting Rights Not Included in the Voting Rights Held by a Company or a Holder of Voting Rights)

Article 1-3 (1) Voting rights specified by Cabinet Office Order, which is not to be included in the voting rights held by a company or a holder of voting rights pursuant to the provisions of Article 2, paragraph (11) of the Act (including as applied mutatis mutandis pursuant to the provisions of Article 3-2, paragraph (2); Article 16-4, paragraph (9); Article 52-2-11, paragraph (2); Article 52-3, paragraph (5); Article 52-4, paragraph (4); Article 52-24, paragraph (9), and Article 53, paragraph (6) of the Act, and Article 4, paragraph (4); Article 17-2, paragraph (15); Article 17-5, paragraph (6); Article 17-7, paragraph (3); Article 17-7-3, paragraph (4); Article 34-10, paragraph (6); Article 34-16, paragraph (13); Article 34-19, paragraph (6); Article 34-21, paragraph (3); Article 34-23-2, paragraph (4); Article 34-29, paragraph (3); Article 34-30, paragraph (3); Article 34-31, paragraph (3); and Article 35, paragraph (11) of the Enforcement Order of the Banking Act (Cabinet Order No. 40 of 1982; hereinafter referred to as "the Order"; hereinafter the same applies in the following paragraph)) are the voting rights for the following shares, etc. (meaning the voting rights prescribed in Article 2, paragraph (6) of the Act; the same applies to item (ii) of this paragraph, the following paragraph, Articles 1-5 through 1-8, Article 3, and Chapter III, Chapter V, Chapter VIII (excluding Article 34-26), Chapter VIII-4 and Chapter IX):

(i) shares or equity held as a business by a financial instruments business operator (meaning a financial instruments business operator prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act (Act No. 25 of 1948): the same applies hereinafter) that engages in securities-related business (meaning a securities-related business as prescribed in Article 28, paragraph (8) of that Act; the same applies hereinafter), and by a foreign company;

(ii) shares or equity held as trust property in connection with a trust, other than a money trust, for which a contract for compensation of losses in principal or supplementation of profits has been concluded pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business Activities by a Financial Institution (Act No. 43 of 1943) (excluding shares, etc. in connection with which a settlor or a beneficiary is entitled to exercise associated voting rights or to instruct the holders of associated voting rights as to the exercise thereof);

(iii) when a corporation or an individual carrying out business becomes a

- limited liability partner of an investment limited partnership as prescribed in Article 2, paragraph (2) of the Limited Partnership Act for Investment (Act No. 90 of 1998) (hereinafter referred to as an "investment limited partnership" in this item, Article 17-7-3, paragraph (1), item (i) and Article 34-23-2, paragraph (1), item (i)), shares, etc. acquired or held as assets of the partnership (excluding cases in which a limited liability partner may exercise the voting rights, and in which a limited liability partner may give instructions to an unlimited liability partner of an investment limited partnership regarding the exercise of voting rights);
- (iv) when a corporation or an individual carrying out business becomes a partner (excluding a person entrusted to execute the business; hereinafter referred to as a "non-managing partner" in this item) of a partnership (limited to those that entrust management of the business to one or more partners) established by parties that agree to engage in investment business to a company under a partnership contract as prescribed in Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896), shares or equity acquired or held as assets of the partnership (excluding cases in which the non-managing partner may exercise the voting rights, and in which the non-managing partner may give instructions to a person entrusted to execute the business regarding the exercise of voting rights); or
- (v) shares or equity approved by the Commissioner of the Financial Services Agency among shares or equity equivalent to those set forth in the preceding two items.
- (2) The voting rights specified by Cabinet Office Order that, pursuant to the provisions of Article 2, paragraph (11) of the Act, are excluded from those considered as voting rights for shares or equity constituting trust property that a company or the person holding those voting rights may exercise, as the settlor or beneficiary, or with regard to whose exercise the company or person may give instructions, as the settlor or beneficiary, means voting rights for shares or equity with regard to whose exercise the company may give instructions, pursuant to the provisions of Article 10 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951), as the settlor company of an investment trust (meaning the settlor company of an investment trust as prescribed in Article 2, paragraph (11) of that Act; the same applies hereinafter), and voting rights for shares or equity with regard to whose exercise that company may give instructions, pursuant to the provisions of foreign laws or regulations that are equivalent to the provisions of Article 10 of that Act, as a person that, pursuant to the provisions of foreign laws or regulations equivalent to that Act, is equivalent to an investment trust management company.
- (3) When seeking the approval referred to in Article 1, item (v), a bank must

attach a written statement of reasons to a written application for approval and submit them to the Commissioner of the Financial Services Agency.

- (4) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency is to investigate whether it is impermissible for the bank filing the application to exercise voting rights, or to give instructions concerning the exercise of voting rights, in connection with the shares, etc. to which the application pertains.

(Total Asset Amount)

Article 1-3-2 (1) The total amount of assets calculated by a method specified by Cabinet Office Order, as provided in Article 2, paragraph (12) of the Act, is the total amount of assets on the latest balance sheet of a company (if the first business year after the incorporation of the company is not completed, the balance sheet on the day of the company's incorporation), and if an issuance of shares for subscription as prescribed in Article 199, paragraph (1) of the Companies Act (Act No. 86 of 2005), delivery of shares as a result of the exercise of share options, issuance of corporate bonds, share exchange, merger, company split, acquisition of business, transfer of business or any other significant change in the company's assets has occurred after the last day of the business year that the balance sheet is for (or, after the day of the company's incorporation if the first business year after the incorporation of the company is not completed), the total amount of assets is the amount arrived at after adding or deducting the fluctuation in the total asset amount that resulted from these changes.

(2) The assets specified by Cabinet Office Order that are provided for in Article 2, paragraph (12) of the Act are loans to subsidiary companies (limited to those designated by the Commissioner of the Financial Services Agency) of a bank holding company (limited to those designated by the Commissioner of the Financial Services Agency) and any other assets prescribed by the Commissioner of the Financial Services Agency.

(3) The amount calculated by the method specified by Cabinet Office Order, as provided in Article 2, paragraph (12) of the Act, is the total amount of assets prescribed in the preceding paragraph, as stated according to Appended Form No. 15 in annexed detailed statements associated with the financial statements for the most recent business year that a company has prepared pursuant to the provisions of Article 435, paragraph (2) of the Companies Act (if the first business year after the incorporation of the company is not completed, the total amount of assets prescribed in the preceding paragraph as stated in the balance sheet as of the time of the company's incorporation).

(Acts Not Constituting Electronic Payment Services)

Article 1-3-3 The acts specified by Cabinet Office Order that are provided in Article 2, paragraph (17) of the Act are the following acts that are set forth in item (i) of that paragraph; provided, however, that this excludes acts that the person in question undertakes after having acquired the identification code or other such information (meaning a code or other such information that is used by a bank when providing services using an electronic data processing system in order to identify a person receiving the services, as distinguished from other persons; the same applies in Article 34-64-9, paragraph (4), item (v)) of a depositor (meaning a depositor as prescribed in Article 2, paragraph (17), item (i) of the Act; hereinafter the same applies in this Article, the following Article, Article 34-64-9, paragraph (3), item (i), and Article 34-64-11) from that depositor:

- (i) an act that the person undertakes for the purpose of enabling a depositor to make periodic payments to a specific person;
- (ii) an act that the person undertakes for the purpose of enabling a depositor to make a remittance to that depositor;
- (iii) an act that the person undertakes for the purpose of enabling a depositor to make payment to the national government, a local government, an incorporated administrative agency as prescribed in Article 2, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999), a national university corporation as prescribed in Article 2, paragraph (1) of the National University Corporation Act (Act No. 112 of 2003), an inter-university research institute as prescribed in paragraph (3) of that Article, or a local incorporated administrative agency as prescribed in Article 2, paragraph (1) of the Local Incorporated Administrative Agency Act (Act No. 118 of 2003); and
- (iv) an act that the other party to a contract for the sale of goods or a contract for the provision of services or a person in the business of brokering a person's entry into such a contract (excluding brokerage performed by communicating an instruction to execute a fund transfer transaction in performance of the obligation (including the content of the instruction alone)) (hereinafter referred to as the "other party or broker" in this item) undertakes incidental to a transaction based on the contract and for the sole purpose of enabling the depositor to perform an obligation under that contract, if, before that act is undertaken, a bank as referred to in Article 2, paragraph (17), item (i) of the Act and the other party or broker have entered into a contract on the means that will be used to perform the obligation.

(Means Corresponding to Electronic Payment Service)

Article 1-3-4 The means specified by Cabinet Office Order that is provided for in Article 2, paragraph (17), item (i) of the Act is a means of providing a bank as

referred to in that item with information on the other party to a fund transfer and the amount of the transaction, with the purpose of causing an image that will allow a depositor to instruct that bank to execute a fund transfer transaction in which funds will be transferred from an account that the depositor holds at that bank, to be displayed on the screen of the electronic device used by the depositor.

(Organization Equivalent to a Corporation)

Article 1-4 The organization specified by Cabinet Office Order as being equivalent to a corporation that is provided for in Article 3-2, paragraph (1), item (i) of the Act, means an unincorporated association or foundation that has rules concerning its representative or administrator.

(Method of Consolidation Concerning Financial Statements)

Article 1-5 (1) A company that is required to prepare financial statements or other documents on a consolidated basis pursuant to the provisions of Cabinet Office Order, as provided in Article 3-2, paragraph (1), item (ii) of the Act, means a company that submits consolidated financial statements prescribed in Article 2, item (i) of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976; hereinafter referred to as the "Regulation on Consolidated Financial Statements").

(2) The number calculated pursuant to the provisions of Cabinet Office Order prescribed in Article 3-2, paragraph (1), item (ii) of the Act is the number arrived at when the number of specified voting rights (meaning voting rights as prescribed in Article 2, paragraph (6) of the Act other than any voting rights from shares that are deemed to carry voting rights pursuant to the provisions of Article 879, paragraph (3) of the Companies Act; hereinafter the same applies in this Article) in the bank in question that each of the following items prescribes in line with the categories set forth in those items for the relevant company's consolidated companies, etc. (meaning companies, etc. as prescribed in Article 3-2, paragraph (1), item (ii) of the Act; hereinafter the same applies in this Article through Article 1-7) is combined with the number of specified voting rights in that bank that the relevant company holds, and the specified voting rights percentage (meaning the number arrived at when the number of specified voting rights in a single bank that they hold is divided by the number of specified voting rights for all of the bank's shareholders) associated with that number is multiplied by the total number of shareholder voting rights:

(i) the relevant company's subsidiary companies (meaning a subsidiary company as prescribed in Article 8, paragraph (3) of the Regulation on Financial Statements, etc.): the number of specified voting rights in the bank

that they hold;

- (ii) persons that are found to be as provided in Article 8, paragraph (6), item (iii) of the Regulation on Financial Statements, etc., and persons that have agreed as provided for in that item, with regard to the exercise of voting rights associated with the relevant bank: the number of specified voting rights in the bank that they hold; and
- (iii) the relevant company's affiliated companies (meaning an affiliated company prescribed in Article 8, paragraph (5) of the Regulation on Financial Statements, etc.) (excluding a person set forth in the preceding item): the number arrived at when the percentages of the affiliated companies' net assets that are vested in the relevant company are multiplied by the number of specified voting rights in the bank that the relevant affiliated companies hold.

(Closely Related Companies)

Article 1-6 (1) The company, etc. specified by Cabinet Office Order as provided for in Article 3-2, paragraph (1), item (iii) of the Act means any of the following companies, etc.:

- (i) a second company, etc. in which the relevant company, etc. holds a majority of the total shareholder or total investor voting rights; or
 - (ii) a second company, etc. that holds a majority of the total shareholder or total investor voting rights in the relevant company, etc.
- (2) In a case as referred to in the preceding paragraph, the voting rights held by a first company, etc. in which a second company, etc. holds a majority of the total shareholder or total investor voting rights are deemed to be voting rights that the second company, etc. holds.
- (3) In a case as referred to in one of the preceding two paragraphs, the voting rights held by a first company, etc. or a second company, etc. are to include shares or voting rights from a contribution which may not be asserted against the issuer pursuant to the provisions of Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry 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), and Article 276 (limited to the part pertaining to item (ii)) of that Act).

(Person Equivalent to a Company Subject to Standards for Consolidation)

Article 1-7 The person specified by Cabinet Office Order and the number calculated pursuant to the provisions of Cabinet Office Order as provided for in Article 3-2, paragraph (1), item (vii) of the Act means the numbers specified in any of the following items in accordance with the categories of the persons set forth in the items:

- (i) a holder of a number of voting rights in a bank holding company which is equal to or greater than the major shareholder threshold (including a person set forth in Article 3-2, paragraph (1), item (i) of the Act, but excluding a person set forth in items (ii) through (vi) of that paragraph): whichever is the smaller of either the number arrived at when the number of voting rights the holder holds in that bank holding company is divided by the total number of shareholder voting rights in that bank holding company and the quotient is multiplied by the total number of shareholder voting rights in the banks that are subsidiary companies of the bank holding company; or the number arrived at when the number of voting rights that the holder, the bank holding company, and the bank holding company's subsidiary companies, etc. (meaning subsidiary companies, etc., as prescribed in Article 52-25 of the Act; the same applies in the following item) hold in the banks that are subsidiary companies of the bank holding company are combined; or
- (ii) a person that corresponds to a person set forth in Article 3-2, paragraph (1), items (ii) through (vi) of the Act if the term "bank" in those items is deemed to be replaced with "bank holding company" and those items are applied (excluding a person set forth in those items and a person set forth in the preceding item): whichever is the smaller of either the number arrived at when the numbers of voting rights specified in Article 3-2, paragraph (1), items (ii) through (vi) of the Act are each divided by the total number of shareholder voting rights in the bank holding company that have issued shares associated with them, each quotient is multiplied by the total number of shareholder voting rights in banks that are subsidiary companies of that bank holding company, and the products are combined; or the number arrived by combining the number of voting rights that the holder; its consolidated companies, etc.; companies, etc. that belong to the group of companies, etc. (meaning a group of companies, etc., as prescribed in item (iii) of that paragraph) with which the holder is associated; companies, etc., individuals, and joint holders (meaning joint holders as prescribed in item (vi) of that paragraph; the same applies in Article 34-5) whose voting rights are combined with or added to those of the holder when the holder's combined number of voting rights (meaning the combined number of voting rights as prescribed in item (v) of that paragraph) is calculated; the relevant bank holding company; and that bank holding company's subsidiary companies, etc. hold in banks that are the subsidiary companies of the relevant bank holding company.

(Application for a Business License)

Article 1-8 (1) A stock company seeking a business license under Article 4, paragraph (1) of the Act must attach the following documents to the written

application for licensing that all of the directors (for a company with nominating committee, etc., directors and executive officers) have signed and submit the documents to the Prime Minister through the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning the stock company:
 - (a) articles of incorporation;
 - (b) certificate of registered matters of the company;
 - (c) minutes of the organizational meeting (if it is deemed that there was a resolution at the organizational meeting pursuant to the provisions of Article 82, paragraph (1) of the Companies Act, documents certifying that the case corresponds to that case; the same applies hereinafter) (if that stock company is established by share transfer or by a company split, the minutes of the shareholders meeting concerning this (if it is deemed that there was a resolution at a shareholders meeting pursuant to the provisions of Article 319, paragraph (1) of the Companies Act, documents certifying that the case corresponds to that case; the same applies hereinafter) or other documents certifying that the necessary procedures were taken);
 - (d) a document stating the prospective income and expenditures and adequacy of equity capital for three business years after the commencement of business;
 - (e) the resumes of the directors and auditors (for a company with audit and supervisory committee, the directors; and for a company with nominating committee, etc., the directors and executive officers);
 - (f) for a company with accounting advisors, the resumes of the accounting advisors (if an accounting advisor is a corporation, a document stating the history of that accounting advisor and the resume of the member responsible for performing the duties thereof; the same applies hereinafter);
 - (g) the resume of a financial auditor (if a financial auditor is a corporation, a document stating the history of the financial auditor and the resume of the member responsible for performing the duties thereof; the same applies hereinafter);
 - (h) name, domicile or residence, nationality, and occupation of the shareholders (if a shareholder is a corporation or other organizations, its name, the location of its main business office or its main office, and details of the business conducted), and the number of voting rights held by the shareholder;
 - (i) a document stating the location of business offices;
 - (j) recent daily trial balance sheet or other documents which provide the

- recent status of assets, and that of profits and losses; and
- (k) a document showing the extent to which it has secured employees who have knowledge and experience concerning the bank's services;
- (iii) the following documents if the stock company has a subsidiary company, etc. (meaning a subsidiary company, etc. corresponding to either as prescribed in Article 13, the first sentence of paragraph (2) of the Act, or as prescribed in Article 14-2, item (ii) of the Act; hereinafter the same applies in this Article, except for (e), and paragraph (3), item (iii)):
- (a) a document stating the name of that subsidiary company, etc. and the location of its main business office or its main office;
 - (b) a document stating the details of the business of that subsidiary company, etc.;
 - (c) the latest balance sheet (including relevant notes; the same applies hereinafter), profit and loss statement (including relevant notes; the same applies hereinafter), statement of changes in net assets (including relevant notes; the same applies hereinafter) of that subsidiary company, etc., and other documents which provide the status of recent business, assets, and profit and loss of that subsidiary company, etc.
 - (d) a document stating the titles and names of the officers of that subsidiary company, etc. (if an officer is a corporation, including the person responsible for performing the duties thereof); and
 - (e) a document stating the prospective income and income and expenditures and adequacy of consolidated equity capital of that company and its subsidiary company, etc. (meaning a subsidiary company, etc., as prescribed in Article 14-2, item (ii) of the Act; the same applies in paragraph (3), item (iii)) for three business years after the commencement of business of that stock company;
- (iv) beyond what is set forth in each of the preceding items, a document giving information that is to serve as a reference for conducting an examination under Article 4, paragraphs (2) and (3) of the Act.
- (2) If a stock company other than a bank seeks to obtain a business license under Article 4, paragraph (1) of the Act by changing its prior purposes in order to carry out banking, in addition to the documents set forth in the preceding items (except for documents set forth in item (ii), (c) of that paragraph), the following documents must be attached to the written application for license:
- (i) minutes of shareholders meetings;
 - (ii) prior articles of incorporation and a document which clarifies the nature of existing transactions at the time of filing the application for license; and
 - (iii) the latest balance sheet, profit and loss statement, and statement of changes in net assets.
- (3) When implementing an examination under Article 4, paragraph (2) of the Act

pertaining to an application for license under the preceding two paragraphs, the Prime Minister is to take into consideration of the following particulars:

- (i) the amount of stated capital of a person that applies for a banking license (hereinafter referred to as the "applicant" in this paragraph) is equal to or greater than the amount as prescribed in Article 3 of the Order and is an amount which is sufficient for the applicant to soundly and efficiently perform the services of a bank in which it seeks to engage;
- (ii) profit in the current term is expected for one of the business years of the applicant by the day on which three business years have elapsed after the commencement of the business;
- (iii) the status of the adequacy of equity capital of the applicant and of the applicant and its subsidiary company, etc. is expected to be appropriate until three business years elapse after the commencement of the business; and
- (iv) in light of things such as the extent to which it has secured directors, executive officers, accounting advisors, auditors or financial auditors, or employees who possess sufficient knowledge of and experience in the services of a bank, and business management systems of a bank, the applicant is able to carry out the services of a bank appropriately, fairly, and efficiently and has sufficient social credibility;
- (v) that the bank's business content and business methods are appropriate from the standpoint of protection of depositors, etc. and maintenance of an orderly financial system.

(Preliminary Examination of Business License)

Article 2 A person that seeks to obtain a business license under Article 4, paragraph (1) of the Act may request a preliminary examination by submitting the documents equivalent to those provided in the provisions of the preceding Article to the Prime Minister through the Commissioner of the Financial Services Agency.

(Specific Interest Party to Foreign Banks)

Article 3 The person specified by Cabinet Office Order that is provided for in Article 1-2, item (vii) of the Order means those specified in the following items:

- (i) if a person that carries out banking in a foreign state in conformity with the laws and regulations of the foreign state (excluding a bank, etc. as prescribed in Article 4, paragraph (5) of the Act; hereinafter referred to as a "foreign bank" except in Article 10-2, paragraph (1)) or a person as set forth in Article 1-2, items (i) through (vi) of the Order associated with that foreign bank holds a portion of the voting rights in a banking license applicant, a person that has their main business office or their main office in the same state as that foreign bank or the person as set forth in Article 1-2, items (i) through

- (vi) of the Order associated with that foreign bank, and that holds a portion of the voting rights in that banking license applicant; or
- (ii) any one of the two or more persons whose main business offices are located in a state where a bank is unable to establish a branch office or to incorporate a company to carry out banking (limited to a person that holds a number or amount of shares or equity constituting over five percent of the total number of issued shares of or total amount of contribution to (hereinafter referred to as "issued shares or contribution") a foreign bank) and whose total number or amount of shares or equity, constitutes over fifty percent of the issued shares or contribution of a foreign bank.

(Percentage for Multiplying the Total Shareholder Voting Rights as Prescribed in Article 4, Paragraph (3) of the Act)

Article 4 The percentage specified by Cabinet Office Order that is provided for in Article 4, paragraph (3) of the Act is fifty percent.

(Financial Institutions Included in the Definition of "Bank, etc.")

Article 4-2 Financial institutions specified by Cabinet Office Order that are provided for in Article 4, paragraph (5) of the Act mean those specified in the following items:

- (i) the Shoko Chukin Bank Limited
- (ii) the Federation of Credit Unions
- (iii) the Norinchukin Bank

(Application for Authorization of Reduction of Stated Capital Amount)

Article 5 When seeking authorization for a reduction of stated capital amount under Article 5, paragraph (3) of the Act, a bank must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency, the Director General of Local Finance Bureau or Fukuoka Local Finance Branch Bureau (hereinafter referred to as the "Commissioner of the Financial Services Agency or other competent authority"):

- (i) a written statement of reasons;
- (ii) a statement stating the method to reduce the amount of stated capital;
- (iii) minutes of the shareholders meeting and other statements certifying that the necessary procedures were taken;
- (iv) the latest daily trial balance sheet;
- (v) a document proving that public notice and demand under Article 449, paragraph (2) (if publication is made in a daily newspaper that publishes the matters on current events or by electronic public notice in addition to the official gazette pursuant to the provisions of that Article, paragraph (3) of

the Companies Act, a public notice by these methods) is implemented or, proving that, if a creditor states an objection, the bank performed the obligation or provided reasonable security to that creditor, entrusted reasonable assets with the purpose to provide that creditor with performance of the obligation, or that that creditor will not be prejudiced even if that reduction of the amount of stated capital is undertaken; and

(vi) if a share certificate-issuing company would consolidate shares, a document proving that public notice has been given pursuant to the provisions of Article 219, main clause of paragraph (1) of the Companies Act, or that share certificates for all of those shares are not issued.

(Applications for Authorization of Change of Trade Name)

Article 6 (1) When seeking authorization for a change of trade name under Article 6, paragraph (3) of the Act, a bank must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency or other competent authority:

- (i) a written statement of reasons; and
- (ii) minutes of the relevant shareholders meeting.

(2) When an application for authorization is filed pursuant to the provisions of the preceding paragraph, the Commissioner of the Financial Services Agency or other competent authority is to examine whether the trade name to which the application pertains is not the same as or similar to the trade name of another bank.

(Application for Authorization of Concurrent Holding of Positions by Directors)

Article 7 (1) A director who engages in ordinary business of a bank (the executive officer in the case of a company with nominating committee, etc.; the same applies in the following paragraph) must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency or other competent authority via that bank pursuant to the provisions of Article 7, paragraph (1) of the Act, if seeking to obtain an authorization with regard to engaging in ordinary business of another company:

- (i) a written statement of reasons;
- (ii) a resume;
- (iii) a document stating the handling method of the ordinary business of the bank and that other company;
- (iv) a document stating transactions and other relationships between the bank and that other company; and
- (v) the articles of incorporation (including an equivalent document), the latest business report, balance sheet, profit and loss statement, and statement of

changes in net assets of that other company, and other documents that provide the recent status of business, assets, and profit and loss of that other company.

- (2) When an application for authorization under the provisions of the preceding paragraph is filed, with regard to the engagement of the director to whom the application pertains in ordinary business of a bank, the Commissioner of the Financial Services Agency or other competent authority is to examine whether the concurrent holding of positions to which the application pertains may not cause any concern.

(Definitions of Business Office)

Article 8 (1) A business office as prescribed in Article 8, paragraph (1) and paragraph (2) of the Act means facilities or equipment (excluding portable equipment and equipment which is possessed or managed by a person other than the bank; the same applies hereinafter) where a bank carries out all or part of business set forth in each item of Article 10, paragraph (1) of the Act.

(2) A head office as prescribed in Article 8, paragraph (1) of the Act means a facility that presides over the bank's services and is registered as the head office.

(3) A branch office as prescribed in Article 8, paragraph (1) and paragraph (2) of the Act means a facility constituting a business office that is subordinate to a head office, at which a bank's services are carried out in the name of and under the account of the business office in question.

(4) A change of type as prescribed in Article 8, paragraph (1) and paragraph (2) of the Act means a change from a business office other than a head office (a head office as prescribed in paragraph (2); the same applies hereinafter) and a branch office (a branch office as prescribed in the preceding paragraph; the same applies hereinafter) of a bank (hereinafter referred to as a "sub-office") to a branch office, and a change from a branch office to a sub-office.

(Notification of Establishment of Business Offices)

Article 9 (1) The cases specified by Cabinet Office Order that are provided for in Article 8, paragraph (1) of the Act are the following cases:

(i) if the relevant person establishes a sub-office, changes the location of a sub-office, or closes a sub-office;

(ii) if the location of a business office is changed due to extension or reconstruction or other compelling reasons (limited to the case where it is definite that the person will return to the business office of the original location before the change);

(iii) if the relevant person returns to the business office of the original location from the location prescribed in the preceding item.

(2) When a bank seeks to submit a notification of the establishment, change of location, change of type, or closure of a business office pursuant to the provisions of Article 8, paragraph (1) of the Act, it must attach a written statement of reasons and other documents giving particulars found to be necessary by the Commissioner of the Financial Services Agency to the written notification and submit them to the Commissioner of the Financial Services Agency or other competent authority

(Application for Authorization of Establishment of a Business Office in a Foreign State)

Article 9-2 (1) When a bank intends to obtain an authorization for the establishment, change of type, or closure of a business office in a foreign state pursuant to the provisions of Article 8, paragraph (2) of the Act, it must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency or other competent authority:

(i) a written statement of reasons;

(ii) if the matter to be authorized requires a resolution at the shareholders meeting or of board of directors, the minutes of the shareholders meeting or minutes of the board of directors meeting concerning the case (if a resolution of the board of directors pursuant to the provisions of Article 370 of the Companies Act has been deemed to exist, a document proving that this is the case; the same applies hereinafter);

(iii) in cases of changing the type of business office, a document stating the recent business status of that business office; and

(iv) other documents giving particulars found to be necessary by the Commissioner of the Financial Services Agency.

(2) When an application for authorization to establish or change the type of a business office under the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authority is to examine whether it conforms to the following standards:

(i) except for cases in which the establishment or change of type of the business office is found to contribute to ensuring the sound management of the bank which filed the application, the condition of adequacy of equity capital of the bank which filed the application corresponds to an exception from the categories set forth in the table under Article 1, paragraph (1) of the Order Providing for the Categories, etc. prescribed in Article 26, paragraph (2) of the Banking Act (Order of the Prime Minister's Office and the Ministry of Finance No. 39 of June 26, 2000), an exception from the capital buffer categories set forth in the table under item (ii) of that paragraph, and an exception from the leverage categories set forth in the table under item (iii)

of that paragraph, and the condition of adequacy of equity capital of the bank which filed the application and its subsidiary company, etc. (meaning a subsidiary company, etc., as prescribed in Article 14-2, item (ii) of the Act; the same applies in paragraph (2), item (i) of the following Article) corresponds to an exception from the categories set forth in the table under Article 1, paragraph (2) of that Order, an exception from the capital buffer categories set forth in the table under item (ii) of that paragraph, and an exception from the leverage categories set forth in the table under item (iii) of that paragraph;

- (ii) in light of things such as the business management systems of the bank that filed the application, it is able to perform the services of a bank reliably, fairly, and efficiently; and
 - (iii) necessary crime prevention measures are taken by that business office and the information of customers is managed appropriately.
- (3) The case specified by Cabinet Office Order that is provided for in Article 8, paragraph (2) of the Act means those specified in the following items:
- (i) if the relevant bank establishes a sub-office (limited to a temporary or circuit-type facility, or unmanned equipment); or
 - (ii) if the relevant bank closes a sub-office.
- (4) When an application for authorization to close a business office under paragraph (1) is filed, the Commissioner of the Financial Services Agency or other competent authority is to examine whether the closure will not cause substantial effects to the customers of the business office, including things such as whether transactions involving the customers of that business office will be taken over by another of the applying bank's business offices or by another financial institution without any hindrance.

(Application for Authorization of Entrustment of an Agency to Conclude a Contract on the Acceptance of Deposits in a Foreign State)

- Article 10 (1) When a bank seeks to obtain an authorization to conclude a contract to entrust acts set forth in each item of Article 2, paragraph (14) of the Act in a foreign state pursuant to the provisions of Article 8, paragraph (3) of the Act (hereinafter referred to as an "outsourcing contract" in this Article and paragraph (3) of the following Article) or to terminate that outsourcing contract, it must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency or other competent authority:
- (i) a written statement of reasons; and
 - (ii) other documents giving particulars found to be necessary by the Commissioner of the Financial Services Agency.
- (2) When an application for authorization to conclude an outsourcing contract

under the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authority is to examine whether it conforms to the following standards:

- (i) except for cases in which the outsourcing contract is deemed to contribute to ensuring the sound management of the bank which filed the application, the condition of adequacy of equity capital of the bank which filed the application corresponds to an exception from the categories set forth in the table under Article 1, paragraph (1) of the Order Providing for the Categories, etc. prescribed in Article 26, paragraph (2) of the Banking Act, an exception from the capital buffer categories set forth in the table under item (ii) of that paragraph, and an exception from the leverage categories set forth in the table under item (iii) of that paragraph, and the condition of adequacy of equity capital of the bank which filed the application and its subsidiary company, etc. corresponds to an exception from the categories set forth in the table under paragraph (2), item (i) of that Article, an exception from the capital buffer categories set forth in the table under item (ii) of that paragraph, and an exception from the leverage categories set forth in the table under item (iii) of that paragraph;
 - (ii) the other party concluding the outsourcing contract (hereinafter referred to as a "foreign bank agent" in this Article and paragraph (3) of the following Article) satisfies all of the following requirements:
 - (a) the other party is a person that possesses the financial basis that is found to be necessary for carrying out the business to which the outsourcing contract pertains (hereinafter referred to as "entrusted business" in this Article and paragraph (3) of the following Article);
 - (b) in light of things such as its personnel structure, the other party is a person that has the necessary ability for carrying out the entrusted business appropriately, fairly, and efficiently, and that has social credibility; and
 - (c) the other party is a person that is not found to cause hindrance, with regard to carrying out the entrusted business precisely and reliably, by carrying out other business;
 - (iii) the bank which filed the application may take measures in order to secure sound and appropriate management of entrusted business with the foreign bank agent.
- (3) When examining whether the relevant other party conforms to the standards set forth in item (ii) of the preceding paragraph, the Commissioner of the Financial Services Agency or other competent authority is to take into consideration of the particulars set forth in each item of Article 34-37.
- (4) When an application for authorization to terminate an outsourcing contract under paragraph (1) is filed, the Commissioner of the Financial Services

Agency or other competent authority is to examine whether the termination will not cause substantial effects to the customers concerning the entrusted business of the foreign bank agent, such as transactions pertaining to those customers will be succeeded to another business office of the bank which filed the application or other financial institution without any hindrance.

(Notification of Entrustment of an Agency to Conclude a Contract on the Acceptance of Deposits in a Foreign State)

Article 10-2 (1) The persons specified by Cabinet Office Order that are provided for in Article 8, paragraph (4) of the Act are those specified in the following items:

- (i) a foreign bank (meaning a person that carries out banking in a foreign state in conformity with the laws and regulations of the foreign state; hereinafter the same applies in this paragraph) that is a subsidiary company, etc. of a bank;
 - (ii) a foreign bank that has a bank as its subsidiary company, etc.;
 - (iii) a foreign bank that is a subsidiary company, etc. of a bank holding company which has a bank as its subsidiary company, etc. (excluding the persons set forth in the preceding two items); and
 - (iv) a foreign bank that is a subsidiary company, etc. of a parent company, etc. which has a bank as its subsidiary company, etc. (excluding the persons set forth in the preceding three items);
- (2) The term "parent company, etc." as prescribed in item (iv) of the preceding paragraph means a corporation, etc. holding voting rights exceeding fifty percent of the total shareholder or investor voting rights in another corporation, etc. (meaning a corporation, etc. prescribed in Article 4, paragraph (1), item (i), (b) of the Order; the same applies hereinafter); the term "subsidiary company, etc." as prescribed in the items of the preceding paragraph means a corporation, etc. in which a parent company, etc. holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights. In this case, voting rights held by a subsidiary company, etc. are deemed to be voting rights held by the parent company, etc. of that subsidiary company, etc.
- (3) In seeking to give a notification under Article 8, paragraph (4) of the Act, a bank must attach the documents specified in the following items to a written notification in accordance with the categories set forth in those items and submit them to the Commissioner of the Financial Services Agency or other competent authority:
- (i) if the bank seeks to conclude an outsourcing contract with a foreign bank agent: the following documents:
 - (a) a written statement of reasons;
 - (b) a document stating the trade name or the name of the foreign bank agent;

- (c) a document stating the capital relationship between the bank and the foreign bank agent;
- (d) a document stating the content of the outsourcing contract between the bank and the foreign bank agent pertaining to the notification;
- (e) a document stating the day on which the outsourcing contract under the sub-item (d) is to be concluded; and
- (f) a document stating the content and methods of the entrusted business of the foreign bank agent; or
- (ii) if the bank seeks to terminate an outsourcing contract with a foreign bank agent: the following documents:
 - (a) a written statement of reasons;
 - (b) a document stating the trade name or the name of the foreign bank agent;
 - (c) a document stating the content and methods of the entrusted business of the foreign bank agent; and
 - (d) a document stating the day on which the outsourcing contract between the bank and the foreign bank agent is to be terminated.

Article 11 Deleted

Chapter II Services

(Scope of Certificate of Monetary Claims)

Article 12 Monetary claims indicated in the form of certificates specified by Cabinet Office Order that are provided for in Article 10, paragraph (2), item (v) of the Act are those specified in the following items:

- (i) a negotiable certificate of deposits (meaning a deposit with a due date for repayment, but without a covenant of non-assignability; the same applies in Article 13-5, paragraph (1), item (i));
- (ii) commercial paper;
- (iii) a housing mortgage certificate;
- (iv) a certificate of beneficial interest of a loan trust
- (iv)-2 a mortgage security as prescribed in the Mortgage Instrument Act (Act No. 15 of 1931);
- (v) a certificate of beneficial interest for the commodity investment beneficial interest as prescribed in Article 2, paragraph (6) of the Act on Regulation of Commodity Investment (Act No. 66 of 1991);
- (vi) securities or certificates issued by a foreign corporation that indicate a beneficiary interest in a trust into which has been placed a loan claim of a person engaged in banking or any other such person that carries out other money lending in the course of trade, or into which has been placed any other similar interest; or

(vii) securities or certificates that indicate an interest pertaining to the transactions as prescribed in Article 10, paragraph (2), item (xii) or item (xiv) of the Act.

(Securities Equivalent to Specified Corporate Bonds)

Article 12-2 The things specified by Cabinet Office Order as securities prescribed in Article 10, paragraph (2), item (v)-2 of the Act are securities prescribed in Article 15-17, paragraph (1), item (ii) or item (iii) of the Order for Enforcement of the Financial Instruments and Exchange Act (Act No. 321 of 1965) (with regard to securities prescribed in that paragraph, limited to those that have the characteristics as set forth in Article 2, paragraph (1), item (iv) or item (v) of the Financial Instruments and Exchange Act) in which the assigned assets set forth in Article 40, item (i) of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007) are a nominative monetary claim or a beneficiary right to the trust in which the nominative monetary claim is placed.

(Acting as Agent or Intermediary for Services)

Article 13 Acting as an agent or intermediary for services which is specified by Cabinet Office Order, as provided in Article 10, paragraph (2), item (viii) of the Act means those specified in the following items:

- (i) acting as an agent or intermediary for the services (excluding trust business (hereinafter referred to as "trust business") prescribed in Article 1, paragraph (1) of the Act on Engagement in Trust Business Activities by Financial Institutions) of a bank, a long-term credit bank (meaning a long-term credit bank prescribed in Article 2 of the Long-term Credit Bank Act (Act No. 187 of 1952); the same applies hereinafter), The Shoko Chukin Bank, Ltd., or credit union, credit cooperatives, or labor bank (including a federation organized by these corporations);
- (ii) acting as an agent or intermediary for credit business (excluding a business pertaining to trust business) carried out by an agricultural cooperative (limited to a cooperative which carries out business as prescribed in Article 10, paragraph (1), item (iii) of the Agricultural Co-operatives Act (Act No. 132 of 1947); the same applies hereinafter, except for Article 34-43, paragraph (2)) prescribed in Article 11, paragraph (2) of that Act; for credit business (excluding a business pertaining to trust business) carried out by a federation of agricultural cooperatives (limited to a federation of agricultural cooperatives which carries out business as prescribed in Article 11, paragraph (1), item (iv) of the Fishery Cooperative Act (Act No. 242 of 1948); the same applies hereinafter) or a federation of fisheries cooperatives (limited to a federation of fisheries cooperatives which carries out business

- as prescribed in Article 87, paragraph (1), item (iv) of that Act; the same applies hereinafter), a fishery processing cooperative (limited to a fishery processing cooperative which carries out business as prescribed in Article 93, paragraph (1), item (ii) of that Act; the same applies hereinafter), or a federation of fishery processing cooperatives (limited to a federation of fishery processing cooperatives which carries out business as prescribed in Article 97, paragraph (1), item (ii) of that Act; the same applies hereinafter) prescribed in Article 54, paragraph (2) of that Act; or for services of the Norinchukin Bank (excluding a business pertaining to trust business);
- (ii)-2 acting as an agent or intermediary for fund transfer services (meaning the fund transfer service prescribed in Article 2, paragraph (3) of the Payment Services Act (Act No. 59 of 2009); the same applies in Article 17-3, paragraph (2), item (i)-4 of this Act) conducted by a fund transfer service provider (meaning the fund transfer service provider prescribed in Article 2, paragraph (3) of that Act; the same applies in Article 17-3, paragraph (2), item (i)-4 of this Act);
- (iii) acting as agent or intermediary for the following services of a trust company or a financial institution that carries out trust business (excluding services corresponding to those as set forth in Article 11 of the Act):
- (a) conclusion of a trust contract (excluding a trust contract pertaining to a trust as prescribed in Article 3, item (i) of the Order for Enforcement of the Act on Engagement in Trust Business Activities by Financial Institutions (Cabinet Order No. 31 of 1993) and in Article 3, paragraph (1), item (i) of the Regulation for Enforcement of the Act on Engagement in Trust Business Activities by Financial Institutions (Ministry of Finance Order No. 16 of 1982));
- (b) conclusion of a contract to accept entrustment of business as set forth in each item of Article 1, paragraph (1) of the Act on Engagement in Trust Business Activities by Financial Institutions (excluding business as set forth in each item of Article 3 of the Order for Enforcement of the Act on Engagement in Trust Business Activities by Financial Institutions);
- (iii)-2 acting as an agent or intermediary in the conclusion of an investment advisory contract (meaning an investment advisory contract as prescribed in Article 2, paragraph (8), item (xi) of the Financial Instruments and Exchange Act) or a discretionary investment contract (meaning a discretionary investment contract as prescribed in item (xii), (b) of that paragraph; the same applies hereinafter) of a financial instruments business operator or a registered financial institution (meaning a registered financial institution prescribed in Article 2, paragraph (11) of that Act);
- (iv) acting as an agent or intermediary in the lending of funds by an insurance company (meaning an insurance company as prescribed in Article 2,

- paragraph (2) of the Insurance Business Act (Act No. 105 of 1995) and including a foreign insurance company, etc. as prescribed in paragraph (7) of that Article (hereinafter referred to as a "foreign insurance company, etc.");
- (v) acting as an agent or intermediary in the services of a corporation engaged in financial business whose budget is subject to a Diet resolution, pursuant to the provisions of laws;
 - (vi) acting as an agent or intermediary in the lending of funds or other services concerning finance of a corporation which is established by a special law and may entrust a part of its services to a bank pursuant to the special law (excluding the acts as set forth in the preceding item); or
 - (vii) anything that is equivalent to acting as an agent or intermediary in the services set forth in each of the preceding items and that is separately specified by the Commissioner of the Financial Services Agency.

(Acting as Agent or Intermediary in a Foreign Bank's Services)

Article 13-2 (1) The services specified by Cabinet Office Order, as provided in Article 10, paragraph (2), item (viii)-2 of the Act, mean those specified in the following items:

- (i) in addition to a bank's actions as an agent or intermediary when it does so for the services (limited to services prescribed in Article 10, paragraph (1) and paragraph (2) of the Act (excluding services associated with agent or intermediary and the services for which a bank may act as an agent or intermediary pursuant to the provisions of that paragraph (excluding item (viii) and item (viii)-2)); hereinafter the same applies in this paragraph) of a foreign bank that is a subsidiary company of the bank, a bank's actions as an agent or intermediary as prescribed in the following sub-items (a) through (d) when it acts as an agent or intermediary for the services of a foreign bank set forth respectively in those sub-items;
 - (a) a foreign bank that is a subsidiary corporation, etc. (meaning the subsidiary corporation, etc. prescribed in Article 4-2, paragraph (2) of the Order; hereinafter the same applies in this Article) (excluding a foreign bank that is a subsidiary company of a bank);
 - (b) a foreign bank that has a bank as its subsidiary corporation, etc.;
 - (c) a foreign bank that is a subsidiary corporation, etc. of a bank holding company that has a bank as its subsidiary company (excluding a foreign bank that is a subsidiary company of a bank and those set forth in sub-item (a) and sub-item (b)); and
 - (d) a foreign bank that is a subsidiary corporation, etc. of a parent corporation, etc. (meaning the parent corporation, etc. prescribed in Article 4-2, paragraph (2) of the Order; the same applies hereinafter) that has a bank as its subsidiary company (excluding a foreign bank that is a

- subsidiary company of a bank and those set forth in sub-items (a) through (c)); and
- (ii) actions as an agent or intermediary for the services of a foreign bank other than a foreign bank that is a subsidiary company of a bank and foreign banks set forth in sub-items (a) through (d) of the preceding item (limited to the cases in which those actions as the agent or intermediary for the services are undertaken in a foreign state).
- (2) Notwithstanding the provisions of the preceding paragraph, the services specified by Cabinet Office Order that are provided for in Article 10, paragraph (2), item (viii)-2 of the Act pertaining to a foreign bank branch (meaning a foreign bank branch prescribed in Article 47, paragraph (2) of the Act; the same applies hereinafter) means those specified in the following items:
- (i) in addition to a foreign bank branch's action as an agent or intermediary when it does so for the services of a business office in the home state of the foreign bank with which the foreign bank branch is associated (meaning a business office in the home state prescribed in Article 47, paragraph (3) of the Act; the same applies hereinafter) (limited to the services prescribed in Article 10, paragraph (1) and paragraph (2) of the Act (excluding the services associated with actions as an agent or intermediary and the services in association with which a bank may act as an agent or intermediary pursuant to the provisions of that paragraph (excluding item (viii) and item (viii)-2)); hereinafter the same applies in this paragraph), actions as an agent or intermediary conducted by a foreign bank branch as prescribed in the following sub-items (a) through (c) for the services of the foreign banks set forth respectively in those sub-items:
 - (a) a foreign bank that is a subsidiary corporation, etc. of another foreign bank to which a foreign bank branch belongs;
 - (b) a foreign bank that has another foreign bank to which a foreign bank branch belongs as its subsidiary corporation, etc.;
 - (c) a foreign bank that is a subsidiary corporation, etc. of a parent corporation, etc. that has another foreign bank to which a foreign bank branch belongs as its subsidiary company, etc. (excluding a business office in the home state of the other foreign bank to which that foreign bank branch belongs and those set forth in sub-items (a) through (b)); and
 - (ii) actions as an agent or intermediary for the services of a foreign bank other than a business office in the home state of a foreign bank to which a foreign bank branch belongs and foreign banks set forth in sub-items (a) through (c) of the preceding item (limited to the cases in which those actions as an agent or intermediary for the services are undertaken in a foreign state).

(Derivative Transactions)

Article 13-2-2 Derivative transactions as specified by Cabinet Office Order that are provided for in Article 10, paragraph (2), item (xii) and item (xiii) of the Act are a derivative transaction as prescribed in Article 2, paragraph (20) of the Financial Instruments and Exchange Act (excluding a derivative transaction corresponding to the securities-related derivative transactions (meaning the securities-related derivative transactions as prescribed in Article 28, paragraph (8), item (vi) of that Act; the same applies hereinafter)).

(Financial Derivative Transactions)

Article 13-2-3 (1) The transaction specified by Cabinet Office Order that is provided for in Article 10, paragraph (2), item (xiv) of the Act means any of the following:

- (i) a transaction to promise mutual payment, with regard to a commodity of which the quantity is specified by the parties, based on the commodity market price agreed upon between the relevant parties, and other similar transactions (limited to the following transactions; hereinafter referred to as a "commodity derivative transaction");
 - (a) a transaction settled by payment of the difference;
 - (b) a purchase and sale transaction in which the parties agree to transfer between them a commodity and the consideration therefor and which satisfies all of the following requirements:
 1. the purchase and sale transaction does not result in the holding of the commodity pertaining to that transaction on the completion of the settlement.
 2. the purchase and sale transaction does not result in bearing the risk that may arise in relation to the custody or transportation of the commodity pertaining to that transaction.
- (ii) a transaction to promise mutual payment, with regard to a carbon dioxide equivalent quota (meaning a carbon dioxide equivalent quota as prescribed in Article 2, paragraph (6) of the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998) and other similar substances; the same applies hereinafter) of which the quantity is stipulated by the parties, based on the quotation of a carbon dioxide equivalent as stipulated between the parties and other similar transactions (limited to the following transactions); or
 - (a) a transaction settled by payment of the difference;
 - (b) a purchase and sale transaction in which the parties agree to transfer between them a carbon dioxide equivalent quota and the consideration therefor and that does not result in the holding of the carbon dioxide equivalent quota pertaining to that purchase and sale transaction on the completion of the settlement.

- (iii) a transaction in which one party grants the other party a right that may effect a transaction as set forth in the preceding two items between those parties by one party manifesting the intention, and the other party promises to pay the compensation for the granting of the right, and any other similar transaction.
- (2) A transaction specified by Cabinet Office Order as a transaction that it is found to be unlikely to damage the sound management of a bank, as provided in Article 10, paragraph (2), item (xiv) of the Act, means those transactions as set forth in the items of the preceding paragraph.
- (3) Acting as the intermediary, broker, or agent as specified by Cabinet Office Order, that is provided in Article 10, paragraph (2), item (xv) of the Act means acting as the intermediary, broker, or agent in transactions set forth in Article 2, paragraph (14), items (i) through (iii) of the Commodity Futures Act (Act No. 239 of 1950) and item (iv) of that paragraph (excluding sub-item (d)), for listed commodity component products, etc. (meaning the listed commodity component products, etc. prescribed in Article 15, paragraph (1), item (i) of that Act) by using quotations on a commodity market (meaning the commodity market prescribed in Article 2, paragraph (9) of that Act).

(Requirements for Lease Contracts)

- Article 13-2-4 (1) The contract that is specified by Cabinet Office Order, as provided for in Article 10, paragraph (2), item (xviii), sub-item (a) of the Act means a contract for allowing the use of machinery and other objects which does not contain a provision to the effect that the parties may not cancel the contract before the end of the period of use (meaning the period of use prescribed in sub-item (a) of that item; hereinafter the same applies in this paragraph), and under which the other party to the contract is to pay almost all of the use fees for the unpaid period of use if that other party breaches the obligations based on the contract or cancels the contract before the end of the period of use specified in the contract.
- (2) The costs specified by Cabinet Office Order that are provided for in Article 10, paragraph (2), item (xviii), (b) of the Act are the amounts of interest and fees.

(Acquisition of a Carbon Dioxide Equivalent Quota)

- Article 13-2-5 The services specified by Cabinet Office Order that are provided for in Article 11, item (iv) of the Act means services for concluding a contract involving the acquisition or transfer of a carbon dioxide equivalent quota, or for acting as intermediary, broker, or agent in the conclusion of such a contract.

(Provision of Information to Depositors)

- Article 13-3 (1) When a bank provides information to a depositor, etc. pursuant

to the provisions of Article 12-2, paragraph (1) of the Act, it is to do so through the following means:

- (i) by giving a clear indication of the money rate on the principal deposit, etc. (meaning a deposit, etc., as prescribed in Article 12-2, paragraph (1) of the Act; the same applies hereinafter);
- (ii) by giving a clear indication of the fee pertaining to the deposit, etc. handled by the bank;
- (iii) by giving a clear indication of the deposit, etc. that is handled by the bank, and which is subject to the payment of insurance money as prescribed in Article 53 of the Deposit Insurance Act (Act No. 34 of 1971);
- (iv) by using a document stating the following particulars among information concerning the contents of financial instruments (hereinafter referred to as "financial instruments information" in this Article) to give an explanation at the request of depositors, etc., and by delivering that document:
 - (a) their names (including their aliases);
 - (b) scope of persons subject to the bank's acceptance of their deposits, etc.;
 - (c) period of depositing (including an indication whether the deposit will be automatically renewed or not);
 - (d) minimum deposit amount, unit of deposit amount, and any other items concerning the depositing;
 - (e) method of repayment;
 - (f) method of establishing interest, payment method of interest, calculation method of interest, and other particulars regarding interest;
 - (g) fees;
 - (h) the particulars of special provisions that may be added;
 - (i) handling in the case of the termination of the contract during the period of depositing (including the calculation methods of interest and fees);
 - (j) the particulars prescribed in each of the following in accordance with the categories of cases set forth respectively therein:
 - 1. if a designated dispute resolution organization exists: the trade name or name of the designated dispute resolution organization, which is the other party to the basic contract for the implementation of dispute resolution procedures which the relevant takes the measure of concluding, prescribed in Article 12-3, paragraph (1), item (i) of the Act;
 - 2. if a designated dispute resolution organization does not exist: the details of the complaint handling measures and the dispute resolution measure of the relevant bank as prescribed in Article 12-3, paragraph (1), item (ii) of the Act; and
 - (k) other information found to be of reference for depositing a deposit, etc.;
- (v) by giving a detailed explanation stating that the full amount paid at the

time of depositing is not guaranteed to be repaid at its expiry and any other detailed explanations concerning the financial instruments, if it handles a financial instrument in which the full amount paid at the time of depositing for the combination of the following items and the deposit, etc. is not guaranteed to be repaid at its expiry:

- (a) a derivative transaction other than that which corresponds to securities-related derivatives transactions among market derivative transactions (meaning a market derivative transaction as prescribed in Article 2, paragraph (21) of the Financial Instruments and Exchange Act; the same applies hereinafter) or foreign market derivative transactions (meaning a foreign market derivative transaction as prescribed in paragraph (23) of that Article; the same applies hereinafter);
 - (b) a financial derivative transaction as prescribed in Article 10, paragraph (2), item (xiv) of the Act;
 - (c) a forward exchange transaction;
 - (d) a securities-related derivative transaction (excluding a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or a transaction in a foreign financial instruments market (meaning a foreign financial instruments market as prescribed in paragraph (8), item (iii), (b) of that Article; the same applies hereinafter) similar to the transaction set forth in paragraph (21), item (i) of that Article); or
 - (e) a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or a similar transaction in a foreign financial instruments market to that set forth in that item (limited to the securities set forth in paragraph (1), item (i) and item (ii) of that Article and those set forth in item (iii) and item (v) of that paragraph (limited to securities of which the national government guarantees the redemption of principal and interest payments) (which is referred to as a "certificate, etc. of national government bonds" in Article 13-5, paragraph (1), item (ii); Article 14-11-27, item (xiii), (e); and Article 34-53-12, item (xiii), (e)), and securities set forth in Article 2, paragraph (1), item (xvii) of that Act pertaining to those which have characteristics as prescribed in item (i) of that paragraph);
 - (vi) by appropriately providing information concerning the standard in question, the way of establishing the indicator and the money rate, and the money rate itself, if the way of establishing an indicator to be the standard for establishing a money rate of a floating rate deposit and of establishing money rate is specified.
- (2) In lieu of delivering a document under item (iv) of the preceding paragraph a bank may provide a depositor, etc. with financial instruments information by

electronic or magnetic means (meaning electronic or magnetic means as prescribed in Article 20, paragraph (6) of the Act; the same applies hereinafter) after obtaining the consent of the depositor, etc., pursuant to the provisions of the following paragraph. In this case, the bank is deemed to have delivered the document.

- (3) When a bank seeks to provide financial instruments information pursuant to the provisions of the preceding paragraph, that bank must indicate to the depositor, etc. the type and content of the following electronic or magnetic means that the bank will use, and must obtain consent in writing or by electronic or magnetic means in advance:
- (i) the means out of the means set forth in each item of Article 19, paragraph (7) that the bank will use; and
 - (ii) the formalities used to record data to the file.
- (4) If a bank that has obtained the consent under the preceding paragraph receives a notice from the depositor, etc., either in written form or by electronic or magnetic means, indicating that the depositor, etc. is not willing to be provided with information by electronic or magnetic means, the bank must not use electronic or magnetic means to provide financial instruments information to that depositor, etc.; provided, however, that this does not apply if the depositor, etc. has once again given the consent under that paragraph.

(Provision of Information to the Right Holder of Specified Corporate Bonds)

Article 13-4 A bank is to provide information to a customer by a method equivalent to that prescribed in the preceding Article in cases of handling specified corporate bonds (including, a bond issued by an ordinary bank which is prescribed in Article 17-2, paragraph (1) of the Act on Financial Institutions' Merger and Conversion prior to the amendment (hereinafter referred to as "the former Act on Merger and Conversion" in this Article) (including as applied mutatis mutandis pursuant to the provisions of Article 24, paragraph (1), item (vii) of the former Act on Merger and Conversion; hereinafter the same applies in this Article) by the provisions of Article 199 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act (Act No. 87 of 2005) and which is authorized pursuant to the provisions of Article 17-2, paragraph (1) of the former Act on Merger and Conversion; and a bond which is issued by an ordinary bank which is prescribed in Article 17-2, paragraph (1) of the Act on Financial Institutions' Merger and Conversion prior to amendment by the provisions of Article 168 of the Supplementary Provisions of the Act on Revision of Related Acts for the Financial System Reform (Act No. 107 of 1998) which are to remain in force pursuant to the provisions of Article 169 of the same Supplementary Provisions, and which is authorized pursuant to the provisions of Article 17-2, paragraph (1) of the Act on Financial Institutions'

Merger and Conversion prior to amendment (limited to a case in which a financial institution ceasing to exist as prescribed in that paragraph is a foreign exchange bank)) according to the provisions of Article 8, paragraph (1) of the Act on Financial Institutions' Merger and Conversion (Act No. 86 of 1968) (including as applied mutatis mutandis pursuant to Article 55, paragraph (4) of that Act).

(Prevention of Misidentification of a Monetary Claim and Deposit)

Article 13-5 (1) If a bank handles the following financial instruments, the bank must provide to a customer an explanation for preventing the customer from misidentifying those financial instruments as deposits, etc., by delivering documents or other appropriate methods, according to the method of their business and based on the customer's knowledge, experience, financial status, and purpose of conducting the transaction:

- (i) a monetary claim as prescribed in Article 10, paragraph (2), item (v) of the Act (excluding a monetary claim that is indicated with a deposit certificate of negotiable deposit issued in Japan);
 - (ii) the securities as set forth in Article 33, paragraph (2), items (i) through (iv) of the Financial Instruments and Exchange Act (excluding national government bond certificate, etc. and securities corresponding to those set forth in the preceding item); or
 - (iii) an insurance contract in which a person engaging in insurance business as prescribed in Article 2, paragraph (1) of the Insurance Business Act becomes an insurer.
- (2) If a bank provides the explanation as prescribed in the preceding paragraph, the bank is to explain the following particulars (excluding what is set forth in item (iii) and item (iv) in a case of corporate bonds (other than short-term bonds as set forth in Article 10, paragraph (3), item (i) of the Act) issued by the bank)
- (i) that the product is not a deposit, etc.;
 - (ii) that the product is not subject to receive payment of insurance money as prescribed in Article 53 of the Deposit Insurance Act;
 - (iii) that repayment of the principal is not guaranteed;
 - (iv) the main subject matter of the contract; and
 - (v) other information found to be of reference for the prevention of misidentification as a deposit, etc.
- (3) If a bank handles the financial instruments set forth in paragraph (1) at its business office, the bank must display those particulars set forth in items (i) through (iii) of the preceding paragraph in a place easily seen by customers.
- (4) If a bank concludes a trust contract without agreement for compensation of the principal based on the provisions of Article 10, paragraph (2), item (viii) of

or Article 12 of the Act, or acts as an agent or intermediary in the conclusion of such a contract, the bank must display that the trust contract does not have an agreement for compensation of the principal in a place easily seen by customers; and, if a bank concludes a trust contract pertaining to a monetary trust without agreement for compensation of the principal, or acts as an agent or intermediary in the conclusion of such a contract (excluding cases set forth in each item of Article 78 of the Order for Enforcement of Trust Business Act (Cabinet Office Order No. 107 of 2004)), the bank must explain those particulars set forth in each item of paragraph (2).

(Handling of Beneficiary Certificate by Renting a Business Site to Investment Trust Management Company)

Article 13-6 If an investment trust management company or an asset management company (meaning an asset management company as prescribed in Article 2, paragraph (19) of the Act on Investment Trusts and Investment Corporations; the same applies hereinafter) handles beneficiary certificates of investment trusts or foreign investment trusts, investment certificates, investment corporation bonds, or foreign mutual funds (hereinafter referred to as "beneficiary certificates, etc." in this Article) as prescribed in that Act by using part of a business office of a bank, the bank must clearly divide the location where the bank handles deposits, etc. from the location where the investment trust management company or the asset management company handles the beneficiary certificates, etc., and must take appropriate measures such as not placing displays that may cause misunderstanding for customers.

(Prevention of Misidentification of a Bank as Another Person)

Article 13-6-2 When a bank engages in its business by using a computer connected to a telecommunications line, the bank must take appropriate measures to prevent customers from misidentifying the bank as another person.

(Specified Transaction Account)

Article 13-6-3 (1) If a bank conducts a specified transaction and corresponds to all of the following requirements, the bank must establish a special account (hereinafter referred to as a "specified transaction account") in order to separate accounting for specified transactions and assets subject to specified transactions from accounting for other transactions and assets. Such a case does not preclude a bank which does not correspond to either of those requirements or a bank which does not correspond to any of those requirements from establishing a specified transaction account:

- (i) the largest amount out of the total amount of financial instrument security account and sold financial instrument bond account during the term from the

- end of the business year prior to the end of the latest business year (including the end of the latest interim period; hereinafter the same applies in this paragraph) to the end of the latest business year is 100 billion yen or more, and is equivalent to or more than ten percent of total assets at the end of the business year prior to the end of the latest business year; or
- (ii) the total amount of financial instrument security accounts and sold financial instrument bond accounts at the end of the latest business year is 100 billion yen or more, and is equivalent to or more than ten percent of the total assets at the end of the relevant business year.
- (2) The term "specified transaction" as used in the preceding paragraph means transactions other than those which correspond to securities-related derivative transactions out of market derivative transactions and foreign market derivative transactions that the bank conducts on the bank's own account; with the purpose of obtaining profit by using short-term changes in money rate, value of currencies, quotations on a financial instruments market (meaning a financial instruments market as prescribed in Article 2, paragraph (14) of the Financial Instruments and Exchange Act; the same applies hereinafter) and any other indicator (which is referred to as an "indicator" in paragraph (5)), by using differences among markets, or by using other means; or with the purpose of reducing loss that may be generated from transactions for that purpose, and the following transactions:
- (i) purchase and sale of securities (limited to, the purchase and sale of national government bonds, etc. (meaning national government bonds, local government bonds, or government guaranteed bonds (a corporate bond or other bond for which the redemption of principal and interest payments are guaranteed by the national government); hereinafter the same applies in this Article), the securities set forth in Article 2, paragraph (1), item (iv), item (v), and item (viii) of the Financial Instruments and Exchange Act (in cases of securities set forth in item (iv) and item (v) of that paragraph, excluding those pertaining to short-term bonds set forth in Article 10, paragraph (3), item (i) of the Act, short-term bonds set forth in item (v) of that paragraph, and specified short-term bonds set forth in item (vi) in that paragraph; hereinafter referred to as "specified transaction bonds" in this item), or securities or certificates issued by a foreign state or a foreign corporation that have characteristics of national government bonds or specified transaction bonds; and transactions set forth in Article 28, paragraph (8), item (iii), (a), and item (iv), (a) of the Financial Instruments and Exchange Act) and securities-related derivatives transactions (excluding transactions set forth in item (iii), sub-item (a) and item (iv), sub-item (a) of that paragraph, and those set forth in items (xiv) and (xv));
- (ii) acceptance of national government bonds, etc. (limited to a transaction that

- concludes a contract to obtain the remainder portion of the issued national government bonds, etc. if there is no other person that acquires all or part of those national government bonds, etc. upon the issuance of those national government bonds, etc.; the same applies in paragraph (5));
- (iii) acceptance of securities as prescribed in Article 15-17, paragraph (1), item (ii) of the Order for Enforcement of Financial Instruments and Exchange Act, and paragraph (3) of that Article (hereinafter referred to as "securities corresponding to assets" in this item and paragraph (5)) out of the securities set forth in Article 2, paragraph (1), item (iv) of the Financial Instruments and Exchange Act (excluding those pertaining to specified short-term bonds set forth in Article 10, paragraph (3), item (vi) of the Act), securities set forth in Article 2, paragraph (1), items (viii) and (xiii) of the Financial Instruments and Exchange Act, and securities set forth in item (v) of that paragraph (excluding those pertaining to short-term bonds set forth in Article 10, paragraph (3), item (i) of the Act, and short-term bonds set forth in item (v) of that paragraph; hereinafter the same applies in this item), and securities set forth in Article 2, paragraph (1), item (xvii) of the Financial Instruments and Exchange Act (upon the issuance of securities corresponding to assets, if there is no other person that acquires all or part of the securities corresponding to assets, limited to a transaction that concludes a contract to obtain the remainder portion; the same applies in paragraph (5));
 - (iv) an acquisition or transfer of a monetary claim (limited to monetary claims indicated by certificates as set forth in Article 12, item (i), item (ii), item (iv), item (vi) or item (vii), or yen-denominated bankers' acceptance (meaning bills of exchange indicated by Japanese currency out of those pertaining to trade that the bank or other financial institution has accepted));
 - (iv)-2 an acquisition or transfer of short-term bonds, etc. (meaning short-term bonds, etc., as prescribed in Article 10, paragraph (3) of the Act; the same applies hereinafter);
 - (v) an over-the-counter derivative transaction (meaning an over-the-counter derivative transaction as prescribed in Article 2, paragraph (22) of the Financial Instruments and Exchange Act; the same applies hereinafter) other than those corresponding to securities-related derivative transactions;
 - (vi) Deleted;
 - (vii) a forward foreign exchange transaction;
 - (viii) Deleted;
 - (ix) Deleted;
 - (x) a commodity derivative transaction;
 - (xi) transactions as set forth in Article 13-2-3, paragraph (1), item (ii);
 - (xii) Deleted;
 - (xiii) transactions as set forth in Article 13-2-3, paragraph (1), item (iii);

- (xiv) over-the-counter securities-related derivative transactions (meaning over-the-counter securities-related derivative transactions as prescribed in Article 10, paragraph (10) of the Act) which may be conducted pursuant to the provisions of paragraph (2), item (xvi) of that Article;
 - (xv) purchase and sale, or acceptance of securities pertaining to the business set forth in Article 11, item (ii) of the Act, and securities-related derivative transactions;
 - (xvi) acquisition or transfer of a carbon dioxide equivalent quota pertaining to the business set forth in Article 11, item (iv) of the Act; or
 - (xvii) in addition to transactions set forth in the preceding items, transactions similar to or having a close relationship with those transactions, market derivative transactions, and foreign market derivative transactions (excluding those corresponding to securities-related derivative transactions).
- (3) A bank which has established a specified transaction account (hereinafter referred to as a "bank with a specified transaction account") must not perform the following acts; provided, however, this does not apply when the bank performs the acts within the scope stated in the documents set forth in Article 35, paragraph (6), item (i), (e):
- (i) transferring transactions or assets which are dealt with as being subject to a specified transaction account, to an account other than a specified transaction account; or
 - (ii) transferring transactions or assets other than transactions or assets which are dealt with as being subject to a specified transaction account, to a specified transaction account.
- (4) Acts prescribed in the preceding paragraph are to include transactions set forth in paragraph (2), items (i) through (iv)-2 and item (xv) that are conducted between a specified transaction account and other accounts (including transactions which are defined to be a specified transaction pursuant to the provisions of item (xvii) of that paragraph as a transaction similar to or having a close relationship with those transactions) within a single bank.
- (5) A bank with a specified transaction account must take the necessary measures to conduct the accounting appropriately, with regard to calculations of the amount equivalent to profit or the amount equivalent to loss pertaining to unsettled specified transactions at the end of a business year, such as specifying those amounts as specified in the following items in accordance with the transaction categories set forth in those items:
- (i) market derivative transactions and foreign market derivative transactions (excluding those corresponding to securities-related derivative transactions): the amount based on the difference to be settled when the transaction is deemed to be settled at the closing price on the closing date of the business year at the financial instruments exchange (meaning a financial instruments

- exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act; the same applies hereinafter) or a foreign financial instruments market, or the amount calculated as equivalent to this by a reasonable way;
- (ii) over-the-counter derivative transactions (excluding transactions set forth in Article 2, paragraph (22), item (iii), item (iv), and item (vi) of the Financial Instruments and Exchange Act and those corresponding to securities-related derivative transactions) and forward foreign exchange transactions: the promised amount to be settled between the parties by those transactions (the amount calculated based on the prospective indicator value if the amount is not fixed on the closing day of the business year) after discounting to the current value on the closing day of the business year by a reasonable way;
 - (iii) over-the-counter derivative transactions (limited to the transactions set forth in Article 2, paragraph (22), item (iii) and item (iv) of the Financial Instruments and Exchange Act, and excluding those corresponding to securities-related derivative transactions) and transactions set forth in Article 13-2-3, paragraph (1), item (iii): the amount calculated by a reasonable way using the promised amount to be settled between the parties by exercise of rights as the current value of the closing day of the business year of the relevant transaction (the amount calculated based on the prospective indicator value if the amount is not fixed on the closing day of the business year), the indicator value pertaining to the exercise of rights on the closing day of the business year, and the volatility of the prospective indicator; or
 - (iv) purchase and sale of option bonds (meaning a transaction in which one of the parties has the right to specify the settlement date, and in which that contract for purchase and sale will be canceled if that right is not exercised within a certain period), acceptance of national government bonds, etc., acceptance of securities corresponding to assets, over-the-counter derivative transactions (excluding those corresponding to transactions as set forth in the preceding two items), and commodity derivative transactions: the amount calculated as equivalent to the amount set forth in the preceding items by a reasonable way.

(Entrusting Another Person with Administrative Processes for Receiving and Paying Out Deposits)

Article 13-6-4 If a bank entrusts a third party with the administrative processes involved in receiving or paying out money in relation to deposit or fund lending services (excluding cases in which a bank entrusts these services to a bank agent as bank agency services), it must take any measures listed in the following items:

- (i) all of the following measures, if a bank undertakes administrative processes involved in receiving or paying out money in relation to deposit or fund lending services using a cash dispenser or automatic teller machine (hereinafter referred to as "cash dispenser or ATM-based administrative processes for receiving or paying out money" in this Article):
 - (a) measures to entrust a person specified separately by the Commissioner of the Financial Services Agency as one with the experience in the business of managing cash dispensers or automatic teller machines to prevent problems with cash dispenser or ATM-based administrative processes for receiving or paying out money, with these services (if it entrusts a person with the administrative processes involved in receiving or paying out money in relation to fund lending services (excluding a contract which uses as security either a customer's deposits, etc. or national government bonds that a bank has received), excluding a person that engages in the duties specified separately by the Commissioner of the Financial Services Agency as its main business);
 - (b) appropriate measures to prevent leakage of information on customers; and
 - (c) proper measures to prevent customers from mistaking the bank for any other person such as the person entrusted with cash dispenser or ATM-based administrative processes for receiving or paying out money; and
- (ii) all of the following measures, in the case in which a bank pays out money (excluding those corresponding to cash dispenser or ATM-based administrative processes for receiving or paying out money) in relation to deposit or fund lending services, if customers use cards, etc. (meaning a card or other things, or a number, symbol or other codes, that is possible to purchase products or rights, or to receive provision of services for a fee by presenting them or notifying them; the same applies in sub-item (f)), or transmit information from the electronic devices used by the customers to the computers used by the bank via telecommunication lines, and input their identification codes prescribed in Article 2, paragraph (2) of the Act on Prohibition of Unauthorized Computer Access (Act No. 128 of 1999) for deposits or loan of funds (limited to loan of funds in the case where the amount claimed for withdrawal of deposit by the customer exceeds the balance of the deposit and the bank lends the amount of money corresponding to the exceeding amount within the limit of the maximum amount; the same applies in this item)
 - (a) measures to entrust a person capable of executing the administrative processes involved in paying out money in relation to deposit or fund lending services precisely, fairly, and efficiently in order to prevent problems with the services;

- (b) appropriate measures to prevent leakage of information on customers;
- (c) proper measures to prevent customers from mistaking the bank for a person entrusted with the administrative processes involved in paying out money in relation to deposit or fund lending services (referred to as the "entrusted person" in sub-item (d) and sub-item (f)) or any other person;
- (d) measures to clarify the division of roles between the bank and the entrusted person in the course of performing the administrative processes involved in paying out money in relation to deposit or fund lending services, if the bank entrusts a person with these services;
- (e) measures to ensure the accuracy of the administrative processes involved in paying out money in relation to deposit or fund lending services;
- (f) measures to clarify the sharing of losses between the bank, the entrusted person, and the customer, if the customer incurs any loss due to the computer and terminal unit used for processing the cards, etc. or the computer and electronic device used for processing the information transmitted by the customer having been operated by an unauthorized person; and
- (g) measures to set the maximum amount for the paying out of money in relation to deposit or fund lending services, and to prevent money from being paid out beyond the maximum amount.

(Safety Management Measures of Individual Customer Information)

Article 13-6-5 If a bank entrusts the safety management of information handled by the bank concerning individual customers, the supervision of employees, and the handling of that information, the bank must take necessary and appropriate measures on the supervision of the outsourced contractor in order to prevent leakage, loss, or damage of that information.

(Handling of Debt-Paying Ability Information)

Article 13-6-6 A bank must take measures to ensure that information which is provided by an institution (meaning an institution that collects information on debt-paying ability of consumers seeking funds and provides the information to a bank) on credit information and that concerns the debt-paying ability of individual consumers seeking funds is not used for purposes other than investigation of debt-paying ability of the consumers seeking funds.

(Handling of Special Non-Disclosure Information)

Article 13-6-7 A bank must take measures to ensure that information handled by the bank about race, creed, family status, registered domicile, health and medical, or criminal recordson individual customers, and other special non-disclosure information (meaning information which is obtained in the course of

its business and not publicly disclosed) are not used for purposes other than those for securing appropriate management of the business and other necessary purposes.

(Measures to Ensure Precise Execution of Entrusted Business)

Article 13-6-8 (1) If a bank entrusts a third party with its business (excluding a case in which the bank holding company belonging to the bank holding company group (meaning the bank holding company group prescribed in Article 12-2, paragraph (3), item (i) of the Act; the same applies hereinafter) to which the bank belongs takes measures to ensure the precise execution of the business pursuant to the provisions of the following paragraph), it must take the following measures in accordance with the contents of the business:

- (i) measures to entrust the business to a person that has the ability to execute it precisely, fairly, and efficiently;
- (ii) measures to provide necessary and appropriate supervision to the person that has been entrusted with the business (hereinafter referred to as the "entrusted person" in this paragraph), in order to inspect whether the entrusted person is executing the business precisely and have the entrusted person improve the business as needed, by way of confirming the implementation status of the business periodically or as needed,;
- (iii) measures necessary for dealing with customer complaints pertaining to the business executed by the entrusted person appropriately and promptly;
- (iv) in cases of a situation in which the entrusted person is unable to appropriately execute the business, measures to prevent problems with the protection of customers pertaining to the business, such as promptly entrusting that business to another appropriate third person; or
- (v) if it is necessary to ensure the sound and appropriate management of the bank's services and to protect the customers of those services, measures to take the necessary measures, such as for amending or for cancelling a contract pertaining to entrustment of the business.

(2) A bank holding company that takes measures to ensure the precise execution of the relevant business pursuant to the provisions of Article 12-2, paragraph (3), item (i) of the Act must take measures to ensure the formulation and implementation of a policy on business management at the bank holding company with the following particulars:

- (i) the bank holding company entrusts the business to a company that belongs to the bank holding company group and has the ability to execute the business precisely, fairly and efficiently;
- (ii) the bank holding company provides necessary and appropriate supervision to the person that has been entrusted with the business (hereinafter referred to as the "entrusted person" in this paragraph), in order to inspect whether

the entrusted person is executing the business precisely and have the entrusted person improve the business as needed, by confirming the performance of the business by the entrusted person periodically or as needed;

- (iii) the bank holding company deals with customer complaints pertaining to the business executed by the entrusted person appropriately and promptly;
- (iv) in cases of a situation in which the entrusted person is unable to execute the business appropriately, the bank holding company requests two or more companies belonging to the bank holding company group that have entrusted that person with their business to take measures to prevent problems with the protection of customers pertaining to the business, such as immediately entrusting the business to another appropriate third person; and
- (v) if it is necessary to ensure the sound and appropriate management of the business of two or more companies that belong to the bank holding company group entrusted with the business, and for protecting customers pertaining to the business, the bank holding company requests these companies to take necessary measures, such as amending or cancelling the contract pertaining to entrustment of the business.

(Internal Regulations)

Article 13-7 A bank, in accordance with the content and method of its business, must set up internal regulations, etc. (meaning internal regulations and other things that are equivalent; the same applies hereinafter) on measures to provide customers with an explanation of important particulars taking into account of a customer's knowledge, experience, status of assets, and purposes of conducting a transaction and other measures in order to secure sound and appropriate business management (including the explanation of financial instruments, transactions, and their risks and measures taken by the bank as prescribed in Article 12-3, paragraph (1) of the Act by delivery of documents and other appropriate means, and measures to prevent crime), and must develop training programs for employees and other system to adequately manage its business based on the internal regulations, etc.

(Complaint Handling Measures and Dispute Resolution Measures on Banking Services)

Article 13-8 (1) The measures specified by Cabinet Office Order as complaint processing measures, provided in Article 12-3, paragraph (1), item (ii) of the Act means measures as in one of the following items:

- (i) taking all of the following measures:
 - (a) developing a business operation system allowing the bank to fairly and appropriately carry out operations involving the handling of complaints

- related to banking services (meaning complaints related to banking services prescribed in Article 2, paragraph (22) of the Act; hereinafter the same applies in this paragraph and paragraph (3));
- (b) developing internal regulations to fairly and appropriately carry out operations involving the handling of complaints related to banking services (limited to those including a regulation that clarifies the sharing of responsibility on the operations in the company);
 - (c) making the place to address complaints related to banking services well known to the customers and publicly disclosing the business operation system in sub-item (a) and the internal regulations in sub-item (b).
- (ii) handling complaints related to banking services through complaint resolution by a financial instruments firms association (meaning an authorized financial instruments firms association as prescribed in Article 2, paragraph (13) of the Financial Instruments and Exchange Act or the certified financial instruments firms association prescribed in Article 78, paragraph (2) of that Act; the same applies in the following paragraph, item (i)) or a certified investor protection organization (meaning a certified investor protection organization prescribed in Article 79-10, paragraph (1) of that Act; the same applies hereinafter) pursuant to Article 77, paragraph (1) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Articles 78-6 and 79-12 of that Act);
 - (iii) handling complaints related to banking services through the mediation prescribed in Article 19, paragraph (1) or Article 25 of the Consumer Basic Act (Act No. 78 of 1968);
 - (iv) handling complaints related to banking services through the complaint handling procedures performed by a person that has received a designation as set forth in the items of Article 16-14 of the Order;
 - (v) handling complaints related to banking services through complaint handling procedures performed by a corporation that has a sufficient financial basis and personnel structure to fairly and appropriately carry out operations involving the handling of complaints related to banking services (meaning the corporation prescribed in Article 52-62, paragraph (1), item (i) of the Act; the same applies in item (v) of the following paragraph).
- (2) The measures specified by Cabinet Office Order as dispute resolution measures, provided in Article 12-3, paragraph (1), item (ii) of the Act means any of the following items:
- (i) to resolve disputes related to banking services (meaning the disputes related to banking services prescribed in Article 2, paragraph (23) of the Act; hereinafter the same applies in this Article) through the mediation (meaning the mediation prescribed in Article 77-2, paragraph (1) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis

- pursuant to Articles 78-7 and Article 79-13 of that Act)) offered by a financial instruments firms association or certified investor protection organization;
- (ii) to resolve disputes related to banking services through mediation by an organization prescribed in the articles of association prescribed in Article 33, paragraph (1) of the Attorney Act (Act No. 205 of 1949) or a regulation prescribed in the articles of association or through arbitration procedures at the organization;
 - (iii) to resolve disputes related to banking services through mediation prescribed in Article 19, paragraph (1) or Article 25 of the Consumer Basic Act or through settlement by agreement prescribed in that Article;
 - (iv) to resolve disputes related to banking services through a procedure for resolving disputes performed by a person that received any of the designation set forth in the items of Article 16-14 of the Order;
 - (v) to resolve disputes related to banking services through procedures for resolving disputes performed by a corporation having a financial basis and personnel structure sufficient to fairly and appropriately carry out operations involving the resolution of disputes related to banking services.
- (3) Notwithstanding the provisions of the preceding two paragraphs (limited to paragraph (1), item (v) and item (v) of the preceding paragraph), a bank must not handle complaints related to banking services or resolve disputes related to banking services through procedures performed by a corporation that falls under any of the following items:
- (i) a corporation that was sentenced to a fine pursuant to the provisions of the Act or the Attorney Act if five years have not passed from the date when it completed or was relieved from the execution of the sentence.
 - (ii) a corporation whose designation under Article 52-62, paragraph (1) of the Act was revoked pursuant to the provisions of Article 52-84, paragraph (1) of the Act if five years have not passed from the date of that revocation; or a corporation whose designation set forth in any of the items of Article 16-14 of the Order was revoked if five years have not passed from the date of that revocation;
 - (iii) a corporation which has any officer in charge of its business (if an officer is a corporation, including a person responsible for performing the duties thereof; hereinafter the same applies in this item) that falls under any of the following:
 - (a) a person that was sentenced to imprisonment without work or a severer punishment or sentenced to punishment pursuant to the provisions of the Act or the Attorney Act if five years have not passed from the date when the person completed or was relieved from the execution of the sentence;
 - (b) a person that was an officer of a corporation within one month prior to the date on which the designation of that corporation under Article 52-62,

paragraph (1) of the Act was revoked pursuant to the provisions of Article 52-84, paragraph (1) of the Act if five years have not passed from the date of the revocation; or a person that was an officer of a corporation within one month prior to the date on which the designation of that corporation as set forth in any of the items of Article 16-14 of the Order was revoked, if five years have not passed from the date of the revocation.

(Person Equivalent to a Corporation Which Holds the Single Person Itself as a Combined Subsidiary Corporations)

Article 13-9 The person specified by Cabinet Office Order that is provided for in Article 4, paragraph (1), item (i), (b) of the Order is the single person itself (meaning the single person itself prescribed in that paragraph) that is a company, or the parent company of a corporation, etc. that holds the single person itself as a combined subsidiary corporation, etc. (meaning the combined subsidiary corporation, etc. prescribed in paragraph (2) of that Article; hereinafter the same applies in this Article) (limited to the cases in which the single person itself or the corporation, etc. falls under the category of a company submitting consolidated financial statements (meaning the person prescribed in Article 2, item (i) of the Regulation on Consolidated Financial Statements; hereinafter the same applies in this Article, item (i) of the following Article, and Article 13-11, paragraph (1), item (i))) (the parent company mentioned herein means the parent company prescribed in Article 8, paragraph (3) of the Regulation on Financial Statements, etc.; excluding a corporation, etc. that holds the single person itself (limited to one that is a company submitting consolidated financial statements) as a combined subsidiary corporation, etc.).

(Corporations Subject to Consolidated Accounting Approach for Debtors)

Article 13-10 The person specified by Cabinet Office Order as a corporation, etc. that is required to prepare its financial statements and any other documents on a consolidated basis, as prescribed in the parentheses in Article 4, paragraph (2), item (i) of the Order, means a corporation, etc. that falls under any of the following items:

- (i) a company submitting consolidated financial statements;
- (ii) a bank which is required to prepare documents pursuant to the provisions of the first sentence of Article 21, paragraph (2) of the Act or any other person that is required to prepare its financial statements and other documents on a consolidated basis pursuant to the provisions of other laws and regulations similar to the provisions of the first sentence of that paragraph (excluding the person set forth in the preceding item); or
- (iii) a person that is required to prepare its financial statements and any other

documents on a consolidated basis pursuant to the provisions of the laws and regulations of a foreign state equivalent to the provisions of the Regulation on Consolidated Financial Statements or of the laws and regulations referred to in the preceding item (excluding the persons set forth in the preceding two items).

(Corporation, etc. and Consolidated Affiliated Corporation, etc. That Controls a Decision-Making Organ)

Article 13-11 (1) The first corporation, etc. that controls the decision-making organ of a second corporation which is specified by Cabinet Office Order, as provided for in Article 4, paragraph (2), item (i) of the Order, means a person as specified in the following items in accordance with the category of corporation, etc. subject to consolidated accounting approach for debtors (meaning the corporation, etc. subject to consolidated accounting approach for debtors prescribed in item (i) of that paragraph; hereinafter the same applies in this Article) set forth in each item:

(i) in the case of the person set forth in item (i) of the preceding Article (excluding a foreign company prescribed in Article 1-3 of the Regulation on Financial Statements, etc.; specified company complying with designated international accounting standards referred to in Article 93 of the Regulation on Consolidated Financial Statements which is allowed to conform to the designated international accounting standards prescribed in that Article for the terminology, forms and preparation methods of consolidated financial statements submitted thereby pursuant to the provisions of that Article, and which conforms to those standards; a specified company complying with Japan's modified international standards referred to in Article 94 of the Regulation on Consolidated Financial Statements which is allowed to conform to Japan's modified international standards for the terminology, forms and preparation methods of consolidated financial statements submitted thereby pursuant to the provisions of that Article, and which conforms to those standards; and a company that submits consolidated financial statements which is allowed to conform to the terminology, forms, and preparation methods required with regard to issuance, etc. of American Depositary Receipts for the terminology, forms and preparation methods of consolidated financial statements submitted thereby pursuant to the provisions of Article 95 of the Regulation of Consolidated Financial Statements, and which conforms to the relevant terminology, forms and preparation methods regarding American Depositary Receipts): a company that submits consolidated financial statements which controls a decision-making organ (meaning the decision-making organ prescribed in Article 8, paragraph (3) of the Regulation on Financial Statements, etc.; hereinafter

the same applies in this paragraph) of another company, etc. (meaning the company, etc. prescribed in Article 1, paragraph (3), item (v) of the Regulation on Financial Statements, etc.; hereinafter the same applies in this paragraph) pursuant to the provisions of Article 8, paragraph (4) of the Regulation on Financial Statements, etc. (excluding a company that submits consolidated financial statements if it is found to be apparent from the relevant financial or business relationship, that that company does not control the decision-making organ of the other corporation, etc.); and

(ii) in cases other than the case set forth in the preceding item: a person similar to the one specified in that item.

(2) The person specified by Cabinet Office Order that is provided for in Article 4, paragraph (3) of the Order means a person as specified in the following items in accordance with the category set forth in each item (in the case of a person subject to consolidated credit amount (meaning the person subject to consolidated credit amount prescribed in paragraph (1) of that Article), excluding the person specified by the Commissioner of the Financial Services Agency):

- (i) in the case set forth in item (i) of the preceding paragraph: an affiliated company (meaning the affiliated company prescribed in Article 2, item (vii) of the Regulation on Consolidated Financial Statements) of a corporation, etc. subject to consolidated accounting approach for debtors; and
- (ii) in the case set forth in item (ii) of the preceding paragraph: a person similar to the one specified in the preceding item.

(Extending Credit or Making Contribution to a Single Person)

Article 14 (1) Those specified by Cabinet Office Order as loans which are provided for in Article 4, paragraph (4), item (i) of the Order means lending of funds or discounting of bills and notes that have been recorded in the loan account of a balance sheet (hereinafter referred to as a "balance sheet" in this Article) as prescribed in item (iii) of the Appended Form (the Appended Form No. 3-2, in the case of a bank with a specified transaction account; or the Appended Form No. 4, in the case of a foreign bank branch (the Appended Form No. 4-2, in the case in which that foreign bank branch that falls under Article 35, paragraph (1), item (xviii) and submitted a notification under Article 53 of the Act (hereinafter referred to as a "foreign bank branch that submitted a notification of specified transaction account")))).

(2) Those specified by Cabinet Office Order as guarantee of obligations as provided in Article 4, paragraph (4), item (ii) of the Order means the accounts to be recorded in the customers' liabilities for acceptances and guarantees account item of the balance sheet.

(3) Those specified by Cabinet Office Order as making of contribution as provided

- in Article 4, paragraph (4), item (iii) of the Order means the accounts to be recorded as shares or contribution (including rights indicated on securities or certificates issued by a foreign corporation that have the nature of shares or a contribution) in the securities account item of the balance sheet.
- (4) Those specified by Cabinet Office Order that are provided for in Article 4, paragraph (4), item (iv) of the Order means the accounts specified in the following items:
- (i) holding of corporate bonds that are recorded as corporate bonds in the securities account item of the balance sheet, and of which the solicitation of an offer for acquisition of the company bonds at the time of issuance corresponded to the private offering of securities as prescribed in Article 2, paragraph (3) of the Financial Instruments and Exchange Act;
 - (ii) out of the items that are recorded as corporate bonds in the securities account item of the balance sheet, those other than holdings of corporate bonds as set forth in the preceding item;
 - (iii) any item recorded in the account for monetary claims bought of the balance sheet as a promissory note prescribed in Article 2, paragraph (1), item (xv) of the Financial Instruments and Exchange Act (referred to as a "promissory note" in the following item);
 - (iv) any item recorded in the specified transaction account of the balance sheet as a promissory note or as short-term bonds, etc.;
 - (v) any item calculated in accordance with standards specified by the Commissioner of the Financial Services Agency as granting of credit related to a derivatives transaction; or
 - (vi) any item recorded in the lease-based investment account of the balance sheet (including incidental costs that are necessary in order to allow the use of the leased article prescribed in Article 10, paragraph (2), item (xviii), (a) of the Act, if the amount of those incidental costs is not recorded in the lease-based investment account).
- (5) The provisions of paragraph (2) and the preceding paragraph do not apply to granting of credit or making of contribution (meaning granting of credit or making of contribution as prescribed in the main clause of Article 13, paragraph (1) of the Act; hereinafter the same applies in this Article through Article 14-3, Article 14-5, and Article 14-6) to a bank's clearing organization (meaning an organization which provides certain information to a bank (including a bank other than the relevant bank), a financial instruments clearing organization (meaning a financial instruments clearing organization as prescribed in Article 2, paragraph (29) of the Financial Instruments and Exchange Act), a commodity clearing organization (meaning a commodity clearing organization as prescribed in Article 2, paragraph (18) of the Commodity Futures Act), or a foreign organization equivalent to these

organizations (limited to an organization which is established in a foreign state where an appropriate framework of regulations and supervision is established and is subject to the regulations and supervision; hereinafter the same applies in this paragraph); hereinafter the same applies in this paragraph), which is related to the services conducted by the clearing organization (meaning financial instruments obligation assumption services, etc. as prescribed in Article 156-3, paragraph (1), item (vi) of the Financial Instruments and Exchange Act, commodity transaction obligation assumption services, etc. as prescribed in Article 170, paragraph (2) of the Commodity Futures Act, and the same type of services as those services which are conducted by a foreign organization) or which is specified by the Commissioner of the Financial Services Agency.

- (6) Granting of credit or making of contribution conducted indirectly backed by a single asset or multiple assets (referred to as "underlying assets" in this paragraph) as security (referred to as the "indirect grant of credit or making of a contribution" in this paragraph), which is conducted through a transaction specified by the Commissioner of the Financial Services Agency, is deemed to be granting of credit or making of a contribution to a person that assumes an obligation related to each of the individual assets and transactions that constitute the underlying assets (hereinafter referred to as "each underlying asset, etc." in this paragraph) or any other person to which the credit has been indirectly extended or contribution have been indirectly made, and the amount in which credit has been extended or contribution have been made is to be recorded or calculated by a method specified by the Commissioner of the Financial Services Agency; provided, however, that this does not apply if the amount in which credit has been granted or contribution has been made for each underlying asset, etc. as recorded or calculated by that method falls below an amount equivalent to 0.25 percent of the amount of equity capital provided for in the main clause of Article 13, paragraph (1) of the Act, or in the case specified by the Commissioner of the Financial Services Agency as one in which it is inappropriate to apply that method to record or calculate the amount in which credit has been granted or contribution have been made.

(Necessary Matters in Applying the Provisions of Article 13, paragraph (1) of the Act)

- Article 14-2 (1) The amount in which a bank grants credit or makes contribution to a single person (meaning a single person as prescribed in the main clause of Article 13, paragraph (1) of the Act; the same applies hereinafter) (referred to as the "total amount of credit and contribution to a single entity" in the following paragraph and Article 14-5, paragraph (2), item (i)) is to be calculated by deducting the total amount as set forth in the following items in

relation to the single person from the total amount in which the relevant bank has granted credit or made contribution (excluding granting of credit or making of contribution for which claims held against and obligations owed to a person specified by the Commissioner of the Financial Services Agency such as a bank are settled on the same day) that is recorded or calculated pursuant to the provisions of each paragraph of the preceding Article in relation to a single person:

- (i) total sum of the following amounts associated with a loan as prescribed in paragraph (1) of the preceding Article:
 - (a) the amount of security out of the amount of loans secured by claims pertaining to a deposit, etc. in the bank;
 - (b) the amount of the security out of the amount of loans secured by national government bonds or local government bonds;
 - (c) the amount of collateral out of the amount of loans secured on insurance claim rights for general trade insurance prescribed in Article 44, paragraph (2) of the Trade and Investment Insurance Act (Act No. 67 of 1950) that covers the losses referred to in item (ii) of that paragraph (excluding losses incurred by a trade intermediary prescribed in Article 2, paragraph (4) of that Act because of the inability to collect the cost or lease fees for the cargo due to grounds falling under any of the sub-items (a) through (e) of Article 44, paragraph (2), item (ii) of that Act, when the trade intermediary sells or leases the cargo based on an intermediary trade contract prescribed in paragraph (3) of that Article), and for the Buyer's Credit Insurance prescribed in Article 51, paragraph (2) of that Act that covers the losses incurred by a person that has acquired claims for loans to be allocated for use as funds to be allocated to the payment of the fees, etc. on things set forth in Article 13, item (i) or item (iii) of that Article by a Japanese corporation or Japanese national, or, foreign corporation or foreign national, to a foreign government, etc. prescribed in Article 2, paragraph (5) of that Act, foreign corporation, or foreign national, because of the person's inability to collect the loans, etc. prescribed in Article 51, paragraph (2) of that Act due to grounds falling under any of the items of that paragraph; or the amount insured out of the amount of loans covered by the Overseas Untied Loan Insurance prescribed in Article 71, paragraph (2) of that Act;
 - (d) the amount of loans (limited to those for which maturity of payment occurs within six months after the receipt of shipping documents pertaining to the cargo) in Japanese currency pertaining to settlement of the price of the cargo (including transportation cost or insurance premium pertaining to the cargo) to an importer of the cargo; and
 - (e) the insurance amount out of the amount of loans for which debt is

- guaranteed by a credit guarantee corporation and the guarantee is insured by the Japan Finance Corporation for Small and Medium Enterprise;
- (ii) total sum of the following amount pertaining to the guarantee of obligation prescribed in paragraph (2) of the preceding Article:
 - (a) the amount of obligation guarantee associated with a person's actions as an agent for the services of a corporation for which the budget must obtain a resolution or an approval of the Diet, pursuant to the provisions of laws;
 - (b) the amount of acceptance or endorsement of bills and notes which is to be paid by a bank or other financial institutions;
 - (c) the amount that the bank provides as guarantees for security, etc. of suspension of collection of national tax or local tax or for deferred payment of national tax or local tax;
 - (d) the amount of guaranteeing or acceptance of bills and notes made along with import transactions; and
 - (e) the insurance amount out the amount guaranteed covered by Overseas Untied Loan Insurance as prescribed in Article 71, paragraph (2) of the Trade and Investment Insurance Act;
 - (iii) the difference between the amount recorded in the balance sheet and the book value if shares or contribution as prescribed in paragraph (3) of the preceding Article constitutes other securities as prescribed in Article 8, paragraph (22) of the Regulation on Financial Statements, etc. and the amount recorded in the balance sheet exceeds the book value;
 - (iv) the amount equivalent to the amount of obligation guarantee provided by a credit guarantee corporation in relation to corporate bonds as set forth in paragraph (4), item (i) of the preceding Article (limited to the amount equivalent to the insurance amount out of the amount of the guarantee insured by the Japan Finance Corporation);
 - (v) total sum of the following amounts in relation to the particulars set forth in paragraph (4), items (i) through (iv) of the preceding Article:
 - (a) the amount of security out of things secured by a claim pertaining to a deposit, etc. of the bank; and
 - (b) the amount of collateral out of the things that use national government bonds or local government bonds as collateral;
 - (vi) the amount specified by the Commissioner of the Financial Services Agency as equivalent to the amount as set forth in each preceding item.
- (2) When a bank calculates the capital adequacy ratio (meaning the ratio arrived at by the formula associated with the criterion set forth in Article 14-2, item (i) of the Act), if it applies a means specified by the Commissioner of the Financial Services Agency as a means provided to secure a bank's claim arising from granting of credit or making of contribution to a single person, such as collateral, insurance, and guarantee of obligations (hereinafter referred to as a

- "credit risk mitigation technique" in this paragraph), notwithstanding the provisions of the preceding paragraph, the bank is to deduct the amount secured by the credit risk mitigation technique from the total amount in which the bank grants credit or makes a contribution as recorded or calculated pursuant to the provisions of the paragraphs of the preceding Article for the single person in the process of calculating the total amount of credit and contribution to a single entity as it regards that single person. In this case, the amount to be secured by the credit risk mitigation technique is deemed to be granting of credit or making of contribution to a person that assumes an obligation, etc. through the credit risk mitigation technique (if there is an issuer connected with the credit risk mitigation technique, the issuer; hereinafter referred to as a "provider of collateral, etc." in this paragraph), and it is to be aggregated with the amount in which other credit has been granted or other contribution have been made to that provider of collateral, etc.; provided, however, that if a bank applies a credit risk mitigation technique specified by the Commissioner of the Financial Services Agency, the bank is not required to deem the amount secured by that credit risk mitigation technique to be a grant of credit or the making of a contribution and to aggregate the secured amount with the amount in which other credit has been granted or other contribution have been made to the provider of collateral, etc.
- (3) The amount of equity capital as prescribed in the main clause of Article 13, paragraph (1) of the Act is the amount of equity capital calculated in accordance with the standards set forth in Article 14-2, item (i) of the Act to which the amount of necessary adjustments are added as specified by the Commissioner of the Financial Services Agency.
- (3) A bank, in whatever name it is performed, must not conduct a transaction or an act in order to evade the prohibitions under the main clause of Article 13, paragraph (1) of the Act.

(When There Is a Compelling Reason for Exceeding the Limit on Granting of Credit)

- Article 14-3 (1) A business of vital importance to the national economy as specified by Cabinet Office Order that is provided for in Article 4, paragraph (7), item (ii) of the Order means the general electricity transmission and distribution business prescribed in Article 2, paragraph (1), item (viii) of the Electricity Business Act (Act No. 170 of 1964).
- (2) The reason specified by Cabinet Office Order that is provided for in Article 4, paragraph (7), item (iv) of the Order means any of the following reasons:
- (i) the bank obtains an approval as specified in Article 61, paragraph (1) or Article 126-29, paragraph (1) of the Deposit Insurance Act or mediation as specified in Article 62, paragraph (1) or Article 126-30 of that Act, and then

conducts a merger, etc., as prescribed in Article 59, paragraph (2) of that Act or a specified merger, etc. prescribed in Article 126-28, paragraph (2) of that Act;

- (ii) the amount of equity capital is reduced temporarily due to reduction of stated capital of the bank (limited to the case in which situation of the credit and contribution exceeding the limit will be promptly resolved due to capital increase, etc.); and
 - (iii) other things found to be appropriate as equivalent to the preceding two items by the Commissioner of the Financial Services Agency.
- (3) If a bank seeks to obtain an approval to grant credit or make a contribution to a single person pursuant to the proviso of Article 13, paragraph (1) of the Act in an amount that exceeds the limit on credit and contribution as prescribed in the main clause of that paragraph, the bank must attach the following documents to the written application for approval and submit them to the Commissioner of the Financial Services Agency or other competent authorities:
- (i) a written statement of reasons;
 - (ii) a document stating the financial plan of the person to which credit will be granted or a contribution will be made; and
 - (iii) other documents giving particulars found to be necessary by the Commissioner of the Financial Services Agency.

(Person in a Unique Relationship with the Bank)

Article 14-4 A person that has a unique relationship with a bank as specified by Cabinet Office Order that is provided for in the first sentence of Article 13, paragraph (2) of the Act means a subsidiary corporation, etc. of the bank (meaning a subsidiary corporation, etc., as prescribed in Article 4-2, paragraph (2) of the Order, and excluding a person specified by the Commissioner of the Financial Services Agency; the same applies in paragraph (2), item (ii) of the following Article and Article 14-6-2).

(Necessary Matters in Applying Provisions of Article 13, paragraph (2) of the Act)

Article 14-5 (1) The total amount of credit that has been granted or contribution that has been made to a single person by the bank and its subsidiary company, etc., or just by its subsidiary company, etc. as prescribed in the first sentence of Article 13, paragraph (2) of the Act is to be calculated by deducting the amount subject to the adjustment associated with that single person from the total amount of consolidated credit and contribution.

- (2) The term "total amount of consolidated credit and contribution" as prescribed in the preceding paragraph means the total amount of the amounts set forth in each of the following items:

- (i) the total amount of credit and contribution to a single entity calculated pursuant to the provisions of Article 14-2, paragraphs (1) and (2) with regard to the bank; and
 - (ii) total amount of credit that has been granted or contribution that has been made calculated for a subsidiary corporation, etc. of the bank, pursuant to the examples in the provisions of Article 14-2, paragraphs (1) and (2).
- (3) The term "amount subject to adjustment" as prescribed in paragraph (1) means the amount guaranteed by the bank or other subsidiary company, etc. out of the amount of funds lent by the subsidiary company, etc. (meaning a subsidiary company, etc., as prescribed in the first sentence of Article 13, paragraph (2) of the Act; hereinafter the same applies in this Article) and other amounts as specified by the Commissioner of the Financial Services Agency.
- (4) The net total amount of equity capital as prescribed in first sentence of Article 13, paragraph (2) of the Act is the amount of equity capital calculated in accordance with the standards set forth in Article 14-2, item (ii) of the Act to which the amount of necessary adjustments are added as specified by the Commissioner of the Financial Services Agency.
- (5) A bank, in whatever name it is performed, must not conduct a transaction or an act in order to evade the prohibitions pursuant to the provisions of the first sentence of Article 13, paragraph (1) of the Act.

(When There Is a Compelling Reason for Exceeding the Total Sum of Limit on Granting of Credit)

- Article 14-6 (1) The provisions of Article 14-3, paragraph (2) apply mutatis mutandis to reasons as specified by Cabinet Office Order that are provided for in Article 4, paragraph (12), item (v) of the Order (including as applied mutatis mutandis pursuant to Article 16-2-3, paragraph (5) of the Order following the deemed replacement of terms). In this case, the term "the bank" in Article 14-3, paragraph (2), item (i) and item (ii) is deemed to be replaced with "the bank or its subsidiary company, etc."; the term "amount of equity capital" in item (ii) of that paragraph is deemed to be replaced with "net total amount of equity capital"; and the term "limit on credit and contribution" in that item is deemed to be replaced with "consolidated limit on credit and contribution"
- (2) If a bank seeks approval under Article 13, proviso of paragraph (1) of the Act as applied mutatis mutandis pursuant to second sentence of paragraph (2) of that Article, for either the bank and its subsidiary companies, etc. or just its subsidiary company, etc. to extend credit or make a contribution to a single person that exceeds the consolidated limit on credit and contribution as prescribed in the first sentence of paragraph (2) of that Article, the bank must attach the documents as set forth in each item of Article 14-3, paragraph (3) to a written application for approval and submit them to the Commissioner of the

Financial Services Agency or other competent authority

(Other Party to Extension of Credit or Making of Contribution to Which Article 13, Paragraphs (1) and (2) of the Act Do Not Apply)

Article 14-6-2 A person that is deemed to be identical, in substance, to a bank that itself extends credit and makes contribution or to its subsidiary company, etc., as provided for in Article 13, paragraph (3), item (ii) of the Act, is that bank or a subsidiary company, etc. of that bank.

(Specified Related Parties of a Bank)

Article 14-7 (1) A person as specified by Cabinet Office Order that is provided for in Article 4-2, paragraph (2) of the Order means a corporation, etc. (meaning a corporation, etc. as prescribed in that paragraph; hereinafter the same applies in this Article) as set forth in the following items; provided, however, that this does not apply when it found to be apparent from the financial or business relationships, that the person does not control the decision-making organ (meaning a decision-making organ as prescribed in that paragraph; hereinafter the same applies in this paragraph) of the second corporation, etc.:

(i) a first corporation, etc. that holds a majority of the voting rights in a second corporation, etc. (excluding the second corporation, etc. that is granted an order for commencement of bankruptcy proceedings, an order for commencement of rehabilitation proceedings, or an order for commencement of corporate reorganization proceedings, or that is otherwise equivalent to the second corporation and found to have no effective parent-subsidiary relationship with others; hereinafter the same applies in this paragraph) under its own account;

(ii) a first corporation, etc. whose voting rights in the second corporation, etc. under its own account are not less than forty percent and not more than fifty percent of all of those voting rights and which corresponds to any of the following requirements:

(a) the voting rights that are held by the first corporation, etc. under its own account make up a majority of voting rights in the second corporation, etc., when the first corporation's, voting rights are combined with the voting rights held by persons that it is found to exercise voting rights in the manner intended by the first corporation, etc. due to being closely related thereto through contribution, personnel affairs, funding, technical skills, transactions, etc., and with the voting rights held by persons that have agreed to exercise voting rights in the manner intended by the first corporation, etc.;

(b) those of the first corporation's, etc. officers, members and employees engaged in executive operations, and persons formerly assigned to those

- positions, who enable the first corporation, etc. to influence the financial and business policy decisions of the second corporation, etc., make up the majority of the board of directors or other equivalent organization of the second corporation, etc.;
- (c) a contract, etc. that controls important financial and business policy decisions of the second corporation, etc. exists between the first corporation, etc. and the second corporation, etc.;
 - (d) the first corporation, etc. provides funds (limited to those which are recorded in the liabilities section of the balance sheet) of the second corporation, etc. (including guarantee of debt and provision of collateral; the same applies in this Article) which account for a majority of the total amount of the funds raised (including the cases in which the amount of first corporation's financing accounts for a majority of the total amount of funds raised when it is combined with the amount of funds provided by a person that has a close relationship with the first corporation, etc., with regard to a contribution, personnel affairs, funds, technical skills, transactions, etc.); and
 - (e) other facts from which it can be presumed that the first corporation, etc. controls the decision-making organ of the second corporation, etc. exist;
- (iii) a first corporation, etc. whose voting rights in the second corporation, etc. under its own account make up a majority of voting rights in the second corporation, etc. if those voting rights in the second corporation, etc. are combined with those held by persons that it is found to exercise voting rights in the manner intended by the first corporation, etc. due to being closely related thereto through contribution, personnel affairs, funding, technical skills, transactions, etc., and are combined with those held by persons that have agreed to exercise voting rights in the manner intended by the first corporation, etc. (including a case in which the first corporation, etc. does not hold those voting rights in the second corporation, etc. under its own account); and that corresponds to any of the requirements set forth in sub-item (b) to sub-item (e) of the preceding item.
- (2) The person specified by Cabinet Office Order that is provided for in Article 4-2, paragraph (3) of the Order means the person as set forth in any of the following items; provided, however, that this does not apply if it is found to be apparent, from the financial or business relationships that the first corporation, etc. (including its subsidiary corporations, etc. (meaning a subsidiary corporation, etc. as prescribed in paragraph (2) of that Article; the same applies hereinafter, except in Article 34-15, paragraph (7) and Article 35, paragraph (1), item (xiv) and paragraph (3), item (x))) is unable to significantly influence the financial and business policy decisions of the second corporation, etc. that is not its subsidiary corporation, etc.:

- (i) a second corporation, etc. other than a subsidiary corporation, etc. of the first corporation etc., in which the first corporation, etc. (including its subsidiary corporations, etc.) holds twenty percent or more of the voting rights (excluding a second corporation, etc. other than its subsidiary corporation, etc. that is subject to an order for commencement of bankruptcy proceedings, an order for commencement of rehabilitation proceedings, or an order for commencement of corporate reorganization proceedings, or is equivalent to those corporations, and is found to be unable to significantly influence their financial and business policy decisions; hereinafter the same applies in this paragraph) under its own account;
- (ii) a second corporation, etc. other than a subsidiary corporation, etc. of the first corporation etc., in which the first corporation, etc. (including its subsidiary corporations, etc.) holds not less than fifteen percent and not more than twenty percent of the voting rights under its own account; and that falls under any of the following requirements:
 - (a) the corporation's, etc. officers, members and employees engaged in executive operations, and persons formerly assigned to such positions, who enable the corporation, etc. to influence the second corporation's, etc. financial and business policy decisions, which have assumed the position of its representative director, other directors or any position equivalent to those positions;
 - (b) the second corporation, etc. is provided important financing by the first corporation, etc.;
 - (c) the second corporation, etc. is provided important technical skills by the first corporation, etc.;
 - (d) the second corporation, etc. carries out business transactions with the first corporation, etc. such as important sales or purchasing transactions;
 - or
 - (e) other facts from which it can be presumed that the corporation, etc. is able to significantly influence financial and or business policy decisions exist;
- (iii) the second corporation, etc. other than the first corporation's etc. subsidiary corporation, etc.; if the voting rights in the second corporation, etc. that are held by that first corporation, etc. (including its subsidiary corporation, etc.) under its own account make up twenty percent or more of voting rights in the second corporation, etc. other than the first corporation's, etc. subsidiary corporation, etc. if those voting rights in the second corporation, etc. are combined with the voting rights held by persons that it is found to exercise voting rights in the manner intended by the first corporation, etc. due to being closely related thereto through contribution, personnel affairs, funding, technical skills, transactions, etc., and with the

voting rights held by persons that have agreed to exercise voting rights in the manner intended by the first corporation, etc. (including the cases in which the first corporation, etc. does not hold those voting rights in the second corporation etc. under its own account); and if the second corporation, etc. other than the first corporation's, etc. subsidiary corporation, etc. corresponds to any of the requirements set forth in the sub-items (b) through (e) of the preceding item.

- (3) Notwithstanding the provisions of paragraph (1), the person specified by Cabinet Office Order that is provided for in Article 4-2, paragraph (2) of the Order on a person that prepares consolidated financial statements pursuant to the provisions of the Regulation on Consolidated Financial Statements instead of following the business accounting standards that are generally accepted as fair and appropriate prescribed in Article 1, paragraph (1) of the Regulation on Consolidated Financial Statements (hereinafter referred to as a "corporation, etc. subject to special business accounting standards, etc.") means a corporation, etc. that is treated under the business accounting standards adopted thereby in the same manner as the corporation, etc. set forth in the items of paragraph (1).
- (4) Notwithstanding the provisions of paragraph (2), the person specified by Cabinet Office Order that is provided for in Article 4-2, paragraph (3) of the Order on a corporation, etc. subject to special business accounting standards, etc. means a corporation, etc. that is treated under the business accounting standards adopted thereby in the same manner as the corporation, etc. set forth in the items of paragraph (2).
- (5) If a special purpose company (meaning a specified purpose company as prescribed in Article 2, paragraph (3) of the Act on Securitization of Assets (Act No. 105 of 1998) and a business entity that carries out a business similar to the specified purpose company for which a change of content of business is restricted; hereinafter the same applies in this paragraph) is established with a purpose of providing profit generated from an asset accepted at a proper value for an owner (including a creditor of specified borrowing as prescribed in paragraph (12) of that Article) of securities issued by the special purpose company, and the business of the special purpose company is appropriately carried out in accordance with that purpose, the special purpose company is deemed to be independent from the corporation, etc. (hereinafter referred to as the "transferor corporation, etc." in this paragraph) that transferred its assets to the special purpose company, and, notwithstanding the provisions of paragraph (1), is presumed not to correspond to a subsidiary corporation, etc. of the transferor corporation, etc.

(Compelling Reason for Executing Transactions with Designated Related

Parties)

Article 14-8 (1) The compelling reason as specified by Cabinet Office Order that is provided for in the proviso to Article 13-2 of the Act means one of the following reasons:

- (i) when the bank is undertaking transactions or acts with a specified financial institution (meaning a bankrupt financial institution (meaning a bankrupt financial institution as prescribed in Article 2, paragraph (4) of the Deposit Insurance Act; hereinafter the same applies in this item) and a financial institution that succeeds to all or part of the rights and obligations of a bankrupt financial institution) that falls under that bank's designated related party (meaning a designated related party as prescribed in the main clause of Article 13-2 of the Act; hereinafter the same applies in this Article through Article 14-11), that gives disadvantages to the bank in light of the ordinary conditions of its transactions, it is likely that an impediment would arise to hinder the specified financial institution from continuing business if the bank does not undertake those transactions or acts;
 - (ii) when the bank has a foreign bank as its subsidiary corporation, etc. or affiliated corporation, etc. (limited to cases in which there is a compelling reason that the bank is unable to establish a branch office or other business offices in a state where the foreign bank is located), it is likely that an impediment would arise to hinder the foreign bank from continuing business if the bank does not undertake those transactions or acts with the foreign bank under the same conditions as a transaction or an act undertaken between the bank's head office and its branch office or other business offices; or
 - (iii) when the bank undertakes a transaction or an act that puts the bank at a disadvantage in light of the ordinary conditions of its transactions based on a streamlined business improvement plan with its designated related party whose business situation has been deteriorating, it is expected that conducting the transaction or act will be essential in improving the management of that designated related party; or
 - (iv) beyond what is set forth in the preceding three items, the bank to undertake a transaction or an act with its designated related party that puts the bank at a disadvantage in light of the ordinary conditions of its transactions falls under a case in which the Commissioner of the Financial Services Agency specifies in advance as necessary.
- (2) The requirements specified by Cabinet Office Order that is provided for in the proviso to Article 13-2 of the Act is that all of the following requirements be met for transactions and acts undertaken between the bank and a subsidiary company (limited to a bank other than the relevant bank) of the bank holding company (limited to one that is not itself a subsidiary company of another bank

or bank holding company) that has the relevant bank as its subsidiary company, which puts the bank at a disadvantage in light of the ordinary conditions of its transactions (hereinafter referred to as a "specified transaction, etc." in this paragraph):

- (i) the performance of the specified transaction, etc. by the bank is unlikely to damage the soundness of the management of the bank; and
- (ii) the bank has clearly specified the conditions for the specified transaction, etc.

(Application for Approval of Transactions with Designated Related Parties)

- Article 14-9 (1) When a bank seeks to obtain an approval on the existence of compelling reasons pursuant to the provisions of the proviso to Article 13-2 of the Act, it must attach a written statement of reasons and other documents giving particulars found to be necessary by the Commissioner of the Financial Services Agency to the written application for approval and submit them to the Commissioner of the Financial Services Agency or other competent authorities.
- (2) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the bank that filled the application has a compelling reason as set forth in paragraph (1) of the preceding Article for executing transactions or acts as set forth in each item of Article 13-2 of the Act.

Article 14-9-2 (1) When a bank seeks to obtain an approval on the satisfaction of the requirements under the proviso to Article 13-2 of the Act, it must attach the following documents to a written application for approval and submit them to the Commissioner of the Financial Services Agency or other competent authorities:

- (i) a written statement of reasons;
- (ii) the following documents concerning the bank:
 - (a) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest situation of business, assets, and profit and loss; and
 - (b) a document stating an estimation of income and expenditures after obtaining the approval;
- (iii) a document stating the conditions prescribed in Article 14-8, paragraph (2), item (ii);
- (iv) if the determination of the conditions prescribed in Article 14-8, paragraph (2), item (ii) requires a resolution at a meeting of the board of directors, the minute of the meeting of the board of directors on this matter; and
- (v) other documents giving particulars found to be necessary by the

Commissioner of the Financial Services Agency.

(2) When an application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the bank that filed the application satisfies all of the requirements set forth in Article 14-8, paragraph (2).

(Transactions with Designated Related Parties)

Article 14-10 The transaction specified by Cabinet Office Order that is provided for in Article 13-2, item (i) of the Act means a transaction that the bank executes under conditions that are disadvantageous to the bank in comparison to the conditions of a transaction that would be established if it executed a transaction of the same type and the same size under the same circumstances as the transaction in question with a person other than its specified related party but that is found to be the same in terms of the type, scope, creditworthiness, and other aspects of the business in which it engages.

(Transactions with a Customer of a Designated Related Party)

Article 14-11 The transaction or act specified by Cabinet Office Order that is provided for in Article 13-2, item (ii) of the Act means those specified in the following items:

- (i) a transaction between a bank and a customer of its designated related party that the bank executes under conditions that are disadvantageous to the bank in comparison to the conditions of a transaction that would be established if it executed a transaction of the same type and the same size under the same circumstances as the transaction in question with a person other than the customer of its designated related party but that is found to be the same in terms of the type, scope, creditworthiness, and other aspects of the business in which it engages (limited to transactions that are conditional upon that the designated related party and the customer thereof conclude a contract for the business in which that designated related party engages);
- (ii) a transaction executed with the designated related party under conditions that are found to wrongfully put the designated related party at a disadvantage in light of the ordinary conditions of transactions by that bank;
or
- (iii) a transaction or an act to evade a prohibition under Article 13-2 of the Act, regardless of the name by which it is executed.

(Act Unlikely to Result in Insufficient Customer Protection)

Article 14-11-2 The act specified by Cabinet Office Order as being unlikely to result in insufficient customer protection that is provided for in Article 13-3,

item (iii) of the Act means an act in which a bank wrongfully grants or promises to grant credit on the condition that a customer executes the transaction.

(Prohibited Act in Connection with a Bank's Services)

Article 14-11-3 The act specified by Cabinet Office Order that is provided for in Article 13-3, item (iv) of the Act means the acts specified in the following items:

- (i) act of not conveying to a customer an important matter in light of that customer's knowledge, experience, financial status, or purpose for executing the transaction in accordance with the content and method of business it engages in, or of conveying to the customer something that is likely to lead to a misunderstanding;
- (ii) act of wrongfully granting or promising to grant credit to a customer on the condition that the customer executes a transaction with a business that the bank designates (excluding acts set forth in Article 13-3, item (iii) of the Act);
or
- (iii) act of wrongfully using its advantageous position in the transaction as a bank to give disadvantages to a customer concerning conditions for the transaction or execution of the transaction.

(Scope of Business Involving the Development of a System for Protecting Customers' Interests)

Article 14-11-3-2 The services specified by Cabinet Office Order that are provided for in Article 13-3-2, paragraph (1) of the Act means services that are permissible for a bank to perform (hereinafter referred to as "bank-related services").

(Measures Necessary to Prevent a Customer's Interests from Being Unduly Harmed)

Article 14-11-3-3 (1) A bank must take the following measures to ensure that a transaction it carries out does not unduly harm the interests of a customer of the bank services it conducts; to ensure that a transaction carried out by a bank agent that has the relevant bank as its principal bank does not unduly harm the interests of a customer of the bank services that bank agent conducts; and to ensure that a transaction carried out by its parent financial institution, etc. (meaning a parent financial institution, etc. as prescribed in Article 13-3-2, paragraph (2) of the Act; the same applies hereinafter in this Article) or subsidiary financial institution, etc. (meaning a subsidiary financial institution, etc. as prescribed in paragraph (3) of that Article; the same applies hereinafter in this Article) does not unduly harm the interests of a customer of

the bank services that its subsidiary financial institution, etc. conducts:

- (i) development of a system to identify the subject transactions in an appropriate manner;
 - (ii) development of a system to properly ensure the protection of the customer by the following or any other methods:
 - (a) method for separating the department that executes the subject transactions and the department that executes the transactions with the customer;
 - (b) method for changing the conditions or method of the subject transactions or transactions with the customer;
 - (c) method for discontinuing the subject transactions or transactions with the customer;
 - (d) method for appropriately disclosing to the customer that the customer's interests may be unduly harmed in connection with the subject transactions;
 - (iii) formulation of the policy on implementing the measures set forth in the preceding two items and disclosure of its outline by an appropriate method;
 - (iv) maintaining the following records:
 - (a) records pertaining to the identification of the subject transactions conducted under the system prescribed in item (i);
 - (b) records pertaining to the measures to appropriately ensure the protection of customers taken under the system prescribed in item (ii).
- (2) The record prescribed in item (iv) of the preceding paragraph must be preserved for five years from the date it was created.
- (3) The term "subject transaction" in paragraph (1) means a transaction carried out by a bank that brings about the risk of unduly harming the interests of a customer of the bank services it conducts; a transaction that is carried out by a bank agent which has that bank in question as its principal bank and that brings about the risk of unduly harming the interests of a customer of the bank services it conducts; or a transaction that is carried out by the parent financial institution, etc. or a subsidiary financial institution, etc. of the relevant bank and that brings about the risk of unduly harming the interests of a customer of the bank services conducted by a subsidiary financial institution, etc. of the relevant bank.

(Specified Deposits)

Article 14-11-4 The deposits, etc. specified by Cabinet Office Order that are provided for in Article 13-4 of the Act are those listed in the following items:

- (i) a deposit, etc. that requires the depositor, etc. to pay a penalty or anything else equivalent to this (hereinafter referred to as a "penalty or its equivalent" in this item) if the depositor, etc. terminates it before maturity, regarding

which the amount arrived at when the amount of the penalty or its equivalent is deducted from the balance of the deposit, etc. at the time of the termination is likely to fall below the deposited amount due to changes in money rate, value of currencies, quotations on a financial instruments market, and other indicators;

- (ii) a deposit, etc. that is indicated in a foreign currency; or
- (iii) a deposit, etc. entailed by a transaction (limited to transactions pertaining to purchase and sale of currencies) on acceptance of the deposit, etc. prescribed in Article 2, paragraph (22), item (iii) (excluding (b)) of the Financial Instruments and Exchange Act.

(Type of Contract)

Article 14-11-5 What is specified by Cabinet Office Order as provided in Article 34 of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 13-4 of the Act, means a specified deposit, etc. contract (meaning a contract for specified deposit, etc., as prescribed in Article 13-4 of the Act; the same applies hereinafter).

Article 14-11-6 Deleted

(Information to Be Stated in the Documents to Be Delivered to a Professional Investor Who Has Made a Request)

Article 14-11-7 The particulars specified by Cabinet Office Order as provided in Article 34-2, paragraph (3), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act means an indication that the applicant (meaning the applicant prescribed in that paragraph) is to be treated as a customer other than a professional investor (meaning a professional investor prescribed in Article 2, paragraph (31) of the Financial Instruments and Exchange Act; the same applies hereinafter) with regard to the subject contract (meaning a subject contract prescribed in Article 34-2, paragraph (2) of that Act; the same applies in Article 14-11-9-2) only by a bank that accepted the application under that paragraph.

(Provision by Use of Information and Communications Technology)

Article 14-11-8 (1) The means that is specified by Cabinet Office Order as provided in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (12) (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act); Article 34-4, paragraph

(3); Article 37-3, paragraph (2); or Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; hereinafter the same applies in this Article), as applied mutatis mutandis pursuant to Article 13-4 of the Act, is any of the following means:

- (i) any of the following means of employing an electronic data processing system:
 - (a) a means that causes the information that is required be stated in a document (hereinafter referred to as "required information" in this Article) to be transmitted over a telecommunications line that connects the computer used by a bank (including a person that prepares a file on a computer under its management based on a contract with a bank which provides persons with the particulars prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, and makes the file available for use by the persons to which the bank provides those particulars (hereinafter each such person is referred to as a "customer" in this Article) or by that bank; hereinafter the same applies in this Article) and the computer used by a customer, etc. (meaning a customer or a person that prepares a customer file (meaning a file that is made available exclusively for use by a customer; hereinafter the same applies in this Article) on a computer under its management based on a contract with the customer; hereinafter the same applies in this Article), and to be recorded in a customer file that has been prepared on the computer used by the customer, etc. (for consent indicating that a person is willing to be, or a notice indicating that a person is not willing to be, provided with information by the means prescribed in the preceding paragraph, this means a means that causes what has been indicated to be recorded in a file that has been prepared on a computer used by a bank which provides persons with the particulars prescribed in that paragraph);
 - (b) a means that uses a telecommunications line to make the required information that has been recorded into a file which has been prepared on a computer used by a bank available for a customer to inspect and causes that required information to be recorded in the customer file for that customer that has been prepared on a computer used by the customer, etc. (for consent indicating that a person is willing to be, or a notice indicating that a person is not willing to be, provided with information by the means prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, meaning a means that causes what has been indicated to be recorded in a file that has been prepared on a computer used by a bank);

- (c) a means that uses a telecommunications line to make the required information that has been recorded into a customer file which has been prepared on a computer used by a bank available for a customer to inspect; or
 - (d) a means that uses a telecommunications line to make the required information that has been recorded in an inspection file (meaning a file that has been prepared on a computer used by a bank into which required information is recorded so that it can be made available for multiple customers to inspect simultaneously) available for a customer to inspect.
 - (ii) a means of delivering to the relevant persons a record of the required information that has been recorded into a file created using a magnetic disk, CD-ROM, or other objects with an equivalent means of reliably recording certain data.
- (2) The means set forth in each item of the preceding paragraph must conform to the following standards:
- (i) it enables the customer to create a document by outputting what has been recorded in the customer file or inspection file;
 - (ii) for the means as set forth in item (i), sub-item (a), sub-item (c), or sub-item (d) of the preceding paragraph (excluding a means that records required information on a customer file that has been prepared on a computer used by the customer), notification is made to the customer that the required information will be or has been recorded in the customer file or inspection file; provided, however, that this does not apply if it has been confirmed that the customer has inspected the required information;
 - (iii) for the means as set forth in item (i), sub-item (c) and sub-item (d) of the preceding paragraph, the relevant person cannot delete or modify the following information for five years after the final date on which a transaction set forth in the required information is carried out (if a complaint involving the required information is filed by the day on which that period ends, until the date on which that period ends or the date on which that complaint is resolved, whichever comes later); provided, however, that if the relevant person delivers, in writing, the required information that it has made available for inspection; if the relevant person obtains the customer's consent (meaning consent by a means as prescribed in Article 4-3 of the Order) and provides the relevant information by a means set forth in item (i), sub-item (a) or sub-item (b) of the preceding paragraph or item (ii); or if the customer gives instruction to delete the required information; the person may delete that required information:
 - (a) the required information recorded in the customer file, for the means as set forth in item (i), sub-item (c) of the preceding paragraph; or
 - (b) the required information recorded in the inspection file, for the means as

- set forth in item (i), sub-item (d) of the preceding paragraph;
- (iv) when the means as set forth in item (i), sub-item (d) of the preceding paragraph are used, the means are to conform to the following standards:
- (a) it is to record the information necessary for a customer to inspect the inspection file in the customer file; and
 - (b) to maintain the state that allows the customer to connect the customer file that recorded the information necessary for a customer to inspect the inspection file pursuant to sub-item (a) and the inspection file itself using a telecommunications line until the end of the period prescribed in the preceding item; provided, however, that this does not apply if a customer that has been given access to those files has notified that it is not necessary to maintain them in a state that allows the customer to connect to them.
- (3) The term "electronic data processing system" as used in paragraph (1), item (i) means an electronic data processing system that uses a telecommunications line to connect the computer used by the bank and the computer on which the customer file has been prepared that is used by the customer, etc., or the bank.

(Type and Content of the Electronic or Magnetic Means)

Article 14-11-9 The type and content of the means that the bank is required to indicate pursuant to the provisions of Article 4-3, paragraph (1) and Article 4-4, paragraph (1) of the Order means the following particulars:

- (i) out of the means set forth in each item of paragraph (1) of the preceding Article or each item of Article 14-11-9-3, paragraph (1), the means to be used by the bank; and
- (ii) the method of recording data to the file.

(Information to Be Entered into Documents with Which a Person That Has Requested Reinstatement as a Professional Investor Gives Consent)

Article 14-11-9-2 The particulars specified by Cabinet Office Order that are provided for in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following particulars:

- (i) the date when acceptance is obtained (which is referred to as the "approval date" in item (iv) and item (v)) pursuant to the provisions of Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act;
- (ii) an indication that a subject contract is a contract for specified deposit, etc.;
- (iii) an indication that the person requesting reinstatement (meaning the person requesting reinstatement prescribed in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis

pursuant to Article 13-4 of the Act; hereinafter the same applies in this Article) understands the following particulars:

- (a) an indication that the provisions set forth in the items of Article 45 (excluding item (iii) and item (iv)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are not applicable if the person requesting reinstatement for the subject contract is a person prescribed in any of those items (excluding the cases prescribed in the proviso to Article 45 of the Financial Instruments and Exchange Act);
- (b) an indication that, if a person that it is inappropriate to be treated as a professional investor for the subject contract in light of the person's knowledge, experience, and financial status, is treated as a professional investor, it is likely to result in insufficient protection of that person;
- (iv) an indication that the person requesting reinstatement is to be treated again as a professional investor if the person requesting reinstatement is solicited to conclude or concludes the subject contract on or after the approval date;
- (v) an indication that, at any time on or after the approval date, the person requesting reinstatement may make an application under Article 34-2, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act.

(Obtaining Consent by the Use of Information and Communications Technology)

Article 14-11-9-3 (1) The means specified by Cabinet Office Order that is provided for in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (3) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act), as applied mutatis mutandis pursuant to Article 13-4 of the Act; hereinafter the same applies in this Article), as applied mutatis mutandis pursuant to Article 13-4 of the Act, means the following:

- (i) any of the following means of employing an electronic data processing system:
 - (a) a means of transmitting information over a telecommunications line that connects a computer used by a bank and a computer used by a person from whom the bank is seeking to obtain consent pursuant to the provisions of Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act (hereinafter referred to as the "customer" in this Article), and to record the

information in a file that has been prepared on the computer used by the recipient; or

- (b) a means of making the particulars on the customer's consent recorded in a file that has been prepared on a computer used by a bank available for inspection by the customer using a telecommunication line and recording the particulars on the customer's consent on a file that has been prepared on a computer used by the bank;
 - (ii) a means of obtaining a record of the particulars of the consent that has been recorded into a file created using a magnetic disk, CD-ROM, or other objects equivalent to them for reliably recording certain data.
- (2) The means set forth in each item of the preceding paragraph must enable a bank to prepare a document by outputting what has been recorded in the file.
- (3) The term "electronic data processing system" as used in paragraph (1), item (i) means an electronic data processing system that uses a telecommunications line to connect the computer used by the bank and the computer used by the customer.

(Due Date If a Corporation, Who Is a Customer Other than a Professional Investor, Is Deemed to Be a Professional Investor)

Article 14-11-10 (1) The case specified by Cabinet Office Order that is provided for in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act means the case in which a bank specifies a certain date and publicly discloses the following particulars by posting in a clearly visible place at a business office of that bank or by other appropriate methods:

- (i) that date; and
 - (ii) an indication that the due date (meaning a due date as prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; the same applies in paragraph (2), item (i) of the following Article and Article 14-11-12) is the date as prescribed in the following paragraph.
- (2) The date specified by Cabinet Office Order that is provided for in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is a date that is specified by a bank pursuant to the provisions of the preceding paragraph and that is the last date within one year from the approval date (meaning the approval date prescribed in Article 34-3, paragraph (2), item (i) of the Financial Instruments and Exchange Act; the same applies in paragraph (2), item (iii) of the following Article and Article 14-11-12).

(Information to Be Stated in Documents to Which a Corporation, Which Is a

Customer Other than the Professional Investor That Has Made a Request, Gives Its Consent)

Article 14-11-11 (1) The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (2), item (iv), (a) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are that the provisions set forth in each item of Article 45 (excluding item (iii) and item (iv)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act do not apply if an applicant (meaning an applicant as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; the same applies in the following paragraph) in the subject contract (meaning the subject contract as prescribed in Article 45, item (ii) of the Financial Instruments and Exchange Act; the same applies in the following paragraph and Article 14-11-12-2) is a person as prescribed in each of those items of Article 45 of the Financial Instruments and Exchange Act (excluding cases as prescribed in the proviso to Article 45 of that Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act).

(2) The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following particulars:

- (i) an indication that an applicant is treated as a professional investor, for an act performed based on the provisions of laws or regulations or the stipulations of a contract in relation to the subject contract concluded before the due date, even if this act is performed after the due date; and
- (ii) an indication that an applicant is treated as a professional investor for the subject contract only by a bank that has provided an approval under Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act.
- (iii) an indication that, at any time on or after the approval date, an applicant may make an application under Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act.

(Period Necessary for a Corporation, Which Is a Customer Other than the Professional Investor That Has Made a Request, to Make a Request for Renewal)

Article 14-11-12 (1) The period specified by Cabinet Office Order that is provided for in Article 34-3, paragraph (7) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is 11

months (the period prescribed in the following items for the cases set forth in each item).

- (i) the period between the approval date and the due date is less than one year (excluding the cases set forth in the following items): a period obtained by deducting one month from that period;
 - (ii) the period between the approval date and the due date does not exceed one month: one day;
- (2) In applying the provisions of the preceding paragraph in the cases prescribed in Article 34-3, paragraph (8) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, the term "approval date" in the items of that paragraph is deemed to be replaced with "the day immediately following the previous due date".

(Information to Be Stated in Documents to Be Delivered to a Corporation That Has Made a Request for Reinstatement as a Customer Other than a Professional Investor)

Article 14-11-12-2 The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following particulars:

- (i) the date when acceptance is made pursuant to the provisions of Article 34-3, paragraph (10) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act (referred to as the "approval date" in item (iii));
- (ii) an indication that the subject contract is a contract for specified deposit, etc.;
- (iii) an indication that the relevant person will once again treat a corporation that has made a request under Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, as a customer other than a professional investor when soliciting that corporation to conclude a subject contract on or after the approval date or when concluding a subject contract with that corporation on or after the approval date.

(Proprietors and Others That May Request to Be Treated as Professional Investors)

Article 14-11-13 (1) The excluded individuals specified by Cabinet Office Order who are provided for in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, means those that fall under any of the following requirements:

- (i) the individual has not obtained consent from all silent partners in making a request as prescribed in Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; or
 - (ii) the total amount of contribution based on the silent partnership agreement as prescribed in Article 535 of the Commercial Code (Act No. 48 of 1899) that the individual has concluded is less than 300 million yen.
- (2) The individual specified by Cabinet Office Order who is provided for in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, means any of the following persons:
- (i) an individual who is a partner that concluded a partnership agreement as prescribed in Article 667, paragraph (1) of the Civil Code and is entrusted with the execution of business of the partnership (limited to a person that corresponds to all of the following requirements):
 - (a) the individual who has obtained the consent of all other partners in making a request under Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; and
 - (b) the total amount of contribution based on the partnership agreement that the individual has concluded is 300 million yen or more;
 - (ii) an individual who is a partner that concludes an agreement of a limited liability business partnership as prescribed in Article 3, paragraph (1) of the Limited Liability Partnership Act (Act No. 40 of 2005), participates in deciding execution of important business of the partnership, and personally conducts the business (limited to a person that corresponds to all of the following requirements):
 - (a) the individual who has obtained the consent of all other partners in making a request under Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; and
 - (b) the total amount of contribution based on the limited liability business partnership agreement that the individual has concluded is 300 million yen or more.

(An Individual Who May Request to Be Treated as a Professional Investor)

Article 14-11-14 The requirement specified by Cabinet Office Order that is provided for in Article 34-4, paragraph (1), item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is that all of the following requirements must be met:

- (i) in making a reasonable judgment in light of the condition of transactions

- and other circumstances, the amount arrived at when the total amount of liabilities is deducted from the total amount of assets of the applicant (meaning an applicant as prescribed in Article 34-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; hereinafter the same applies in this Article and Article 14-11-16) on the approval date (meaning the approval date as prescribed in Article 34-3, paragraph (2), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; the same applies in the following item, paragraph (2) of the following Article, Article 14-11-16, paragraph (2), item (iii), and Article 14-11-16-2) is estimated to be 300 million yen or more;
- (ii) in making a reasonable judgment in light of the condition of transactions and other circumstances, the total amount of assets (limited to those prescribed in the following items) of an applicant on the approval date is estimated to be 300 million yen or more:
- (a) securities (excluding those set forth in sub-item (e) and in sub-item (f) (limited to those based on a contract concluded with a special enterprise operator prescribed in Article 2, paragraph (9) of the Act on Specified Joint Real Estate Ventures (Act No. 77 of 1994)));
- (b) rights pertaining to derivative transactions (meaning derivative transactions as prescribed in Article 2, paragraph (20) of the Financial Instruments and Exchange Act; the same applies in Article 34-2-14, item (ii), (b));
- (c) a specified deposit, etc. as prescribed in Article 13-4 of the Act (hereinafter referred to as a "specified deposit, etc.", except in item (c) and Article 34-2-14, item (ii), item (c)); specified savings, etc., as prescribed in Article 11-5 of the Agricultural Cooperatives Act; specified savings, etc., as prescribed in Article 11-9 of the Fisheries Cooperatives Act; specified deposit, etc., as prescribed in Article 6-5-11 of the Act on Financial Business by Cooperatives (Act No. 183 of 1949); specified deposit, etc., as prescribed in Article 89-2 of the Shinkin Bank Act (Act No. 238 of 1951); specified deposit, etc., as prescribed in Article 17-2 of the Long-Term Credit Bank Act; specified deposit, etc., as prescribed in Article 94-2 of the Labor Bank Act (Act No. 227 of 1953); specified deposit, etc., as prescribed in Article 59-3 of the Norinchukin Bank Act (Act No. 93 of 2001); and specified deposit, etc. as prescribed in Article 29 of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007);
- (d) rights pertaining to insurance money, mutual aid money, refund, or other payments based on a specified mutual aid contract as prescribed in Article 11-27 of the Agricultural Cooperatives Act, a specified mutual aid contract

prescribed in Article 12-3, paragraph (1) of the Consumer Cooperatives Act (Act No. 200 of 1948), a specified mutual aid contract prescribed in Article 15-7 of the Fishery Cooperatives Act, a specified mutual aid contract as prescribed in Article 9-7-5, paragraph (2) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949), and a specified insurance contract as prescribed in Article 300-2 of the Insurance Business Act;

- (e) a beneficiary right of trust pertaining to a specified trust contract as prescribed in Article 24-2 of the Trust Business Act (Act No. 154 of 2004);
 - (f) a right based on a specified joint real estate venture contract as prescribed in Article 2, paragraph (3) of the Act on Specified Joint Real Estate Ventures; and
 - (g) a right pertaining to a transaction on a commodity market (meaning the transaction on a commodity market prescribed in Article 2, paragraph (10) of the Commodity Derivatives Transaction Act; the same applies in Article 34-2-14, item (ii), (g)), a foreign commodity market transaction (meaning the foreign commodity market transaction prescribed in Article 2, paragraph (13) of that Act; the same applies in sub-item (g) of that item), and an over-the-counter commodity derivative transaction (meaning the over-the-counter commodity derivative transaction as prescribed in Article 2, paragraph (14) of that Act; the same applies in sub-item (g) of that item);
- (iii) one year has elapsed from the date that an applicant concluded a contract for specified deposit, etc. for the first time with the bank.

(Due Date in the Case When an Individual Who Is a Customer Other than a Professional Investor Is Deemed to Be a Professional Investor)

Article 14-11-15 (1) The case specified by Cabinet Office Order that is provided for in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, means the case in which a bank specifies a certain date and publicly discloses the following particulars by posting in a place easily seen by the public at a business office of that bank or by other appropriate methods:

- (i) that date; and
- (ii) an indication that the date (meaning an due date as prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; the same applies in paragraph (2), item (i) of the following Article and Article 14-11-16-2) is the date as prescribed in the following paragraph.

(2) The date specified by Cabinet Office Order that is provided for in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, means the latest date specified by a bank pursuant to the provisions of the preceding paragraph that is within one year from the approval date.

(Information to Be Stated in Documents to Which an Individual, Who Is a Customer Other than a Professional Investor That Has Made a Request, Gives Its Consent)

Article 14-11-16 (1) The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (2), item (iv), (a) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, mean an indication that the provisions set forth in each item of Article 45 (excluding item (iii) and item (iv)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, do not apply when an applicant in the subject contract (meaning the subject contract as prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act; the same applies in the following paragraph and Article 14-11-16-3 of the Act) is a person specified in those items of Article 45 of the Financial Instruments and Exchange Act (excluding cases as prescribed in the proviso to Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act).

(2) The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following particulars:

- (i) an indication that an applicant is treated as a professional investor, with regard to an act performed based on the provisions of laws or regulations or the stipulations of a contract in relation to a subject contract concluded before the due date, even if this act is performed after the due date; and
- (ii) an indication that an applicant is treated as a professional investor in the subject contract only by a bank that provides an approval under Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act.
- (iii) an indication that, at any time on or after the approval date, an applicant may make a request under Article 34-4, paragraph (4) of the Financial

Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act.

(Period Necessary for an Individual, Who Is a Customer Other than the Professional Investor That Has Made a Request, to Make a Request for Renewal)

Article 14-11-16-2 (1) The period specified by Cabinet Office Order that is provided for in Article 34-3, paragraph (7) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is 11 months (the periods prescribed in the following items in the cases set forth in each item).

(i) the period between the approval date and the due date is less than one year (excluding the cases set forth in the following item): a period obtained by deducting one month from the period;

(ii) the period between the approval date and the due date does not exceed one month: one day;

(2) In applying the provisions of the preceding paragraph in the cases prescribed in Article 34-3, paragraph (8) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, the term "approval date" in that paragraph is deemed to be replaced with "the day immediately following the previous due date".

(Information to Be Entered Into Documents to Be Delivered to an Individual Who Has Made a Request for Reinstatement as a Customer Other than a Professional Investor)

Article 14-11-16-3 The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following particulars:

(i) the date when acceptance is made pursuant to the provisions of Article 34-4, paragraph (5) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act (referred to as the "approval date" in item (iii));

(ii) an indication that the subject contract is a contract for specified deposit, etc.;

(iii) an indication that the relevant person will once again treat an individual who has made a request under Article 34-4, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to

Article 13-4 of the Act as a customer other than a professional investor when soliciting that individual to conclude a subject contract on or after the approval date or when concluding the subject contract with that individual on or after the approval date.

(Acts Similar to Advertising)

Article 14-11-17 The acts specified by Cabinet Office Order that are provided for in each paragraph of Article 37 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, means providing information with the same content to many persons by postal mail, correspondence delivery (meaning correspondence delivery as prescribed in Article 2, paragraph (2) of the Act on Correspondence Delivery by Private Business Operators (Act No. 99 of 2002) provided by a general letter service business operator as prescribed in paragraph (6) of that Article or a specified letter service business operator as prescribed in paragraph (9) of that Article; the same applies in Article 34-2-17 and Article 34-53-2), or using a facsimile device, by electronic mail (meaning electronic mail as prescribed in Article 2, item (i) of the Act on Regulation of Transmission of Specified Electronic Mail (Act No. 26 of 2002); the same applies in Article 34-2-17 and Article 34-53-2), by distributing fliers or pamphlets, or by other means (excluding the following means):

- (i) means of distributing documents prepared based on laws and regulations or based on the disposition of an administrative government agency pursuant to laws and regulations;
- (ii) means of distributing materials concerning analysis or evaluation of an individual enterprise, which are not used for soliciting conclusion of a specified deposit, etc. contract; or
- (iii) means of providing persons with gifts or other goods that only show all of the following information (limited to goods on which the information set forth in sub-items (b) through (d) is shown clearly and properly) (including means of providing gifts or other goods together as a single thing together with any other goods that indicate that information, if any of the information is not indicated on the gift or other goods):
 - (a) the name of goods (including its alias);
 - (b) the name or alias of a bank that provides information with the same content to many persons by a means as prescribed in this item;
 - (c) information as set forth in Article 4-5, paragraph (2), item (i) of the Order (limited to information indicated using characters and numerals of a size that is not significantly different from the largest size of characters and numerals used to indicate information other than the information in question); and

(d) an indication to thoroughly read the content of any of the following documents:

1. documents as prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act (hereinafter referred to as a "document to be delivered prior to the conclusion of a contract" in this Article through Article 14-11-30);
2. documents for a foreign currency deposit, etc. as prescribed in Article 14-11-25, paragraph (1), item (i);
3. documents for change of a contract as prescribed in Article 14-11-25, paragraph (1), item (iii), (b).

(Indication Method of Advertising the Content of Business of Concluding a Contract for Specified Deposit, etc.)

Article 14-11-18 (1) If a bank runs an advertisement or performs an act as prescribed in the preceding Article with regard to the content of its business in concluding contracts of specified deposit, etc. (referred to as an "advertisement, etc." in the following paragraph), the particulars set forth in each item of Article 37, paragraph (1) (excluding item (ii)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, must be indicated clearly and properly.

(2) If a bank runs an advertisement, etc. about the content of its business in concluding contracts of specified deposit, etc., characters or numerals that show the information set forth in Article 4-5, paragraph (1), item (ii) of the Order are to be indicated in a size that is not significantly different from the largest size of the characters and numerals that show information other than the information in question.

(3) When a bank runs an advertisement on the content of its business in concluding contracts of specified deposit, etc., by means of broadcasting it 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 Nippon Hoso Kyokai and the Open University of Japan Foundation (meaning the Open University of Japan Foundation prescribed in Article 3 of the Act on the Open University of Japan (Act No. 156 of 2002)); the same applies hereinafter), or by a means set forth in any of the items of Article 14-11-21, paragraph (1) (excluding means of broadcasting by sound), notwithstanding the provisions of the preceding paragraph, characters or numerals that show the information set forth in Article 4-5, paragraph (2), item (i) of the Order are to be indicated in a size that is not significantly different from the largest size used to indicate characters and numerals that show information other than the information in question.

(Particulars of Charges to Be Paid by a Customer)

Article 14-11-19 The particulars specified by Cabinet Office Order that are provided for in Article 4-5, paragraph (1), item (i) of the Order, the amount of charges (hereinafter referred to as "fee, etc.") that a customer is to pay in connection with a contract for specified deposit, etc. according to their category, regardless of whether they are referred to as a fee, consideration, expenses, or any other name, or their maximum amount, or an outline of the way these are calculated (including the percentage of the amount of principal pertaining to the contract for specified deposit, etc.) and the total amount or maximum amount of the fee, etc., or an outline of the way these are calculated; provided, however, that if these particulars cannot be indicated, to give an indication of this and the reasons therefor.

(Important Matters That Impact Customers' Judgment)

Article 14-11-20 The particulars specified by Cabinet Office Order that are provided for in Article 4-5, paragraph (1), item (iii) of the Order means the following particulars:

- (i) an indication that, if the right that the referenced bank holds to extend the deposit period of a specified deposit, etc. is exercised, the customer risks being put at a disadvantage by the money rate of the specified deposit, etc. falling below the money market rate; or
- (ii) any other fact regarding the important matters on the contract for specified deposit, etc. that may become disadvantageous to the customer.

(Means Equivalent to the Means of Broadcasting Something Using the Broadcasting Equipment of a Basic Broadcaster)

Article 14-11-21 (1) The means specified by Cabinet Office Order that is provided for in Article 4-5, paragraph (2) of the Order are:

- (i) means of broadcasting something using the broadcasting equipment of a general broadcaster (meaning the general broadcaster prescribed in Article 2, item (xxv) of the Broadcasting Act; the same applies in Article 34-2-21, paragraph (1), item (i) and Article 34-53-6, paragraph (1), item (i));
- (ii) means of having a customer inspect the content of information recorded in a file that has been prepared on a computer used by a bank or a person entrusted with the bank's services involving the advertisement, etc. (limited to information of the same content as the particulars provided by broadcasting something to be using the broadcasting equipment of a basic broadcaster or by a means set forth in the preceding item) using a telecommunications line; or
- (iii) means of having the public indicate something at all times or continuously

for a fixed period inside or outside of a building by installing or indicating it on a signboard, standing signboard, placard and label, advertising tower, advertising board, building, or other structure, etc. or by any equivalent means.

- (2) The particulars specified by Cabinet Office Order that are provided for in Article 4-5, paragraph (2), item (ii) of the Order are the particulars set forth in Article 14-11-17, item (iii), (d).

(Particulars for Which Exaggerated Advertisement is Prohibited)

Article 14-11-22 The particulars specified by Cabinet Office Order that are provided for in Article 37, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following particulars:

- (i) the particulars on termination of a contract for specified deposit, etc.;
- (ii) the particulars on the burden of all or part of a loss pertaining to a contract for specified deposit, etc. or on guarantee of profit pertaining to a contract for specified deposit, etc.;
- (iii) the particulars of liquidated damages (including a penalty) pertaining to a contract for specified deposit, etc.; and
- (iv) the particulars of the amount of the fee, etc. that a customer is to pay, or its calculation method, the payment method, the payment time, and the payee in connection with a contract for specified deposit, etc..

(Method of Making Entries Into a Document to be Delivered Prior to the Conclusion of a Contract)

Article 14-11-23 (1) The particulars set forth in each item of Article 37-3, paragraph (1) (excluding item (ii) and item (vi)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, must be entered into the document to be delivered prior to the conclusion of a contract clearly and properly by using characters and numerals sized eight points or larger as defined in Japanese Industrial Standard Z 8305 based on the Industrial Standardization Act (Act No. 185 of 1949) (hereinafter referred to as "Japanese Industrial Standard").

(2) Notwithstanding the provisions of the preceding paragraph, the following particulars are to Be Stated in the document to be delivered prior to the conclusion of a contract clearly and properly in the boxes by using characters and numerals sized 12 points or larger as defined in Japanese Industrial Standard Z 8305, and are to be entered after the particulars prescribed in the following paragraph:

- (i) a summary of the particulars set forth in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis

- mutandis pursuant to Article 13-4 of the Act and the particulars set forth in item (v) of that paragraph, and Article 14-11-27, item (xi); and
- (ii) the particulars set forth in Article 14-11-27, item (xii).
- (3) A bank is to enter in the document to be delivered prior to the conclusion of a contract particulars that are of special importance in influencing customers' judgment out of the particulars set forth in Article 14-11-27, item (i) and each item of Article 37-3, paragraph (1) (excluding item (ii) and item (vi)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, in plain language, using characters and numerals sized 12 points or larger as defined in Japanese Industrial Standard Z 8305 at the beginning of the document.

(Methods of Providing Information)

Article 14-11-24 The provision of information as prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is to be implemented by the delivery of the document to be delivered prior to the conclusion of a contract.

(When Delivery of Document to Be Delivered Prior to the Conclusion of a Contract Is Not Required)

Article 14-11-25 (1) The case specified by Cabinet Office Order that is provided for in Article 37-3, proviso to paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act means the cases specified in the following items:

- (i) when the bank has delivered a document (hereinafter such a document is referred to as a "document of foreign currency deposit, etc." from this Article through Article 14-11-30) in which the particulars set forth in Article 37-3, paragraph (1), item (i) and items (iii) through (v) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, and the particulars set forth in Article 14-11-27, item (i), item (xi), item (xvii), and item (xviii), with regard to the specified deposit, etc. contract, are stated by a method equivalent to that as prescribed in Article 14-11-23, to the customer within one year before the conclusion of a contract specified deposit, etc. in relation to the particulars set forth in Article 14-11-4, item (ii) (excluding particulars corresponding to those set forth in item (i) or item (iii) of that Article; hereinafter referred to as a "foreign currency deposit, etc.") (limited to cases in which the customer has expressed their that they do not require the delivery of the document to be delivered prior to the conclusion of a contract);
- (ii) when the bank has delivered a document to be delivered prior to the

- conclusion of a contract for another contract for specified deposit, etc. that has the same content as the contract for specified deposit, etc., to the customer within one year before the conclusion of the contract for specified deposit, etc. (including cases in which the bank has not delivered the document to be delivered prior to the conclusion of a contract for the other contract for specified deposit, etc. that has the same content, pursuant to provisions of the preceding item); and
- (iii) cases as set forth in the following sub-items, if the bank intends to conclude a contract for specified deposit, etc. to change a part of the contract for specified deposit, etc. that has been effected:
 - (a) cases in which there are no changes that should be made to the particulars stated in the document to be delivered prior to the conclusion of a contract for the other contract for specified deposit, etc. that has been effected along with the changes to the contract;
 - (b) if there are changes that should be made to the particulars stated in the document to be delivered prior to the conclusion of a contract for the other contract for specified deposit, etc. that has been already effected along with the changes to the contract, when the bank has delivered a document (referred to as a "contract change document" in the following paragraph and Article 14-11-30-2, item (ii), (c)) in which those particulars that should be changed are stated, to the customer; and
 - (iv) when a bank agent that has that bank as its principal bank has delivered a document as provided in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, with regard to the conclusion of a single contract for specified deposit, etc., to the customer pursuant to the provisions of the main clause of that paragraph.
- (2) The provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; the provisions of Article 4-3 of the Order; and the provisions of Article 14-11-8; apply mutatis mutandis to delivery of the document of foreign currency deposit, etc., under item (i) of the preceding paragraph and delivery of the contract change document under item (iii), (b) of that paragraph.
- (3) If the bank concludes a contract for specified deposit, etc. for a foreign currency deposit, etc. within one year from the date when the bank has delivered a document of foreign currency deposit, etc. (including the date when the bank is deemed to have delivered a document of foreign currency deposit, etc. pursuant to the provisions of this paragraph) (limited to the cases in which the customer has expressed the intention not requiring delivery of the document to be delivered prior to the conclusion of a contract), the bank is deemed to have delivered that document of foreign currency deposit, etc. on the

date of the conclusion of the contract for specified deposit, etc., and the provisions of paragraph (1), item (i) is applied.

- (4) If the bank concludes a contract for specified deposit, etc. that has the same content as the contract for specified deposit, etc. related to the document delivered prior to the conclusion of a contract within one year from the date when the bank has delivered that document (including the date of the conclusion of a contract for specified deposit, etc. if the bank does not deliver a document to be delivered prior to the conclusion of a contract for that contract for specified deposit, etc., pursuant to the provisions of paragraph (1), item (i), and the date when the bank is deemed to have delivered a document to be delivered prior to the conclusion of a contract pursuant to the provisions of this paragraph), the bank is deemed to have delivered that document on the date of the conclusion of that contract having the same content as the other contract, and the provisions of paragraph (1), item (ii) is applied.

(Particulars of Charges to Be Paid by a Customer)

Article 14-11-26 The particulars specified by Cabinet Office Order that are provided for in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the amount of fee, etc. that the customer is to pay for a contract for specified deposit, etc. according to their category, their maximum amount or the way they are calculated (including the percentage of the amount of principal pertaining to the contract for specified deposit, etc.; hereinafter the same applies in this Article) regardless of whether they are referred to as a fee, compensation, expenses, or any other name, and their total amount or maximum amount, or the way they are calculated; provided, however, that when these cannot be stated, to give an indication of this and the reasons therefor.

(Information to Be Stated in a Document to be Delivered Prior to the Conclusion of a Contract)

Article 14-11-27 The particulars specified by Cabinet Office Order that are provided for in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following particulars:

- (i) the indication to thoroughly read the content of the document to be delivered prior to the conclusion of a contract;
- (ii) the name of the financial instrument (including its alias);
- (iii) distinction as to whether the contract is subject to payment of insurance money as prescribed in Article 53 of the Deposit Insurance Act;
- (iv) scope of the persons subject to the bank's acceptance of their deposits;

- (v) period of deposit (including an indication of whether the deposit will be renewed automatically or not);
- (vi) minimum amount of deposit, unit of deposit, and any other particulars on the deposit;
- (vii) method of repayment;
- (viii) method of establishing interest, payment method of interest, calculation method of interest, and other particulars on interest;
- (ix) the particulars on any special provisions that may be added;
- (x) the way of handling the case of cancellation before maturity of the deposit period (including the calculation methods of interest and fees);
- (xi) the following particulars, if there is a risk for a loss to arise that has as its direct cause fluctuations of the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, as regards the contract for specified deposit, etc. into which the customer will enter:
 - (a) the indicator in question; and
 - (b) the reasons that fluctuations of that indicator could give rise to a loss;
- (xii) an indication that, if the right that the referenced bank holds to extend the deposit period of a specified deposit, etc. is exercised, the customer risks being put at a disadvantage by the money rate of the specified deposit, etc. falling below the money market rate;
- (xiii) in the case of handling a financial instrument in which the full amount paid at the time of depositing for the combination of the specified deposit, etc. with the following transactions is not guaranteed to be repaid at its expiry, a detailed explanation stating that the full amount paid at the time of depositing is not guaranteed to be repaid at its expiry and any other detailed explanations concerning the financial instrument:
 - (a) market derivative transactions or foreign market derivative transactions (excluding transactions that correspond to securities-related derivative transactions);
 - (b) a financial derivative transaction as prescribed in Article 10, paragraph (2), item (xiv) of the Act;
 - (c) a forward foreign exchange transaction;
 - (d) a securities-related derivative transaction (excluding a transaction similar to that set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act and a transaction in a foreign financial instruments market similar to that as set forth in that item); and
 - (e) a transaction similar to that set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or a transaction in a foreign financial instruments market similar to that as set forth in that item (limited to a National Government Bond Certificate, etc. and

- securities set forth in paragraph (1), item (xvii) of that Article pertaining to those that have characteristics as prescribed in item (i) of that paragraph);
- (xiv) if the way of establishing an indicator and of establishing money rate to be the standard for establishing a money rate of a floating rate deposit are specified, the particulars on the standards, method, and money rate;
- (xv) an outline of the taxation concerning the contract for specified deposit, etc.;
- (xvi) the method to contact the bank by customers;
- (xvii) whether or not there is a certified investor protection organization (limited to the certified investor protection organization whose recognized business covers the contract for specified deposit, etc. (meaning the recognized business prescribed in Article 79-10, paragraph (1) of the Financial Instruments and Exchange Act); the same applies in Article 34-53-12, item (xvii)) that has the bank as its covered business operator (meaning a covered business operator as prescribed in Article 79-11, paragraph (1) of that Act; the same applies hereinafter) (the name of a certified investor protection organization if the bank is the covered business operator of the certified investor protection organization);
- (xviii) the particulars prescribed in sub-item (a) or sub-item (b) according to the categories of cases set forth in those sub-items.
- (a) if a designated dispute resolution organization exists: the trade name or name of the designated dispute resolution organization which is the other party to the basic contract for the implementation of dispute resolution procedures, prescribed in Article 12-3, paragraph (1), item (i) of the Act, if the bank takes a measure to conclude that basic contract;
- (b) if there is no designated dispute resolution organization: the content of the complaint handling measures and the dispute resolution measure of the bank as prescribed in Article 12-3, paragraph (1), item (ii) of the Act; and
- (xix) other information found to be of reference concerning the deposit of the specified deposit, etc.

(Information to Be Stated in a Document to be Delivered upon the Conclusion of a Contract)

Article 14-11-28 The following matters must be entered into a document that is prescribed in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act (referred to as a "document to be delivered upon the conclusion of a contract" in the following Article) and is to be prepared when a contract for specified deposit, etc. is effected:

- (i) trade name of the bank;
- (ii) amount of deposit (amount of the principal indicated in a foreign currency if the amount is indicated in the foreign currency);
- (iii) distinction as to whether the contract is subject to payment of insurance money as prescribed in Article 53 of the Deposit Insurance Act;
- (iv) date of deposit and date of maturity (including whether the deposit will be renewed automatically or not);
- (v) method of repayment;
- (vi) method of establishing interests, payment method of interests, calculation method of interests, and other particulars concerning interests;
- (vii) the way of handling the case of cancellation before maturity of the deposit period (including the calculation methods of interest and fees);
- (viii) date when the specified deposit, etc. contract is effected;
- (ix) the particulars on a fee, etc. in relation to the contract for specified deposit, etc.
- (x) name of customer; and
- (xi) method for the customer to contact the bank.

(When Delivery of a Document to Be Delivered upon the Conclusion of a Contract Is Not Required)

Article 14-11-29 (1) The cases specified by Cabinet Office Order that is provided for in Article 37-4, proviso to paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act regarding a document to be delivered upon the conclusion of a contract are the following cases:

- (i) a case in which the bank has delivered a document of foreign currency deposit, etc. to the customer within one year before the conclusion of a contract for specified deposit, etc. in relation to a foreign currency deposit, etc. (limited to cases in which the customer has expressed the intention of not requiring delivery of a document to be delivered upon the conclusion of a contract);
- (ii) a case in which the bank has delivered a document to be delivered upon the conclusion of a contract in relation to a contract for specified deposit, etc. that has the same content as the contract for specified deposit, etc., to the customer within one year before the conclusion of that contract (including cases in which the bank has not delivered the document to be delivered upon the conclusion of a contract with regard to the contract for specified deposit, etc. that has the same content, pursuant to the provisions of the preceding item); and
- (iii) cases as set forth in the following sub-items if a contract for specified deposit, etc. for changing a part of the contract for specified deposit, etc. that

has been effected is effected:

- (a) a case in which there are no particulars stated in the document delivered upon the conclusion of a contract in relation to that other specified deposit, etc. that has been effected that should be changed along with the change of the contract;
 - (b) if there are particulars stated in the document to be delivered upon the conclusion of a contract in relation to the contract for specified deposit, etc. that has been effected that should be changed along with change of the contract, when the bank has delivered a document in which those particulars to be changed are stated to the customer; and
 - (iv) if a bank agent that has that bank as its principal bank has delivered a document that is provided for in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, with regard to the conclusion of a single specified deposit, etc. contract, to the customer pursuant to the provisions of the main clause of that paragraph.
- (2) The provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act and the provisions of Article 4-3 of the Order as applied mutatis mutandis pursuant to Article 13-4 of the Act; and the provisions of Article 14-11-8 of the Order, apply mutatis mutandis to delivery of documents pursuant to the provisions of item (iii), (b) of the preceding paragraph.
- (3) If the bank concludes a contract for specified deposit, etc. in relation to a foreign currency deposit, etc. within one year from the date when the bank has delivered a document of foreign currency deposit, etc. (including the date when the bank is deemed to have delivered a document of foreign currency deposit, etc. pursuant to the provisions of this paragraph) (limited to the cases in which the customer expressed the intention of not requiring delivery of a document to be delivered upon the conclusion of a contract), the bank is deemed to have delivered that document of foreign currency deposit, etc. on the date of the conclusion of the specified deposit, etc. contract, and the provisions of paragraph (1), item (i) are applied.
- (4) If the bank concludes a specified deposit, etc. contract that has the same content as another specified deposit, etc. contract in relation to a document to be delivered upon the conclusion of a contract within one year from the date when the bank has delivered that document (including the date of the conclusion of a contract for specified deposit, etc. if the bank does not deliver a document to be delivered upon the conclusion of a contract with regard to that contract for specified deposit, etc., pursuant to the provisions of paragraph (1), item (i); and the date when the bank is deemed to have delivered a document to be delivered upon the conclusion of a contract pursuant to the provisions of this paragraph), the bank is deemed to have delivered that document on the date of

the conclusion of that contract that has the same content as the other contract, and the provisions of paragraph (1), item (ii) are applied.

(Significance of Registration of a Credit Rating Agency and Other Particulars)

Article 14-11-30 (1) The particulars specified by Cabinet Office Order as the significance of registration in Article 66-27 of the Financial Instruments and Exchange Act and other particulars, that are provided for in Article 38, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are those set forth in the following items:

- (i) the significance of registration under Article 66-27 of the Financial Instruments and Exchange Act;
- (ii) the particulars set forth in the following with regard to a person that gave a credit rating (meaning the credit rating prescribed in Article 2, paragraph (34) of the Financial Instruments and Exchange Act; hereinafter the same applies in this Article, Article 34-2-30, and Article 34-53-17):
 - (a) their trade name or name;
 - (b) their officers' name if that person is a corporation (including an organization without legal personality that appoints a representative or an administrator) (or, their representative or administrator's name for an organization without legal personality that appoints a representative or an administrator);
 - (c) names and locations of the head office and other main business offices or offices.
- (iii) the outline of the policy and method that the person that gave the credit rating uses to give the credit rating;
- (iv) the premise, significance, and limitations of credit rating.

(2) Notwithstanding the provisions of the preceding paragraph, the particulars specified by Cabinet Office Order as significance of registration under Article 66-27 of the Act and other particulars, that are provided for in Article 38, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, with regard to credit ratings given by a specified associated corporation (meaning specified associated corporation prescribed in Article 116-3, paragraph (2) of the Cabinet Office Order on Financial Instruments Business; the same applies in this paragraph, Article 34-2-30, paragraph (2) and Article 34-53-17, paragraph (2)) are the following:

- (i) the significance of registration under Article 66-27 of the Financial Instruments and Exchange Act;
- (ii) a trade name, name and registration number of a credit rating agency whose associated corporation (meaning an associated corporation prescribed

- in Article 295, paragraph (3), item (x) of the Cabinet Office Order on Financial Instruments Business; the same applies in Article 34-2-30, paragraph (2), item (ii) and Article 34-53-17, paragraph (2), item (ii)) is designated by the Commissioner of the Financial Services Agency as the specified associated corporation pursuant to the provisions of Article 116-3, paragraph (2) of the same Cabinet Office Order;
- (iii) a name used by the specified associated corporation as an indication of the credit rating business (meaning the credit rating business provided in Article 2, paragraph (35) of the Financial Instruments and Exchange Act; the same applies in Article 34-2-30, paragraph (2), item (iii) and Article 34-53-17, paragraph (2), item (iii));
 - (iv) the outline of the policy and method that the specified associated corporation that gave the credit rating uses to give the credit rating, or the way to obtain information on that outline from the credit rating agency specified by item (ii);
 - (v) the premise, significance, and limitations of credit rating.

(Prohibited Acts)

Article 14-11-30-2 The acts specified by Cabinet Office Order that are provided for in Article 38, item (ix) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following acts:

- (i) acts as set forth in each item of Article 14-11-3;
- (ii) an act to conclude a contract for specified deposit, etc. without explaining particulars (those that are written in the document as set forth in item (c) and are related to the particulars set forth in items (iii) through (v) and item (vii) of that paragraph, if the bank delivers that document) set forth in Article 37-3, paragraph (1), items (iii) through (v) and item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act to a customer (excluding a professional investor (excluding a person that is deemed to be a customer other than a professional investor pursuant to the provisions of Article 34-2, paragraph (5) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, and including a person that is deemed to be a professional investor pursuant to the provisions of Article 34-3, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act (including cases in which it is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act)); hereinafter the same applies in this item) in advance, with regard to delivery of the following documents, by

using a method and to the extent necessary for the customer to understand the particulars in light of the customer's knowledge, experience, financial status, and purpose for concluding the contract for specified deposit, etc.:

- (a) a document to be delivered prior to the conclusion of a contract;
 - (b) a document of foreign currency deposit, etc.; and
 - (c) a contract change document;
- (iii) an act to give a false indication, or to give an indication that may cause misunderstanding of important matters, with regard to conclusion of a contract for specified deposit, etc. and its solicitation;
- (iv) an act to promise the provision of special profit to a customer or a person specified by the customer, or to provide special profit to a customer or a third person, with regard to a specified deposit, etc. contract (including an act to order a third party to promise the provision of special profit or to provide special profit); and
- (v) an act to solicit conclusion or termination of a contract for specified deposit, etc. by making a phone call or making a visit to a customer (limited to an individual) at the time when that customer finds it annoying.

(Exemption of Exclusion from Application of Restriction on Acts)

Article 14-11-31 The case specified by Cabinet Office Order that is provided for in the proviso to Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, with regard to application of provisions of Article 37-4 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is when a system for promptly responding to an inquiry concerning a contract for specified deposit, etc. that a customer concluded has not been developed.

(Subsidiary Company of a Bank)

Article 14-12 A company in a unique relationship with a bank as specified by Cabinet Office Order as provided in Article 14-2, item (ii) of the Act means the following companies:

- (i) a subsidiary corporation, etc. of that bank; and
- (ii) an affiliated corporation, etc. of that bank.

(Application of Approval for Non-Business Days)

Article 15 (1) When a bank intends to obtain an approval for the non-business days under Article 5, paragraph (2), item (ii) of the Order, the bank is to attach the following documents to a written application for approval and submit them to the Commissioner of the Financial Services Agency or other competent authorities:

- (i) a written statement of reasons; and

- (ii) a document stating the method of posting notice under Article 5, paragraph (3) of the Order.
- (2) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether it conforms to the following standards:
 - (i) the method is not likely to cause problems with the system that processes domestic exchange transactions between financial institutions using communication lines; and
 - (ii) the method does not considerably harm the convenience of customers of a business office to which the application pertains.
- (3) If a bank obtains approval for the non-business days under Article 5, paragraph (2), item (ii) of the Order, it is to display the following particulars in the front-office area of the business office to which the approval pertains:
 - (i) the non-business days other than the days set forth in the items of Article 5, paragraph (1) of the Order and paragraph (2), item (i) of that Article (referred to as the "designated non-business days" in Article 32-2);
 - (ii) the period during which the non-business days referred to in the preceding item will be in effect (but only if it has set such a period); and
 - (iii) the name, location, telephone number, and other such contact information of the business office closest to the relevant business office.

(Business Hours)

Article 16 (1) Business hours of a bank are 9:00 a.m. to 3:00 p.m.

- (2) Business hours as prescribed in the preceding paragraph may be extended due to business reasons.
- (3) A bank may change business hours with regard to its business office, if that business office corresponds to all of the following cases (excluding cases corresponding to the preceding paragraph):
 - (i) if it requires to set different business hours from business hours as prescribed in paragraph (1) due to special circumstances in the locality of the business office or in the locality where it has been established, or due to other circumstances; and
 - (ii) if it does not considerably harm the convenience of customers of the business office.
- (4) If a bank changes business hours pursuant to the provisions of the preceding paragraph, it must display the following particulars in front-office area of the relevant business office:
 - (i) the business hours after the change;
 - (ii) the period during which the business hours referred to in the preceding item will be in effect (but only if it has set such a period); and

- (iii) the name, location, telephone number, and other such contact information of the business office closest to the relevant business office.
- (5) Notwithstanding the provisions of each item of the preceding paragraph, business hours of a of a bank's business office located in a foreign state are the times to be approved pursuant to laws and regulations of the locality of the business office.

(Notification of Temporary Suspension of Business)

- Article 17 (1) If a bank intends to file a notification to the effect that the bank suspends all or part of its business, or resumes all or part of it pursuant to the provisions of Article 16, paragraph (1) of the Act, the bank must attach the following documents to the written notice and submit them to the Commissioner of the Financial Services Agency or other competent authorities:
- (i) a written statement of reasons;
 - (ii) a document stating the method of posting pursuant to the provisions of Article
 - (iii) other documents giving particulars that the Commissioner of the Financial Services Agency finds to be necessary.
- (2) The case specified by Cabinet Office Order that is provided for in Article 16, paragraph (1) of the Act means:
- (i) if all or part of a bank's services are ordered to be suspended pursuant to the provisions of Article 26, paragraph (1); Article 27; or paragraph (1) or paragraph (4) of Article 52-34 of the Act;
 - (ii) if all or part of business conducted by a cash dispenser or other machines specified separately by the Commissioner of the Financial Services Agency (hereinafter referred to as a "cash dispenser, etc.") is suspended on a bank's business day as prescribed in Article 15, paragraph (1) of the Act, at a bank's business office that conducts all or part of business;
 - (iii) if all or part of business at an unmanned business office of a bank is suspended (excluding cases corresponding to the preceding paragraph);
 - (iv) if all or part of business at a business office is suspended due to the risk that carrying out business at that business office will seriously endanger the life or body of an officer, employee, or user because of a typhoon, earthquake, or any other such abnormal meteorological phenomena, hydrological phenomena, or terrestrial phenomena;
 - (v) if all or part of business of a bank located in a foreign state, or all or part of business of a person that is entrusted by the bank to engage in the bank' services, is suspended at a business office that conducts their business; and
 - (vi) if all or part of the bank's services is suspended due to suspension of all or part of business of bank agency services in which a bank agent (including a bank, etc. (meaning a bank, etc. as prescribed in paragraph (1) of the Article

- 52-61 of the Act) that is deemed to be a bank agent pursuant to the provisions of paragraph (2) of that Article; the same applies in the following paragraph) that has that bank as its principal bank performs for the benefit of that bank.
- (3) If a bank posts a notification pursuant to the provisions of Article 16, paragraph (1) of the Act, the bank must have that notification posted in the front-office area of the business office in accordance with the categories as set forth in each item of the following until the day specified in each the item:
- (i) posting pursuant to the provisions of first sentence of paragraph (1) of Article 16 of the Act: the day on which the bank resumes all or part of business at a business office where it suspended all or part of its business temporarily;
 - (ii) posting pursuant to the provisions of second sentence of paragraph (1) of Article 16 of the Act: the day on which one month has elapsed after the day on which the bank resumes all or part of business at a business office where it suspended all or part of business temporarily.
- (4) The case specified by Cabinet Office Order that is provided for in Article 16, paragraph (2) of the Act means any of the following cases:
- (i) if a bank temporarily suspends all or part of its business at an unmanned business office;
 - (ii) a case that falls under paragraph (2), item (ii), or any of items (iv) through (vi); and
 - (iii) if the suspension period is one business day or less and business is reliably expected to be promptly resumed.
- (5) The case specified by Cabinet Office Order that is provided for in Article 16, paragraph (3) of the Act means any of the following cases:
- (i) if a bank temporarily suspends part of its business at an unmanned business office;
 - (ii) if paragraph (2), item (iv) applies; or
 - (iii) if the suspension period is one business day or less and business is reliably expected to be promptly resumed.

Chapter III Subsidiary Company

(Business of a Specialized Subsidiary Company)

Article 17-2 (1) The services specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (1), item (iii) of the Act means the following, apart from the services through which the relevant person performs the actions set forth in Article 35, paragraph (1), items (i) through (x) and (xiii) of the Financial Instruments and Exchange Act and the business as set forth in paragraph (2), items (i) through (iii) of that Article:

- (i) services as set forth in any of the items of paragraph (1) of the following Article which the relevant person performs for the benefit of the services performed by a bank, its subsidiary company, or a person set forth in any of the items of paragraph (4) based on standards prescribed by the Commissioner of the Financial Services Agency;
 - (ii) services as set forth in any of the items of paragraph (2) of the following Article; provided, however, that, with regard to services as set forth in any of items (xix) through (xxiii) of that paragraph, this is limited to the case in which the relevant person has a securities subsidiary company, etc. (meaning the security subsidiary company, etc. prescribed in Article 16-2, paragraph (2), item (vi) of the Act); with regard to services as set forth in any of items (xxiv) through (xxxiv) of paragraph (2) of the following Article, this is limited to the case in which the relevant person has an insurance subsidiary company, etc. (meaning the insurance subsidiary company, etc. prescribed in Article 16-2, paragraph (2), item (vii) of the Act; the same applies in item (iii) of the following paragraph, and paragraph (3), item (v)); and with regard to services as set forth in any of items (xxxv) through (xxxvii) of paragraph (2) of the following Article, this is limited to the case in which the relevant bank is a trust bank (meaning a trust bank prescribed in Article 16-2, paragraph (2), item (viii), (a) of the Act; the same applies hereinafter) or if the that bank has a trust subsidiary company, etc. (meaning a trust subsidiary company, etc. prescribed in Article 16-2, paragraph (2), item (viii) of the Act; the same applies hereinafter).
- (2) The services specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (1), item (iii) of the Act means the following services, apart from services through which the relevant person performs the acts set forth in Article 35, paragraph (1), items (i) through (x) and item (xiii) of the Financial Instruments and Exchange Act and services set forth in paragraph (2), items (i) through (iii) of that Article (limited to, with regard to the services set forth in item (i) of that paragraph, the services set forth in Article 13-2-3, paragraph (1), item (i) and item (iii) (limited to the part pertaining to item (i) of that paragraph) and the services through which it accepts the outsourcing of a transaction on a commodity market, etc. as prescribed in Article 2, paragraph (21) of the Commodity Derivatives Transaction Act; and limited to, with regard to the business set forth in Article 35, paragraph (2), item (ii) of the Financial Instruments and Exchange Act, the business set forth in Article 13-2-3, paragraph (1), item (i) and item (iii) (limited to the part pertaining to item (i) of that paragraph)):
- (i) services through which it performs the acts set forth in Article 2, paragraph (8), item (vii), and items (xi) through (xvii) of the Financial Instruments and Exchange Act and acts prescribed in Article 1-12 of the Order of Enforcement

- of the Financial Instruments and Exchange Act;
- (ii) services as set forth in the items of paragraph (1) of the following Article (except item (xxiii)) that it performs based on the standards specified by the Commissioner of the Financial Services Agency to benefit the services performed by a bank, its subsidiary company, or a person as set forth in each item of paragraph (4); or
 - (iii) services as set forth in each item of paragraph (2) of the following Article (excluding business corresponding to those as set forth in item (i)); provided, however, that: with regard to services as set forth in items (xxiv) through (xxxiv) of that paragraph, this is limited to the case in which the relevant person has an insurance subsidiary company, etc.; and with regard to services as set forth in paragraph (2), items (xxxv) through (xxxvii) of the following Article, this is limited to the case in which a bank is a trust bank or has a trust subsidiary company, etc.
- (3) The services specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (1), item (iv) of the Act means any of the following services, apart from services through which the relevant person performs the actions set forth in Article 35, paragraph (1), item (x) and item (xiii) of the Financial Instruments and Exchange Act and services as set forth in paragraph (2), items (i) through (iii) of that Article:
- (i) services through which it performs the actions set forth in Article 2, paragraph (8), item (xi), item (xii) and item (xiv) of the Financial Instruments and Exchange Act and the actions prescribed in Article 1-12 of the Order of Enforcement of the Financial Instruments and Exchange Act;
 - (ii) acting as intermediary in the conclusion of a cumulative investment contract (meaning a cumulative investment contract as prescribed in Article 35, paragraph (1), item (vii) of the Financial Instruments and Exchange Act);
 - (iii) acting as intermediary in the lending of securities as prescribed in Article 35, paragraph (1), item (i) of the Financial Instruments and Exchange Act;
 - (iv) services set forth in item (ii) of the preceding paragraph; and
 - (v) services set forth in each item of paragraph (2) of the following Article (excluding business corresponding to that as set forth in item (i)); provided, however, that: with regard to services as set forth in items (xxiv) through (xxxiv) of that paragraph, this is limited to the case in which the relevant person has an insurance subsidiary company, etc.; and with regard to business as set forth in items (xxxv) through (xxxvii) of that paragraph, this is limited to the case in which a bank is a trust bank or has a trust subsidiary company, etc.
- (4) The entity specified by Cabinet Office Order that is provided for in Article 16-2, paragraph (1), item (xi) of the Act means:
- (i) the relevant bank's bank-holding specified subsidiary bank (meaning a

- subsidiary company (limited to a bank or a company as set forth in Article 52-23, paragraph (1), item (i) or item (vi) of the Act, and excluding that relevant bank and its specified subsidiary bank (meaning a company as set forth in Article 16-2, paragraph (1), item (i), item (ii), or item (vii) of the Act among the subsidiary companies of that relevant bank; the same applies in the following item and item (iv))) of a bank holding company that has that relevant bank as its subsidiary company; the same applies in item (iv));
- (ii) a group of banks of the relevant bank (meaning a group of that relevant bank and its subsidiary companies, or a group of specified subsidiary banks of that relevant bank and subsidiary companies other than the specified subsidiary banks of that relevant bank; the same applies in item (iv));
 - (iii) a group of bank holding companies of the relevant bank (limited to a group that includes a bank or companies as set forth in Article 52-23, paragraph (1), item (i) or item (vi) of the Act among a group of two or more subsidiary companies of a bank holding company that holds that relevant bank as a subsidiary company and a group of that relevant bank holding company and its subsidiary companies; and excluding groups as set forth in the preceding item; the same applies in the following item);
 - (iv) the relevant bank or, its specified subsidiary bank, a bank-holding specified subsidiary bank, a group of banks, or a group of bank holding companies, and the following persons:
 - (a) a bank, etc.;
 - (b) a group of banks, etc.;
 - (c) a group of bank holding companies; or
 - (d) a group of long-term credit bank holding companies of a long-term credit bank.
- (5) The meaning of the terms "bank, etc.", "group of banks, etc.", and "group of long-term credit bank holding companies of a long-term credit bank" as prescribed in item (iv) of the preceding paragraph are as prescribed in each of the following item:
- (i) a bank, etc.: the following persons:
 - (a) a bank or a long-term credit bank (including a foreign company that performs banking among those subsidiary companies);
 - (b) a Shinkin Bank, credit cooperatives, or a labor bank (including a bank or a foreign company that performs banking, among federations organized with these corporations or their subsidiary companies);
 - (c) an agricultural cooperative, a federation of agricultural cooperatives, a fisheries cooperative, a federation of fisheries cooperatives, a fishery processing cooperative, a federation of fishery processing cooperative (including a subsidiary company (limited to a bank) of federation of agricultural cooperatives, a federation of fisheries cooperatives, and a

- federation of fishery processing cooperatives, with regard to the federation of agricultural cooperatives, the federation of fisheries cooperatives, and a federation of fishery processing cooperatives); and
- (d) the Norinchukin Bank (including a bank or a foreign company that performs banking among the Norinchukin Bank's subsidiary companies);
 - (e) the Shoko Chukin Bank Limited
- (ii) a group of banks, etc.: a group of the bank, etc., as prescribed in the preceding item and its subsidiary companies, or a group of subsidiary banks, etc. of the bank, etc. (meaning a bank, long-term credit bank, or a foreign company that performs banking, among subsidiary companies of the bank, etc.; hereinafter the same applies in this item) and subsidiary companies other than the subsidiary banks, etc. of the bank, etc.;
 - (iii) a group of long-term credit bank holding companies: limited a group that includes a long-term credit bank or companies as set forth in Article 16-4, paragraph (1), item (i) or (vi) of the Long-Term Credit Bank Act among a group of two or more subsidiary companies of a long-term credit bank holding company (meaning a long-term credit bank holding company as prescribed in Article 16-4, paragraph (1) of the Long-Term Credit Bank Act; the same applies hereinafter) or a group of the long-term credit bank holding company and its subsidiary companies; and excluding a group as specified in the preceding item.
- (6) The company specified by Cabinet Office Order that is provided for in Article 16-2, paragraph (1), item (xii) and Article 16-3, paragraph (7) of the Act means a company falling under any of the following items, other than one that is an issuer of shares listed on a financial instruments exchange or shares registered in a registry of over-the-counter traded securities as prescribed in Article 67-11, paragraph (1) of the Financial Instruments and Exchange Act:
- (i) a small and medium-sized enterprise operator (meaning a small and medium-sized enterprise operator prescribed in Article 2, paragraph (1) of the Small and Medium-sized Enterprises Business Enhancement Act (Act No. 18 of 1999); hereinafter the same applies in this paragraph and paragraph (12)), if five years have not elapsed since the date of incorporation or the date of its commencement of new business activities (meaning activities such as the development or production of new products, development or provision of new services, introduction of a new method of producing or selling products, and introduction of a new method of providing services, which are different in type from the business in which the company currently engages; the same applies in the following item and item (iii)); and if the percentage of its amount set forth in sub-item (a) to its amount set forth in sub-item (b) exceeds three percent in the preceding business year or preceding year:
 - (a) total amount of testing and research expenses and other expenses

- (v) a company subject to a decision of assistance prescribed in Article 19, paragraph (4) of the Act on Corporation for Revitalizing Earthquake-Affected Business (Act No. 113 of 2011);
 - (vi) a company which has obtained assistance from an industrial recovery organization prescribed in Article 59, paragraph (1) of the Act on Corporation for Revitalizing Earthquake-Affected Business;
 - (vii) a company which has obtained an approval referred to in Article 23, paragraph (1) or Article 25, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013);
 - (viii) a company which implements a streamlined business improvement plan (limited to a plan in which a bank etc. prescribed in Article 52-61, paragraph (1) of the Act, Shoko Chukin Bank Limited, an insurance company (including a foreign insurance company, etc.), a bank holding company, a long-term credit bank holding company or an insurance holding company prescribed in Article 2, paragraph (16) of the Insurance Business Act, or a subsidiary company of any of these (hereinafter referred to as a "specified financial institution, etc." in this item) implements any of the following measures with regard to obligations a company owes to the specified financial institution, etc., and the implementation of these measures is expected to improve the condition of the business management of the company within a reasonable period of time):
 - (a) measures to release the company from all or part of the obligations;
 - (b) measures to acquire shares of the company in order to extinguish all or part of the obligations;
 - (c) measures to make all or part of the claims pertaining to the obligations subordinated to other claims against the company (but only if the specified financial institution, etc. also implements measures so that the company will lose its benefit of time when a financial indicator of the company falls short of a certain level fixed in advance by the specified financial institution, etc. and the company); and
 - (ix) a company that came to need assistance in order to succeed to its business for reasons such as the representative's death or old age, and that has received assistance based on a business succession plan.
- (8) The requirements specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (1), item (xii)-2 of the Act are that if a bank or its subsidiary company acquires voting rights in the company prescribed in the preceding paragraph (excluding one that falls under item (ix) of that paragraph), all of the requirements set forth in the following items are satisfied:
- (i) a business plan (meaning a business plan as referred to in Article 16-2, paragraph (1), item (xii)-2 of the Act) has been prepared that includes

- human-resources or financial assistance by a bank, etc. as prescribed in Article 52-61, paragraph (1) of the Act or any other such assistance for business revitalization that is provided by such a bank, etc.; and
- (ii) any of the following entity is involved in formulating the business plan referred to in the preceding item:
- (a) a public agency;
 - (b) a commercial and industrial association or chamber of commerce and industry;
 - (c) any entity equivalent to (a) or (b);
 - (d) an attorney or legal professional corporation;
 - (e) a certified public accountant or audit corporation;
 - (f) a certified public tax accountant or tax accountancy corporation; or
 - (g) a company that conducts the services set forth in paragraph (2), item (xv) of the following Article (limited to a company other than a subsidiary company, etc. (meaning a subsidiary company, etc. as prescribed in Article 14-2, item (ii) of the Act) of the bank and a subsidiary company, etc. (meaning a subsidiary company, etc. as prescribed in Article 52-25 of the Act) of a bank holding company that has the bank as its subsidiary company).
- (9) In addition to a company as prescribed in paragraph (6), a company that was a company as prescribed in paragraph (6) at the time that its voting rights were acquired by a bank or its subsidiary company (including a company that is to become a subsidiary company; hereinafter the same applies in this paragraph) due to grounds other than the acquisition of shares or equity through the exercise of a security right or grounds as set forth in Article 17-4, paragraph (1), item (i) (if the voting rights in the company are acquired by the bank or its subsidiary company on two or more occasions: on the latest occasion of the acquisition due to grounds other than the acquisition of shares or equity through the exercise of the security right and the grounds set forth in that item) is also considered to be a company as specified by Cabinet Office Order that is provided for in Article 16-2, paragraph (1), item (xii) of the Act in relation to that bank, unless the voting rights are newly acquired by the bank or its subsidiary company due to grounds other than the acquisition of shares or equity through the exercise of a security right or the cause set forth in Article 17-4, paragraph (1), item (i).
- (10) The provisions of the preceding paragraph apply mutatis mutandis to a company that was a company prescribed in paragraph (7). In this case, the phrase "Article 16-2, paragraph (1), item (xii)" in the preceding paragraph is deemed to be replaced with "Article 16-2, paragraph (1), item (xii)-2."
- (11) Notwithstanding the provisions of paragraph (6) through the preceding paragraph (excluding paragraph (8)), if a specified subsidiary company

(meaning a company prescribed in paragraph (13); hereinafter the same applies in this paragraph, the following paragraph, and Article 17-7-3, paragraph (2)) does not dispose of the voting rights acquired thereby in a company prescribed in paragraph (6) or paragraph (9) (hereinafter referred to as a "company cultivating new business field" in this paragraph), or in a company prescribed in paragraph (7) or company that falls under a company specified by Cabinet Office Order referred to in paragraph (9), as applied mutatis mutandis pursuant to the preceding paragraph following the deemed replacement of terms (hereinafter referred to as a "company in the business revitalization process" in this Chapter and Article 35, paragraph (1), item (xiii)), by the base disposition date (meaning: the day on which fifteen years have elapsed from the date of the acquisition of the voting rights in a company cultivating a new business field; the day on which five years have elapsed from the date of the acquisition of the voting rights in a company in the business revitalization process which falls under paragraph (7), item (ix); or the day on which ten years have elapsed from the date of the acquisition of the voting rights in a company in the business revitalization process other than the company which falls under that item (if the voting rights are voting rights in a company prescribed in paragraph (7) (limited to one that falls under item (v) or item (vi) of that paragraph), and the period during which the company receives the assistance exceeds ten years from the date of the acquisition of the voting rights: the day on which the assistance ends); hereinafter the same applies in this paragraph), the company cultivating new business field or company in the business revitalization process (hereinafter referred to as a "company cultivating new business field, etc." in this paragraph, Article 17-6, paragraph (1), item (ix), and Article 17-7-3, paragraph (3)) is to be considered as a company that does not fall under a company as specified by Cabinet Office Order that is provided for in Article 16-2, paragraph (1), item (xii) of the Act in relation to that bank in the case of a company cultivating new business field, or a company as specified by Cabinet Office Order that is provided for in item (xii)-2 of that paragraph in relation to that bank in the case of a company in the business revitalization process, respectively, from the day following the base disposition date; provided, however, that this does not apply to the case in which; the number of voting rights in the company cultivating new business field, etc. held by the bank or its subsidiary company falls below the base number of voting rights as of the base disposition date (meaning the number of voting rights obtained by multiplying the total shareholder or investor voting rights by five percent, with regard to voting rights in a domestic company (meaning the domestic company prescribed in Article 16-4, paragraph (1) of the Act; the same applies hereinafter in this Chapter and Chapter V) and voting rights in a company in the business revitalization process (limited to one that

satisfies the requirements specified in paragraph (8); the same applies in the following paragraph, Article 17-6, paragraph (1), item (ix), Article 17-7-3, paragraph (3), and Article 35, paragraph (1), item (xiii)); and meaning the number of voting rights obtained by multiplying the total shareholder or investor voting rights by fifty percent, with regard to voting rights in a foreign company; hereinafter the same applies in this paragraph and the following paragraph) if the disposition is performed; and the specified subsidiary company disposes of a portion of voting rights exceeding the base number of voting rights as of the base disposition date among the voting rights in the company cultivating new business field, etc. held by the bank or its subsidiary company, during the period from the date of the acquisition to the base disposition date.

- (12) Notwithstanding the provisions of paragraphs (7) and (10), if a bank or its subsidiary company other than a specified subsidiary company does not dispose of the voting rights acquired thereby in a company in the business revitalization process by the base disposition date (meaning the day on which the period specified in the following items has elapsed from the date of the acquisition of the voting rights in accordance with the categories of voting rights set forth in those items; hereinafter the same applies in this paragraph), the company in the business revitalization process is not considered to be a company specified by Cabinet Office Order that is provided for in Article 16-2, paragraph (1), item (xii)-2 of the Act in relation to the bank from the day following the base disposition date; provided, however, that this does not apply to the case in which; the number of voting rights in the company in the business revitalization process held by the bank or its subsidiary company other than a specified subsidiary company falls below the base number of voting rights as of the base disposition date, if the disposition is performed; and the bank or its subsidiary company other than a specified subsidiary company disposes of a portion of voting rights exceeding the base number of voting rights as of the base disposition date among the voting rights in the company in the business revitalization process held by the bank or its subsidiary company other than a specified subsidiary company, during the period from the date of the acquisition to the base disposition date:
- (i) voting rights from shares or equity issued by a small and medium-sized enterprise operator: ten years; or
 - (ii) voting rights from shares or equity issued by a company other than a small and medium-sized enterprise operator: three years.
- (13) The company specified by Cabinet Office Order that is provided for in Article 16-2, paragraph (1), item (xii) of the Act means a company that only performs business as set forth in paragraph (2), item (xii) of the following Article and business incidental to this.

(14) A holding company as specified by Cabinet Office Order that is provided for in Article 16-2, paragraph (1), item (xiii) of the Act means one as follows; provided, however, that if the relevant holding company performs business as set forth in each item of paragraph (1) of the following Article, it must perform that business, based on the standards specified by the Commissioner of the Financial Services Agency, for the benefit of the business performed mainly by a bank, its subsidiary company, or a person as set forth in each item of paragraph (4):

- (i) a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (xxiv) through (xxxiv)) (limited to the cases in which the holding company does not hold, as a subsidiary company, a company as prescribed in Article 16-2, paragraph (1), item (i), item (ii), item (v), item (v)-2, item (vii), and item (ix); the same applies hereinafter except for the following item and item (iii)), if that holding company holds, as a subsidiary company, a company specialized in securities business as prescribed in Article 16-2, paragraph (1), item (iii) of the Act (hereinafter referred to as a "company specialized in securities business"), a company specialized in securities introducing brokerage services as prescribed in item (iv) of that paragraph (hereinafter referred to as a "company specialized in securities introducing brokerage services") or a foreign company (excluding a foreign company which performs banking) performing securities-related business as prescribed in item (viii) of that paragraph, and a company specialized in trust business as prescribed in item (vi) of that paragraph (hereinafter referred to as a "company specialized in trust business"), or a foreign company (excluding a foreign company which performs banking) that performs trust business as prescribed in item (x) of that paragraph;
- (ii) a company as prescribed in Article 16-2, paragraph (1), item (i), item (ii), items (v) through (vii), item (ix) and item (x)), if that holding company holds, as its subsidiary company, a company specialized in securities, a company specialized in securities intermediation, or a foreign company (excluding a foreign company which carries out banking) engaging in securities services as prescribed in Article 16-2, paragraph (1), item (viii) of the Act, a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (xxiv) through (xxxvii)) (limited to the cases in which a holding company does not hold, as its subsidiary company);
- (iii) a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as

- set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (xix) through (xxxiv)) (limited to the cases in which the holding company does not hold, as its subsidiary company, a company as prescribed in Article 16-2, paragraph (1), item (i), item (ii), items (iii) through (v)-2, and items (vii) through (ix)), if that holding company holds, as its subsidiary company, a company specialized in trust business or a foreign company (excluding a foreign company which carries out banking) engaging in trust business as prescribed in Article 16-2, paragraph (1), item (x) of the Act;
- (iv) with regard to a holding company that holds a company as prescribed in Article 16-2, paragraph (1), item (ii)-2 or items (xi) through (xii)-3 of the Act as its subsidiary company, a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (xix) through (xxxvii));
- (v) a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (xxiv) through (xxxvii)), with regard to that holding company as specified in paragraph (6) of the following Article among companies that are a subsidiary company of a company specialized in securities business or a company specialized in securities intermediation that is a subsidiary company of the bank as prescribed in Article 16-2, paragraph (2), item (vi), (c) of the Act;
- (vi) with regard to a holding company as specified in paragraph (7) of the following Article among companies that are a subsidiary company of an insurance company or a small amount and short-term insurance company (meaning a small amount and short-term insurance provider as prescribed in Article 2, paragraph (18) of the Insurance Business Act; the same applies hereinafter) that are a subsidiary company of the bank as prescribed in Article 16-2, paragraph (2), item (vii), (c) of the Act, a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (xix) through (xxiii), and items (xxxv) through (xxxvii));
- (vii) a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (xix) through (xxxiv)), with regard to a holding company as specified in paragraph (8) of the following Article among

companies that are a subsidiary company of a trust bank or a company specialized in trust business that is a subsidiary company of the bank as prescribed in Article 16-2, paragraph (2), item (viii), (d) of the Act.

- (15) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to voting rights as prescribed in paragraph (8), paragraph (9) (including as applied mutatis mutandis pursuant to paragraph (10) by replacing terms), paragraph (11) and paragraph (12).

(Scope of a Subsidiary Company of a Bank)

Article 17-3 (1) The services specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (2), item (i) of the Act means:

- (i) services for renting out real property (as a general rule, limited to real property for business acquired or leased from a bank that has the person in question as subsidiary company, or its subsidiary company) for another business operator, or for maintaining, inspecting, or otherwise managing real property or its accompanying equipment that is owned by another business operator;
- (ii) services for performing the administrative processes concerning benefits for officers or employees of another business operator;
- (iii) services for purchasing or managing goods for use in another business operator's administrative processes;
- (iv) services for printing or bookbinding of documents, vouchers, or other documentation related to the administrative processes of another business operator;
- (v) services for advertising or promoting the business of another business operator;
- (vi) services for operating, maintaining, inspecting, or otherwise managing automobiles for another business operator;
- (vii) services for investigating or providing information as necessary for the services of another business operator (except for that corresponding to item (x));
- (viii) services for maintaining, inspecting, or otherwise managing cash dispensers, etc. of another business operator;
- (ix) services for preparing or sending off postcards or sealed documents to solicit persons to enter into contracts related to the business of another business operator or that explain the contents of those contracts;
- (x) services for evaluating property that is the object of security for a claim related to the lending of funds or other granting of credit by another business operator, for maintaining the property that is the object of the security, or for undertaking other necessary administrative processes in relation to that property;

- (x)-2 services of acting as an agent or intermediary in the sale and purchase of property (excluding real property) that is the object of security on behalf of another business operator, if it is necessary for the other business operator to exercise a security right in order to collect claims related to the lending of funds or other granting of credit;
- (xi) services to provide consultations for the lending of funds by another business operator (limited to the lending of necessary funds to purchase a home or any other lending of funds to consumers), or services to intermediate administrative processes for the lending of funds by another business operator or to undertake any other administrative process that is necessary in relation to the lending of funds by another business operator;
- (xii) services involving foreign exchange transactions carried out by another business operator, letters of credit, or traveler's checks, or services for undertaking the necessary administrative processes involved in the lending of funds that are directly necessary for import or export or any other international transactions, discounting of bills and notes, a debt guarantee, or the acceptance of bills and notes;
- (xiii) services for undertaking calculations related to the administrative processes of another business operator;
- (xiv) services for preparing, arranging, storing, sending off, or delivering documents, vouchers, or any other documentation related to the administrative processes of another business operator;
- (xv) services for intermediating administrative processes between another business operator and customers of that other business operator;
- (xvi) staffing services as prescribed in Article 2, item (iii) of the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers (Act No. 88 of 1985) or employment placement services that is carried out after obtaining a permission based on the provisions of Article 30, paragraph (1) of the Employment Security Act (Act No. 141 of 1947);
- (xvii) services for undertaking administrative processes involving computers for another business operator (including services for designing or maintaining a system that functions using a computer, or for designing, developing, or selling a software program (including selling peripheral equipment that are necessary along with the sale of a software program) or for its maintenance);
- (xviii) services for providing education or training to the officers or employees of another business operator;
- (xix) services for transporting the cash, checks, bills and notes, or securities of another business operator (except those corresponding to the following item and item (xxi));

- (xx) services for collecting and delivering cash, checks, bills and notes, or certificates to major clients of another business operator;
 - (xxi) services for accepting and delivering securities related to the services of another business operator to and from a major client of that business operator;
 - (xxii) services for organizing cash, checks, bills and notes, or securities, confirming their amounts or number, or retaining custody temporarily on behalf of another business operator;
 - (xxiii) services for investing on behalf of an insurance company (meaning an insurance company as prescribed in Article 16-2, paragraph (1), item (v) of the Act; the same applies hereinafter) that has the person in question as a subsidiary company;
 - (xxiv) services for purchasing the property that is the object of security at an appropriate price, for a bank that is itself a subsidiary company, a subsidiary company of such a bank, long-term credit bank, or insurance company (hereinafter referred to as a "parent bank, etc." in this item), and services for holding ownership of the purchased property, managing, and undertaking any other necessary administrative processes for the property, when it is necessary for the parent bank, etc. to exercise a security right for collecting claims related to lending of funds and other granting of credit;
 - (xxv) other services specified by the Commissioner of the Financial Services Agency as equivalent to the services set forth in the preceding items; or
 - (xxvi) services incidental to the services set forth in each of the preceding items (limited to business conducted by a person that engages in business as set forth in each item).
- (2) The services specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (2), item (ii) of the Act are as follows:
- (i) acting as an agent or intermediary for the services (excluding services as set forth in item (i)-5) of a bank, a long-term credit bank or a Shinkin Bank, credit cooperatives or labor bank (including federations organized by these corporations);
 - (i)-2 acting as an agent or intermediary for trust business (excluding business as set forth in item (i)-5) that is as prescribed in Article 11, paragraph (2) of the Agricultural Cooperatives Act and is conducted by an agricultural cooperative or a federation of agricultural cooperatives; trust business (excluding a business as set forth in that item) that is as prescribed in Article 54-2, paragraph (2) of the Fishery Cooperative Act and is conducted by a fisheries cooperative or a federation of fisheries cooperatives, or a fishery processing cooperative or a federation of fishery processing cooperative; or a business (excluding a business as set forth in that item) of the Norinchukin Bank;

- (i)-3 acting as an agent or intermediary for the services of a foreign company that conducts banking (limited to intermediation of custody of securities, settlement concerning transactions of securities based on the instruction of customers, transfer of profits, etc. pertaining to the securities in custody, lending of the securities in custody to a third party based on instruction, or exercise of rights of the securities in custody based on instruction, or intermediation of services incidental to those businesses, in the cases of conducting business in Japan);
- (i)-4 acting as an agent or intermediary for a fund transfer service operated by a fund transfer service provider;
- (i)-5 services as an agent for a trust contract as prescribed in Article 2, paragraph (8) of the Trust Business Act (excluding what is set forth in Article 3, item (ii) of the Order for Enforcement of the Act on Engagement in Trust Business Activities by Financial Institutions and Article 3, paragraph (1), item (ii) of the Regulation for Enforcement of the Act on Engagement in Trust Business Activities by Financial Institutions);
- (i)-6 acting as an agent or intermediary for the conclusion of a contract for being entrusted with the business that a financial institution engaging in trust business performs and that is set forth in Article 1, paragraph (1), items (iii) through (vii) of the Act on Engagement in Trust Business Activities by Financial Institutions (excluding business as set forth in Article 3, item (iii) of the Order for Enforcement of the Act on Engagement in Trust Business Activities by Financial Institutions, and business as set forth in Article 3, paragraph (1), items (iii) to (v) of the Regulation for Enforcement of the Act on Engagement in Trust Business Activities by Financial Institutions);;
- (ii) intermediation of the lending or borrowing of money (including intermediation for the granting of money by discounting of bills and notes, by security by way of transfer, or by other methods similar to these, or intermediation for delivery or receipt of money by those methods) that is carried out in the course of trade (excluding business as set forth in items (i) through (i)-3);
- (ii)-2 services involving a transaction other than the money lending, and equivalent to the monetary lending (limited to services in which the receiving of interest is forbidden by religious discipline and which is conducted based on the judgment of a council comprised of persons with expert knowledge on religious discipline with regard to the transaction being a transaction other than the money lending);
- (ii)-3 services related to electronic payment services;
- (iii) services as prescribed in Article 10, paragraph (2) of the Act (excluding services as set forth in items (viii), (viii)-2 and (xviii) of that paragraph,

- securities-related business, and other services corresponding to services as specified by the Commissioner of the Financial Services Agency);
- (iii)-2 services as prescribed in Article 2, paragraph (2) of the Act on Special Measures Concerning Claim Management and Collection Business (Act No. 126 of 1998), and services as set forth in each item of Article 12 of that Act (in the cases of conducting business as prescribed in item (ii) of that Article, limited to the cases in which all standards specified by the Commissioner of the Financial Services Agency are satisfied);
- (iii)-3 defined contribution pension plan operational management as prescribed in Article 2, paragraph (7) of the Defined Contribution Pension Act (Act No. 88 of 2001) or services for undertaking the administrative processes set forth in each item of Article 61, paragraph (1) of that Act;
- (iii)-4 solicitation for insurance prescribed in Article 2, paragraph (26) of the Insurance Business Act (referred to as "solicitation for insurance" in item (xxvii) and Article 34-48, paragraph (1)).
- (iv) services for acts as set forth in Article 2, paragraph (8), item (vii), item (xiii), and item (xv) of the Financial Instruments and Exchange Act;
- (v) Deleted;
- (vi) a commodity investment management as prescribed in Article 2, paragraph (3) of the Act on Regulation of Commodity Investment;
- (vii) the service of delivering or granting a card or other such object or a number or symbol or other such code that a person can use to purchase goods or rights from a specific seller or to receive services from a specific service provider by presenting it, notifying a specific seller or service provider of it, or exchanging it (hereinafter referred to as a "card or equivalent object or code" in this item and the following item), to a person that seeks to purchase goods or rights or to receive services using that card or equivalent object or code (hereinafter referred to as a "user" in this item and the following item); and of receiving money equivalent to the price of the goods or rights or the consideration for the services from the user and delivering that money to the seller or the service provider (this includes delivering that money to the seller or the service provider through a person other than that seller or service provider) when the user has purchased goods or rights or received services from the specific seller or service provider by presenting the card or equivalent object or code or notifying the specific seller or service provider of it, or in exchange for the card or equivalent object or code;
- (viii) services for delivering money equivalent to the price of goods or rights or the consideration for services to a specific seller or service provider (including delivering that money to the seller or the service provider through a person other than that seller or service provider) on the condition that a user purchase goods or rights or receive service from that seller or service

- provider without using a card or equivalent object or code; and for receiving that amount of money from the user;
- (ix) services for issuing prepaid payment instruments for one's own business as prescribed in Article 3, paragraph (4) of the Payment Services Act or services for issuing prepaid payment instruments for third-party business prescribed in paragraph (5) of that Article, or services for selling these means of payment.
 - (x) Deleted
 - (xi) services to rent machinery or other articles (limited to the cases in which the services set forth in Article 10, paragraph (2), item (xviii) of the Act are mainly carried out pursuant to the standards as specified by the Commissioner of the Financial Services Agency):
 - (xii) services for providing another stock company with the funds that are necessary for its business by undertaking the following acts:
 - (a) lending funds to that company;
 - (b) acquiring bonds issued by that company (excluding short-term bonds set forth in Article 10, paragraph (3), item (i) of the Act);
 - (c) acquiring share options issued by that company;
 - (d) acquiring shares issued by that company for the purpose of receiving dividends pertaining to shares or gaining profit from a sale pertaining to those shares;
 - (e) concluding a partnership agreement as prescribed in Article 667, paragraph (1) of the Civil Code, or an investment business limited partnership contract as prescribed in Article 3, paragraph (1) of the Limited Partnership Act for Investment, with the purpose of performing any of the acts as set forth in items (a) to (d);
 - (xiii) services undertaken as an investment trust management company or an asset management company (or, as entities similar to these, in a case of a foreign state; including services for managing real property that belongs to investment trust assets for which an investment trust management company instructs its management, or assets of an investment corporation whose assets are managed by an asset management company);
 - (xiv) investment advisory services (meaning an investment advisory service as prescribed in Article 28, paragraph (6) of the Financial Instruments and Exchange Act) or services involved in a discretionary investment contract;
 - (xiv)-2 services for managing money or other property for others (including its instruction), as an investment in assets set forth in Article 3, item (i) and item (ii), and items (vi) through (viii) of the Enforcement Order of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000) (excluding services corresponding to item (iv) and the preceding two items);

- (xiv)-3 services to provide consultations concerning transfer of business, merger, company split, share exchange, or share transfer by another business operator, or for intermediating these matters;
- (xv) services to provide consultations concerning management of another business operator;
- (xvi) services for conducting financial or other economic investigations or research;
- (xvii) services to provide consultations concerning asset building by individuals;
- (xviii) services to mainly process data concerning business of a bank holding company, a long-term credit bank holding company, a company corresponding to a company eligible to be a subsidiary company (meaning a company eligible to be a subsidiary company as prescribed in Article 16-2, paragraph (1) of the Act, or a company eligible to be a subsidiary company as prescribed in Article 52-23, paragraph (1) of the Act; the same applies in the following item and item (xxxii)), or other financial institution as specified by the Commissioner of the Financial Services Agency, or data concerning finance of a business operator; and services for acting to transmit these data;
- (xviii)-2 the services for mainly creating or selling a software program for a computer (including selling peripheral equipment that are necessary along with the sale of a software program) concerning the services of a bank holding company, a long-term credit bank holding company, or a company that is a company eligible to be a subsidiary company, or other financial institutions as specified by the Commissioner of the Financial Services Agency, or concerning finances of a business operator; or services of entrusted calculation (excluding those corresponding to item (xxxii));
- (xviii)-3 services for calculating premiums or benefits in relation to a defined benefit corporate pension as prescribed in Article 2, paragraph (1) of the Defined-Benefit Corporate Pension Act (Act No. 50 of 2001) or other equivalent pension, and services involved in the preparation or transfer of documents, etc. in relation to those premiums or benefits;
- (xviii)-4 services as set forth in Article 11, item (iv) of the Act;
- (xviii)-5 electronic monetary claims recording business prescribed in Article 51, paragraph (1) of Electronically Recorded Monetary Claims Act (Act No. 102 of 2007);
- (xix) services for intermediating administrative processes concerning securities between an owner and issuer of those securities;
- (xx) acting as an agent of a customer of securities;
- (xxi) services for conducting advertising, promotions, or investigations for a stock company with the purpose of facilitating business funding through the issuance of shares in that stock company, or other services that contribute to

- improving the evaluation of that stock company by investors;
- (xxii) providing information or advisory services concerning securities (excluding business corresponding to item (xix) and the preceding item);
- (xxiii) services of intermediating or acting as an agent in the conclusion of a partnership agreement as prescribed in Article 667, paragraph (1) of the Civil Code or an anonymous partnership agreement as prescribed in Article 535 of the Commercial Code (excluding services corresponding to securities-related business);
- (xxiv) acting as an agent for services for insurance business of an insurance company or a small amount and short-term insurance company (excluding business corresponding to that as set forth in item (iii)-4), or undertaking administrative processes on its behalf
- (xxv) Deleted;
- (xxvi) services for undertaking investigations into the particulars of an accident covered by insurance or other insurance contracts;
- (xxvii) services to educate persons undertaking solicitation for insurance;
- (xxviii) services for welfare facilities for the elderly, etc. (meaning a welfare facility for the elderly as prescribed in Article 5-3 of the Act on Social Welfare for the Elderly (Act No. 133 of 1963) and a fee-charging home for the aged as prescribed in Article 29, paragraph (1) of that Act), and other services related to welfare of persons who are aged, physically disabled, etc.;
- (xxix) services for managing facilities for exercising in order to maintain or improve health, or facilities for the maintaining or promoting health by use of a hot spring;
- (xxx) services for undertaking investigations or analysis or providing advice in order to prevent occurrence of accidents or other risks, to prevent or reduce damage due to occurrence of risks, or to evaluate the size, etc. of damage due to the occurrence of risks;
- (xxxi) services for undertaking investigations or analysis or providing advice concerning health, welfare, or medical care;
- (xxxii) services to create or sell a computer software program (including selling peripheral equipment that are necessary along with the sale of a software program) concerning mainly business of an insurance holding company, a small amount and short-term insurance holding company (meaning a small amount and short-term insurance holding company as prescribed in Article 272-37, paragraph (2) of the Insurance Business Act), a company corresponding to a company eligible to be a subsidiary company (limited to an insurance company, small amount and short-term insurance company, or a foreign company that carries out insurance business), or an insurance agent; or the services of entrusted calculations;
- (xxxiii) services for acting as intermediary for or for introducing persons to an

- automobile repairer, etc.;
- (xxxiv) services for intermediating the reporting of accidents covered by insurance from an insurance contractor or services to provide consultations concerning an insurance contract;
 - (xxxv) services for managing assets (excluding services corresponding to those as set forth in item (iii); for assets of the same type as the trust assets entrusted to a trust subsidiary company, etc. that holds voting rights in the company undertaking the relevant services, limited to services for undertaking their management based on the same management method for trust assets as that prescribed in a statement of operational procedures) or administrative processes as an agent in relation to those services;
 - (xxxvi) services as set forth in Article 1, paragraph (1), items (iv) through (vii) of the Act on Engagement in Trust Business Activities by Financial Institutions (excluding services corresponding to item (vi) and the preceding item of this Act; Article 3, item (iii) of the Enforcement Order of the Act on Engagement in Trust Business Activities by Financial Institutions; Article 3, paragraph (1), item (iii) and item (iv) of the Regulation for Enforcement of the Act on Engagement in Trust Business Activities by Financial Institutions; and limited to services pertaining to those for which a trust subsidiary company, etc. has obtained an approval pursuant to the provisions of Article 21, paragraph (2) of the Trust Business Act with regard to the scope of the services in question, if there is no company equivalent to a trust bank among the trust subsidiary companies, etc. of; a bank that has a company carrying out the services as its subsidiary company; or a bank which is a subsidiary company of a bank holding company that has a company carrying out the services as its subsidiary company);
 - (xxxvii) services concerning evaluation of trusted assets (excluding real property) in the cases of accepting trust;
 - (xxxviii) other services specified by the Commissioner of the Financial Services Agency as equivalent to the services set forth in the preceding items; or
 - (xxxix) services incidental to the services set forth in each preceding item (limited to a business conducted by a person that conducts a business as set forth in each the item).
- (3) The services specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (2), item (iii) of the Act are as follows:
- (i) services as set forth in items (xix) through (xxiii) of the preceding paragraph;
 - (ii) other services as specified by the Commissioner of the Financial Services Agency as equivalent to the services set forth in the preceding item; or
 - (iii) services as set forth in item (xxxix) of the preceding paragraph that are related to services incidental to the services set forth in the preceding two

- items.
- (4) The services specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (2), item (iv) of the Act are as follows:
- (i) services as set forth in paragraph (2), items (xxiv) through (xxxiv);
 - (ii) other services as specified by the Commissioner of the Financial Services Agency as equivalent to services as set forth in the preceding item; or
 - (iii) services as set forth in paragraph (2), item (xxxix) that are related to services incidental to the services set forth in the preceding two items.
- (5) The services as specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (2), item (v) of the Act are as follows:
- (i) services as set forth in paragraph (2), items (xxxv) through (xxxvii);
 - (ii) other services as specified by the Commissioner of the Financial Services Agency as equivalent to the services set forth in the preceding item; or
 - (iii) services as set forth in paragraph (2), item (xxxix) that are related to services incidental to the services set forth in the preceding two items.
- (6) The companies as specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (2), item (vi), (c) of the Act means a holding company as prescribed in paragraph (1), item (xiii) of that Article in which a company specialized in securities or a company specialized in securities intermediation that is a subsidiary company of the relevant bank holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights.
- (7) The companies as specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (2), item (vii), (c) of the Act means a holding company as prescribed in paragraph (1), item (xiii) of that Article in which an insurance company or a small amount and short-term insurance company that is a subsidiary company of the relevant bank holds voting rights accounting for over fifty percent of the total shareholder or investor voting rights.
- (8) The companies as specified by Cabinet Office Order that are provided for in Article 16-2, paragraph (2), item (viii), (d) of the Act means a holding company as prescribed in paragraph (1), item (xiii) of that Article in which a trust bank or a company specialized in trust business that is a subsidiary company of the relevant bank holds voting rights accounting for over fifty percent of total shareholder or investor voting rights.
- (9) The provisions in Article 1-6, paragraph (3) apply mutatis mutandis to the voting rights held by the persons prescribed in these provisions in a case referred to in one of the preceding three paragraphs. In this case, the phrase "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 pertaining to item (ii) of the Act))" in paragraph (3) of that Article, and the

term "shares or contribution" in that paragraph are deemed to be replaced with "Article 147, paragraph (1) or Article 148, paragraph (1)" and "shares", respectively.

(Grounds on Non-Applicability of the Provisions of Article 16-2, paragraph (1) of the Act)

Article 17-4 (1) The ground specified by Cabinet Office Order that is provided for in the main clause of Article 16-2, paragraph (3) of the Act means one of the following grounds:

- (i) acquisition of shares or equity by a bank's or its subsidiary company's acceptance of what is delivered in accord and satisfaction;
- (ii) acquisition of voting rights from shares or equity in respect of which voting rights held by a bank or its subsidiary company cannot be exercised (limited to an acquisition due to occurrence of an event that is not based on the intention of the bank or its subsidiary company);
- (iii) conversion of shares (meaning that the shares are acquired by an issuing company of those shares, and another type of share is granted in exchange for them; the same applies hereinafter) of a company in which shares are held by a bank or its subsidiary company (excluding the cases in which conversion is requested by that bank or its subsidiary company);
- (iv) consolidation or split of shares or equity of a company in which shares or equity are held by a bank or its subsidiary company, or an allotment of shares without contribution (meaning an allotment of shares without a contribution as prescribed in Article 185 of the Companies Act; the same applies hereinafter);
- (v) change of the content of rights or number of share units pertaining to shares or equity due to a change of articles of incorporation of a company in which shares or equity are held by a bank or its subsidiary company;
- (vi) a company's acquisition of its own shares or equity that are held by a bank or its subsidiary company; or
- (vii) acquisition of shares or equity by a company set forth in Article 16-2, paragraph (1), item (xii) or item (xii)-2 of the Act that is a subsidiary company of a bank.

(2) The ground specified by Cabinet Office Order that is provided for in the proviso to Article 16-2, paragraph (3) of the Act means the grounds set forth in item (vii) of the preceding paragraph.

(3) The ground specified by Cabinet Office Order that is provided for in Article 16-2, paragraph (8) of the Act means the acquisition of shares or equity by a bank or its subsidiary company through the exercise of a security right or any of the grounds as set forth in paragraph (1), items (i) through (vi).

(Companies Eligible to Be a Subsidiary Company That Is Excluded from Banks, etc. Eligible to Be Subsidiary Company)

Article 17-4-2 The company as specified by Cabinet Office Order that is provided for in Article 16-2, paragraph (7) of the Act means a company exclusively engaged in the following services:

- (i) services as set forth in Article 17-3, paragraph (2), items (i) through (xviii)-5;
- (ii) services specified by the Commissioner of the Financial Services Agency as being equivalent to those set forth in the preceding item; or
- (iii) services as set forth in Article 17-3, paragraph (2), item (xxxix) that are related to services incidental to the services set forth in the preceding two items.

(Application of Authorization for Making a Bank Eligible to Be a Subsidiary Company a Subsidiary Company)

Article 17-5 (1) If a bank intends to obtain an authorization to make its subsidiary company out of a bank, etc. eligible to be a subsidiary company (meaning a bank, etc. eligible to be a subsidiary company as prescribed in Article 16-2, paragraph (7) of the Act, and excluding a company set forth in paragraph (1), item (xii)-3 of that Article (hereinafter referred to as an "advanced banking service company" in this Chapter, Chapter V, and Article 35, paragraph (1)); hereinafter the same applies in this Article), it must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning the bank:
 - (a) its latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest conditions of its business, assets, and profit and loss;
 - (b) a document stating its expected income and expenditures after obtaining the authorization;
 - (c) the documents as set forth in the following if the bank, etc. eligible to be a subsidiary company would become its subsidiary company due to a share exchange:
 - 1. minutes of shareholders meetings or other documents proving that necessary procedures were followed;
 - 2. a document stating the content of the share exchange contract; and
 - 3. a document stating the cost for the share exchange;
- (iii) the following documents concerning the bank and its subsidiary company, etc. (meaning a subsidiary company, etc., as prescribed in Article 14-2, item (ii) of the Act; hereinafter the same applies in this item, the following

paragraph, and the following Article):

- (a) its latest balance sheet, profit and loss statement, and statement of changes in net assets in which the bank makes entries for the bank itself and its subsidiary company, etc. on a consolidated basis (including documents similar thereto; the same applies in paragraph (1), item (iii), (a) of the following Article), and other documents that provide the latest conditions of business, assets, and profit and loss of these companies; and
 - (b) a document stating an estimation of income and expenditures and the consolidated capital adequacy ratio (meaning the ratio obtained by the formula pertaining to the criterion as prescribed in Article 14-2, item (ii) of the Act (excluding the consolidated leverage ratio provided in Article 19-3, item (iii), (h); the same applies in item (ii) of the following paragraph; paragraph (1), item (iii), (b) of the following Article; Article 19-3, item (ii) and item (iii); Article 22, paragraph (1), item (xii); Article 22-2, paragraph (1), item (xii); Article 23, paragraph (1), item (vii); and Article 35, paragraph (1)) of the bank and its subsidiary company, etc. (including the company to become a subsidiary company) after obtaining the authorization;
 - (iv) the following documents concerning a bank, etc. eligible to be a subsidiary company subject to that authorization:
 - (a) a document stating the name and the location of its principal business office or its principal office;
 - (b) a document stating the content of business;
 - (c) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest conditions of its business, assets, and profit and loss; and
 - (d) a document stating the title and name of its officers (including a person responsible for performing the officer's duties, if that officer is a corporation);
 - (v) a document stating the name and content of business of a domestic company, if, by making its subsidiary company out of the bank, etc. eligible to be a subsidiary company to which the authorization pertains, the bank or its subsidiary company would hold voting rights in that domestic company in excess of the maximum threshold for voting rights held if their voting rights are combined (meaning the maximum threshold for voting rights held as prescribed in Article 16-4, paragraph (1) of the Act; the same applies in paragraph (4), the following Article, Article 17-6, Article 17-7, and Articles 22 through 23); and
 - (vi) other documents giving information that should serve as a reference in conducting an examination under the following paragraph.
- (2) When an application of authorization pursuant to the provisions of the

preceding paragraph is filed, the Commissioner of the Financial Services Agency is to examine whether it conforms to the following standards:

- (i) the amount of stated capital of the bank which has filed the application (hereinafter referred to as the "applicant bank" in this paragraph) is a sufficient amount to acquire or hold voting rights in the bank, etc. eligible to be a subsidiary company to which the application pertains;
 - (ii) the consolidated capital adequacy ratios of the applicant bank and its subsidiary companies, etc. (including the bank, etc. eligible to be a subsidiary company subject to that authorization) are expected to reach the proper levels;
 - (iii) the latest conditions of business, assets, and profit and loss of the applicant bank are positive;
 - (iv) the income and expenditures of the applicant bank and its subsidiary companies, etc. are satisfactory at the time of the application and are expected to also show positive movements after the bank, etc. eligible to be a subsidiary company subject to that authorization is made its subsidiary company;
 - (v) the applicant bank is able to take measures in order to secure sound and appropriate performance of business of the bank, etc. eligible to be a subsidiary company; and
 - (vi) the bank, etc. eligible to be a subsidiary company subject to the authorization is capable of performing its business properly and fairly.
- (3) If a bank seeks to obtain an approval under Article 16-2, paragraph (5) of the Act for continuing to have a foreign company that is not a company eligible to be a subsidiary company (meaning a company eligible to be a subsidiary company as prescribed in paragraph (1) of that Article; hereinafter the same applies in this paragraph) as its subsidiary company, it must attach the following documents to the written application for approval and submit them to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) a document stating the policies on holding the voting rights in the foreign company that is not a company eligible to be a subsidiary company for which approval is sought;
 - (iii) the following documents concerning the foreign company that is not a company eligible to be a subsidiary company for which approval is sought:
 - (a) a document stating the name and the location of its principal business office or office;
 - (b) a document stating the details of its business;
 - (c) its latest balance sheet, profit and loss statement, and statement of changes in net assets (including documents similar thereto), and other documents that provide the latest conditions of its business, assets, and

- profit and loss; and
- (d) a document stating the titles and names of its officers (including a person responsible for performing the officer's duties thereof, if the officer is a corporation);
- (iv) other documents giving information that should serve as a reference in an examination regarding the approval under the provisions of Article 16-2, paragraph (5) of the Act.
- (4) The provisions of paragraph (1) and paragraph (2) apply mutatis mutandis to the authorization under the proviso to Article 16-2, paragraph (8) of the Act (excluding the authorization for a bank or its subsidiary companies to continue to hold more than the maximum threshold for voting rights in respect to the voting rights in an advanced banking service company which they have acquired or come to hold in excess of that threshold if their voting rights are combined, or to continue to have as a subsidiary company a foreign advanced banking service company that has become a subsidiary company).
- (5) The provisions of paragraph (1) apply mutatis mutandis to an authorization pursuant to the provisions of Article 16-2, paragraph (9) of the Act.
- (6) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to voting rights as prescribed in paragraph (1), item (v) (including as applied mutatis mutandis pursuant to the preceding two paragraphs), paragraph (3), item (ii), and paragraph (4).

(Application for Authorization to Make an Advanced Banking Service Company a Subsidiary Company)

Article 17-5-2 (1) If a bank seeks to obtain authorization for it or its subsidiary companies to acquire or hold voting rights in an advanced banking service company in excess of the maximum threshold for voting rights if their voting rights are combined, or to make a foreign advanced banking service company into a subsidiary company, it must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning the bank:
 - (a) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest conditions of its business, assets, and, profit and loss; and
 - (b) a document stating its expected income and expenditures after obtaining the authorization;
 - (c) the following documents if the bank or its subsidiary companies intends to acquire or hold voting rights in an advanced banking service company through a share exchange, in excess of the maximum threshold for voting

rights if their voting rights are combined, or to make a foreign advanced banking service company into a subsidiary company:

1. minutes of shareholders meetings or other documents proving that necessary procedures were followed;
 2. a document stating the content of the share exchange agreement; and
 3. a document stating the cost for the share exchange;
- (iii) the following documents concerning the bank and its subsidiary companies:
- (a) its latest consolidated balance sheet, profit and loss statement, statement of changes in net assets in which the bank makes entries for the bank itself and its subsidiary company, etc. on a consolidated basis, and other documents that provide the latest conditions of business, assets, and profit and loss of these companies; and
 - (b) a document stating an estimation of income and expenditures and the consolidated capital adequacy ratio of the bank and its subsidiary companies (including the company that is to become a subsidiary company, etc.) after obtaining the authorization;
- (iv) the following documents concerning the advanced banking service company subject to that authorization:
- (a) a document stating the name and the location of its principal business office or its principal office;
 - (b) a document stating the content of the business and the system for executing the business;
 - (c) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest conditions of its business, assets, and, profit and loss; and
 - (d) a document stating the titles and names of its officers (including a person responsible for performing the officer's duties, if the officer is a corporation);
- (v) a document stating the name and content of business of a domestic company, if subsidiary companies subject to the authorization would come to hold voting rights in that domestic company in excess of the maximum threshold for voting rights if their voting rights are combined, by way of acquiring or holding voting rights in an advanced banking service company in excess of the maximum threshold for voting rights if their voting rights are combined, or making a foreign advanced banking service company into a subsidiary company; and
- (vi) other documents giving information that should serve as a reference in conducting an examination under the following paragraph.
- (2) When an application of authorization is filed pursuant to the provisions of the preceding paragraph, the Commissioner of the Financial Services Agency is to

examine whether it conforms to the following standards:

- (i) the amount of stated capital of the bank which has filed the application (hereinafter referred to as the "applicant bank" in this paragraph) is a sufficient amount to acquire or hold voting rights in the advanced banking service company to which the application pertains;
- (ii) even if the whole amount of investment in the advanced banking service company to which the application pertains is lost, the conditions of assets, and profits and losses of the applicant bank and its subsidiary companies, etc. (excluding the company that is to become a subsidiary company, etc. based on the authorization) are expected to be satisfactory;
- (iii) the latest conditions of business, assets, and profit and loss of the applicant bank are satisfactory;
- (iv) the income and expenditure of the applicant bank and its subsidiary companies, etc. are satisfactory at the time of the application and are expected to also remain favorable after the applicant bank or its subsidiary companies acquire or hold voting rights in the advanced banking service company subject to that authorization which exceed the maximum threshold for voting rights if their voting rights are combined, or make a foreign advanced banking service company into a subsidiary company;
- (v) the advanced banking service company subject to the authorization is capable of conducting its business properly and fairly;
- (vi) if the applicant bank or its subsidiary companies acquire or hold voting rights in the advanced banking service company subject to that authorization in excess of the maximum threshold for voting rights if their voting rights are combined, or make a foreign advanced banking service company into a subsidiary company, it is expected to contribute to increased sophistication in banking conducted by the applicant bank or to the enhanced convenience of bank users of the applicant bank;
- (vii) in light of the status of business of the applicant bank, no serious risk that may affect the sound and appropriate management of the services of the applicant bank even after the applicant bank or its subsidiary companies acquire or hold voting rights in the advanced banking service company subject to that authorization which exceed the maximum threshold for voting rights if their voting rights are combined, or make a foreign advanced banking service company into a subsidiary company is found;
- (viii) no serious risk of the applicant bank wrongfully using its advantageous position as a bank in a transaction to put its customer at a disadvantage as concerns a condition or implementation of a transaction connected with its services is found; or no serious risk of the advanced banking service company subject to the relevant authorization wrongfully using its advantageous position in a transaction that involves its services to put its customer at a

disadvantage as concerns a condition or implementation of a transaction connected with its services is found; and

- (ix) no serious risk that the interests of customers of the services carried out by the applicant bank or by the advanced banking service company subject to the relevant authorization will be unduly harmed in connection with transactions conducted by the applicant bank or the advanced banking service company is found.
- (3) The provisions of the preceding two paragraphs apply mutatis mutandis to the authorization under the provisions of the proviso to Article 16-2, paragraph (8) of the Act (limited to the authorization to continue to hold more than the maximum threshold for voting rights in respect to the voting rights in an advanced banking service company which they have acquired or come to hold in excess of that threshold if their voting rights are combined, or to continue to have as a subsidiary company a foreign advanced banking service company that has become a subsidiary company).
- (4) The provisions of paragraph (1) apply mutatis mutandis to the authorization under Article 16-2, paragraph (10) of the Act.
- (5) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to the voting rights prescribed in paragraph (1) (including as applied mutatis mutandis pursuant to the preceding two paragraphs), paragraph (2), item (iv), item (vi) and item (vii), and paragraph (3).

(Content of Business Management of a Bank Group by a Bank)

- Article 17-5-3 (1) The policies specified by Cabinet Office Order as the policy prescribed in Article 16-3, paragraph (2), item (i) of the Act are as follows:
- (i) policies concerning risk management such as policies concerning income and expenditure, capital allocation and adequacy of equity capital regarding a bank group (meaning the bank group prescribed in Article 16-3, paragraph (1) of the Act; the same applies hereinafter); and
 - (ii) policies concerning the development of the bank group's crisis management systems in preparation for events such as disasters.
- (2) The systems specified by Cabinet Office Order that are provided for in Article 16-3, paragraph (2), item (iii) of the Act means systems to ensure that the directors, executive officers, members in charge of executing business, persons in charge of performing the duties referred to in Article 598, paragraph (1) of the Companies Act, and other persons equivalent to these persons, and employees, all of whom belong to the companies that belong to the bank group, perform their respective duties in the bank in compliance with laws and regulations.
 - (3) The acts specified by Cabinet Office Order that are provided for in Article 16-3, paragraph (2), item (iv) of the Act mean formulating a reconstruction plan

(meaning a plan for business reconstruction of a bank group that needs to improve the conditions of its business operation or assets; hereinafter the same applies in this paragraph) for the bank group (limited to a bank group designated by the Commissioner of the Financial Services Agency as one that needs to formulate a reconstruction plan), and ensuring the proper implementation thereof.

(Grounds of Non-Applicability of the Provisions of Article 16-4, Paragraph (1) of the Act)

Article 17-6 (1) The ground specified by Cabinet Office Order that is provided for in Article 16-4, paragraph (2) of the Act means:

- (i) acquisition of shares or equity by the exercise of the security right of a bank or its subsidiary company;
- (ii) acquisition of shares, etc. by a bank's or its subsidiary company's acceptance of what is delivered in accord and satisfaction;
- (iii) acquisition of shares or equity (limited to an acquisition of shares or equity that is for extinguishing the company's debt to the bank or to its subsidiary company and by which the status of the company's management is estimated to improve within a reasonable period of time) by a bank or its subsidiary company based on a streamlined business improvement plan of a company with which it has business dealings;
- (iv) acquisition of voting rights from shares or equity in respect of which voting rights held by a bank or its subsidiary company cannot be exercised (limited to an acquisition due to occurrence of an event that is not based on the intention of the bank or its subsidiary company);
- (v) conversion of shares of a company in which shares are held by a bank or its subsidiary company (excluding cases in which conversion is requested by that bank or its subsidiary company);
- (vi) consolidation or split of shares or equity of a company in which shares or equity are held by a bank or its subsidiary company, or an allotment of share without contribution;
- (vii) change of content of rights or number of share units pertaining to shares or equity due to a change of articles of incorporation of a company in which shares or equity are held by a bank or its subsidiary company;
- (viii) company's acquisition of its own shares or equity that are held by a bank or its subsidiary company;
- (ix) that, if the bank or its subsidiary seeks to dispose of voting rights in a company cultivating new business field, etc. pursuant to the provisions of Article 17-2, paragraph (11) or seeks to dispose of voting rights in a company in the business revitalization process pursuant to the provisions of paragraph (12) of that Article, the bank or its subsidiary company are unable

to dispose of those voting rights since it is extremely difficult to transfer those voting rights due to reasons that are found to be compelling; and
(x) a case in which an approval of the Commissioner of the Financial Services Agency is obtained in advance for the conversion of shares (excluding grounds corresponding to those set forth in item (v)) which the bank or its subsidiary company have acquired based on a streamlined business improvement plan of a company with which the bank or its subsidiary company has business dealings, and whose conversion is necessary in order for them to be disposed of within a reasonable period of time due to improvement of the condition of that company's management; or, for something that has other reasonable grounds.

- (2) If the bank or its subsidiary companies seeks to obtain an approval as prescribed in item (x) of the preceding paragraph, the bank or its subsidiary companies must attach the following documents to a written application for approval and submit them to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) a document stating the trade name of a domestic company to which the approval pertains and content of its business;
 - (iii) a document stating policies concerning methods of disposing a portion of voting rights in a domestic company to which the approval pertains that the bank or its subsidiary companies have acquired or held in excess of its maximum threshold for voting rights held; and
 - (iv) other documents stating information that should serve as a reference in conducting an examination under the following paragraph.
- (3) When an application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency is to examine whether there are reasonable grounds for the bank filling the application to possess or hold voting rights in excess of the maximum threshold for voting rights held, and whether the policy the bank has submitted concerning the disposition method of a portion of voting rights that it has acquired or held in excess of the maximum threshold for voting rights held is reasonable or not.

(Application of Approval for Holding Voting Rights in Excess of the Maximum Threshold for Voting Rights Held)

Article 17-7 (1) If a bank seeks an approval for holding voting rights in excess of the maximum threshold for voting rights held pursuant to the provisions of proviso to Article 16-4, paragraph (2) of the Act, it must attach the following documents to a written application for approval and submit them to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;

- (ii) a document stating the name of a domestic company pertaining to the approval and content of its business;
 - (iii) a document stating policies concerning the method of disposing the portion of voting rights that the bank has acquired or has come to hold in excess of the maximum threshold for voting rights held among voting rights in a domestic company to which the approval pertains; and
 - (iv) other documents stating information that should serve as a reference in conducting an examination under the following paragraph.
- (2) When an application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency is to examine whether the bank filling the application or its subsidiary company has what is found to be a compelling reason for holding voting rights in excess of the maximum threshold for voting rights held.
- (3) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to voting rights prescribed in paragraph (1), item (iii).

(When Voting Rights May Be Held in Excess of the Maximum Threshold for Voting Rights Held)

Article 17-7-2 (1) The case specified by Cabinet Office Order that is provided for in Article 16-4, paragraph (4), item (i) of the Act means if the relevant bank makes its subsidiary company out of another bank, a long-term credit bank, a company specialized in securities, a company specialized in securities intermediation, an insurance company, or a small amount and short-term insurance company after obtaining an approval under Article 16-2, item (vii) of the Act.

- (2) The cases specified by Cabinet Office Order that are provided for in Article 16-4, paragraph (4), item (v) of the Act are as follows:
- (i) if the relevant bank has succeeded to the business of another bank or a long-term credit bank due to an absorption-type company split after obtaining an authorization under Article 30, paragraph (2) of the Act; or
 - (ii) if the relevant bank makes its subsidiary company out of another bank, a long-term credit bank, a company specialized in securities, a company specialized in securities intermediation, an insurance company, or a small amount and short-term insurance company, by succeeding to business due to an absorption-type company split after obtaining an authorization under Article 30, paragraph (2) of the Act (excluding cases as set forth in the preceding item).
- (3) The cases specified by Cabinet Office Order that are provided for in Article 16-4, paragraph (4), item (vi) of the Act are as follows:
- (i) if the relevant bank makes a business acquisition of another bank or a long-term credit bank, or, a credit union, a credit cooperative, or a labor bank

- (including a federation organized with these corporations) after obtaining an approval under Article 30, paragraph (3) of the Act; or
- (ii) if the relevant bank makes its subsidiary company out of another bank, a long-term credit bank, a company specialized in securities, a company specialized in securities intermediation, an insurance company, or a small amount and short-term insurance company, by making a business acquisition after obtaining authorization under Article 30, paragraph (3) of the Act (excluding cases as set forth in the preceding item).

(Company Subject to Special Provisions)

Article 17-7-3 (1) The company specified by Cabinet Office Order that is provided for in Article 16-4, paragraph (8) of the Act means a company which falls under either of the following items or a company which prepares a business revitalization plan with the involvement of regional economy vitalization corporation of Japan (limited to a company that does not fall under a subsidiary company, etc. of a bank; referred to as a "company in the business revitalization process under special provisions" in the following paragraph):

- (i) a company that has received capital contribution from an investment limited partnership in which a stock company to be established through the implementation of the business set forth in Article 22, paragraph (1), item (viii) of the Act on Regional Economy Vitalization Corporation of Japan is an unlimited liability partner and which falls under either of the following:
- (a) the bank or its subsidiary company is a partner of the investment limited partnership; or
- (b) the bank or its subsidiary company makes capital contribution to the stock company; or
- (ii) a company that was established for the purpose of undertaking a business revitalization or of creating a new business that draws upon the distinctive features of the region or carrying out other such business activities that contribute to the revitalization of the regional economy, and which implements a business plan formulated with the involvement of one of the following persons:
- (a) a public agency;
- (b) a commercial and industrial association or chamber of commerce and industry;
- (c) any entity equivalent to (a) or (b);
- (d) an attorney or legal professional corporation;
- (e) a certified public accountant or audit corporation;
- (f) a certified public tax accountant or tax accountancy corporation; or
- (g) a company that carries out the services set forth in Article 17-3, paragraph (2), item (xv) (limited to a company other than a subsidiary

company, etc. (meaning a subsidiary company, etc. as prescribed in Article 14-2, item (ii) of the Act) of the bank and a subsidiary company, etc. (meaning a subsidiary company, etc. as prescribed in Article 52-25 of the Act) of a bank holding company that has the bank as its subsidiary company).

- (2) Notwithstanding the provisions of the preceding paragraph, if a specified subsidiary company does not dispose of the voting rights acquired thereby in a company in the business revitalization process under special provisions by the base disposition date (meaning the day on which ten years have elapsed from the day of the acquisition of the voting rights; hereinafter the same applies in this paragraph), the company in the business revitalization process under special provisions is to be considered as not corresponding to a company specified by Cabinet Office Order as prescribed in Article 16-4, paragraph (8) of the Act which pertains to the bank from the day after the base disposition date; provided, however, that this does not apply to a case in which; the number of voting rights in the company in the business revitalization process under special provisions held by the bank or its subsidiary company falls below the base number of voting rights as of the base disposition date, if the disposition is performed (meaning the number of voting rights arrived at when total shareholder or investor voting rights are multiplied by five percent; hereinafter the same applies in this paragraph); and the specified subsidiary company disposes of a portion of voting rights which exceeds the base number of voting rights as of the base disposition among the voting rights in the company in the business revitalization process under special provisions held by the bank or its subsidiary company, during the period from the date of the acquisition to the base disposition date.
- (3) The company that has a unique relationship with the relevant person as specified by Cabinet Office Order that is provided for in Article 16-4, paragraph (8) of the Act means a company which is a subsidiary company, etc. (meaning a subsidiary company, etc. and an affiliated corporation, etc.; the same applies in Article 34-23-2, paragraph (3)) of a company cultivating new business field or company in the business revitalization process, in which the bank or its subsidiary companies other than a company cultivating new business field or company in the business revitalization process do not have the voting rights in excess of the number of voting rights arrived at when total shareholder or investor voting rights is multiplied by five percent if their voting rights are combined.
- (4) The provisions of Article 2, paragraph (11) of the Act apply *mutatis mutandis* to the voting rights prescribed in the preceding two paragraphs.

Chapter IV Accounting

(Appropriation of Reserve under Article 18 of the Act)

- Article 17-7-4 (1) If a bank pays dividends from surplus, the amount of capital reserve after the payment of dividends from surplus is the amount arrived at when the amount specified in each of the following items in accordance with the category of cases as set forth in those items is added to the amount of capital reserve immediately before the payment of dividends from surplus:
- (i) if the amount of capital reserve or retained earnings reserve (hereinafter collectively referred to as "reserve" in this Article) on the date of payment of the dividends from surplus is equivalent to the amount of stated capital on that date or more: nil;
 - (ii) if the amount of reserve on the date of payment of the dividends from surplus is less than the amount of stated capital on that date: the amount arrived at when whichever amount is smaller of the amount as set forth in sub-item (a) or sub-item (b) is multiplied by the dividend rate of capital reserve (meaning the percentage arrived at when the amount as set forth in item (i), (a) of the following Article is divided by the amount as set forth in Article 446, item (vi) of the Companies Act):
 - (a) the upper limit of reserve to be appropriated on the date of payment of dividends from surplus (meaning the amount arrived at when the amount of reserve is deducted from the amount of stated capital; hereinafter the same applies in this Article);
 - (b) the amount arrived at when the amount as set forth in Article 446, item (vi) of the Companies Act is multiplied by twenty percent.
- (2) If the bank pays dividends from surplus, the amount of retained earnings reserve after the payment of dividends from surplus is the amount arrived at when the amount specified in each of the following items in accordance with the category of cases as set forth in those items is added to the amount of retained earnings reserve immediately before the payment of dividends from surplus:
- (i) if the amount of reserve on the date of payment of the dividends from surplus is equal to the amount of stated capital on that date or more: nil;
 - (ii) if the amount of reserve on the date of payment of the dividends from surplus is less than the amount of stated capital on that date: the amount arrived at when whichever amount is smaller of the amounts as set forth in sub-item (a) or sub-item (b) is multiplied by the dividend rate of retained earnings reserve (meaning the percentage arrived at when the amount as set forth in item (ii), (a) of the following Article is divided by the amount as set forth in Article 446, item (vi) of the Companies Act):
 - (a) the upper limit of reserve to be recorded on the date of payment of dividends from the surplus;

- (b) the amount arrived at when the amount as set forth in Article 446, item (vi) of the Companies Act is multiplied by twenty percent.

(Amount of Surplus to Be Deducted)

Article 17-7-5 If a bank pays a dividend payment from surplus, the amount as set forth in each of the following items after the dividends are paid from surplus is the amount arrived at when the amount as specified in those items is deducted from the amount immediately before the payment of dividends from surplus:

- (i) amount of other stated capital surplus: the total of the amounts as set forth in the following sub-items:
 - (a) amounts specified by the bank that should be deducted from other stated capital surplus out of the amounts as set forth in Article 446, item (vi) of the Companies Act; and
 - (b) the amount as specified in paragraph (1), item (ii) of the preceding Article in the case as set forth in that item;
- (ii) the amount of other retained earnings surplus: the total of the following amounts:
 - (a) amounts specified by the bank that should be deducted from other retained earnings surplus out of the amounts as set forth in Article 446, item (vi) of the Companies Act; and
 - (b) the amount as specified in paragraph (2), item (ii) of the preceding Article in the case as set forth in that item.

(Business Reports)

Article 18 (1) A bank must prepare an interim business report under Article 19, paragraph (1) of the Act, with regard to the condition of business and assets during the period from the beginning date of a business year to September 30 of that business year, by dividing the data into an interim summary statement of business, an interim balance sheet, an interim profit and loss statement, an interim statement of changes in net assets, and an interim cash flow statement (into an interim summary statement of business, an interim balance sheet, and an interim profit and loss statement in case of a foreign bank branch) pursuant to the Appended Form No. 1 (pursuant to the Appended Form No. 1-2 in case of a bank with specified transaction account; or, pursuant to the Appended Form No. 2 in case of a foreign bank branch (pursuant to the Appended Form No. 2-2 in case of a foreign bank branch that submitted notification of a specified transaction account)), and must submit that report to the Commissioner of the Financial Services Agency or other competent authorities within three months after that period ends.

- (2) A bank must prepare an business report under Article 19, paragraph (1) of

the Act by dividing the data into a summary statement of business, a balance sheet, a profit and loss statement, a statement of changes in net assets, and a cash flow statement (into a summary statement of business, a balance sheet, and a profit and loss statement in case of a foreign bank branch) pursuant to the Appended Form No. 3 (pursuant to the Appended Form No. 3-2 in case of a bank with specified transaction account; or, pursuant to the Appended Form No. 4 in case of a foreign bank branch, (pursuant to the Appended Form No. 4-2 in case of a foreign bank branch that submitted notification of a specified transaction account)), and must submit that report to the Commissioner of the Financial Services Agency or other competent authorities within three months after that period ends.

- (3) A bank must prepare an interim business report under Article 19, paragraph (2) of the Act pursuant to the Appended Form No. 5, with regard to the condition of business and assets of the bank and its subsidiary company, etc. (meaning a subsidiary company, etc., as prescribed in Article 14-2, item (ii) of the Act; hereinafter the same applies in this Chapter, the following Chapter, and Article 35, paragraph (1)) for the period from the beginning date of a business year to September 30 of that business year, by dividing the data into an interim summary statement of business and an interim consolidated financial statement, and must submit that report to the Commissioner of the Financial Services Agency or other competent authorities within three months after the that period ends.
- (4) A bank must prepare a business report under Article 19, paragraph (2) of the Act pursuant to the Appended Form No. 5-2 by dividing the data into a summary of business report and consolidated financial statements, and must submit that report to the Commissioner of the Financial Services Agency or other competent authorities within three months after the the period ends.
- (5) If a bank is unable to submit an interim business report or a business report within the period specified in each of the preceding paragraphs due to compelling reasons, the bank may obtain an approval of the Commissioner of the Financial Services Agency (an approval of the Director General of the Local Finance Bureau that has jurisdiction over the locality of the head office of that bank or an approval of the Director General of the Fukuoka Local Finance Branch Bureau, if the Director General of the Local Finance Bureau (or, the Director General of the Fukuoka Local Finance Branch Bureau if that locality is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau) receives those reports pursuant to the provisions of Article 17-2 of the Order), in advance, and may postpone the submission.
- (6) If a bank seeks to obtain an approval under the preceding paragraph, the bank must attach a written statement of reasons to a written application for approval and submit them to the Commissioner of the Financial Services

Agency or other competent authorities.

- (7) When an application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the bank filling the application has what is found to be a compelling reason to postpone the submission as under paragraph (5).

(Public Notices of Balance Sheets)

- Article 19 (1) A bank must prepare an interim balance sheet, etc. which is to be prepared pursuant to the provisions of Article 20, paragraph (1) of the Act (meaning an interim balance sheet, etc., as prescribed in that paragraph; and including an electronic or magnetic record that is prepared pursuant to the provisions of paragraph (3) of that Article (meaning an electronic or magnetic record as prescribed in that paragraph; the same applies hereinafter); the same applies in paragraph (6)), pursuant to the Appended Form No. 6-1 (pursuant to the Appended Form No. 6-2-1 in case of a bank with specified transaction account; or, pursuant to the Appended Form No. 7-1 in case of a foreign bank branch (the Appended Form No. 7-2-1 in case of a foreign bank branch that submitted notification of a specified transaction account)); and must prepare a balance sheet, etc. (meaning a balance sheet, etc., as prescribed in paragraph (1) of that Article; and including an electronic or magnetic record prepared pursuant to the provisions of paragraph (3) of that Article; the same applies in paragraph (6)) pursuant to the Appended Form No. 6-3-1 (pursuant to the Appended Form No. 6-4-1 in case of a bank with specified transaction account; or, pursuant to the Appended Form No. 7-3-1 in case of a foreign bank branch (pursuant to the Appended Form No. 7-4-1 in case of a foreign bank branch that submitted notification of a specified transaction account)).
- (2) A bank must prepare an interim consolidated balance sheet, etc. which is to be prepared pursuant to the provisions of Article 20, paragraph (2) of the Act (meaning the interim consolidated balance sheet, etc., as prescribed in that paragraph and including an electronic or magnetic record that is prepared pursuant to the provisions of paragraph (3) of that Article; the same applies in paragraph (6)) pursuant to the Appended Form No. 8-1, and must prepare a consolidated balance sheet, etc. (meaning the consolidated balance sheet, etc., as prescribed in paragraph (2) of that Article, and including an electronic or magnetic record prepared pursuant to the provisions of paragraph (3) of that Article; the same applies in paragraph (6)) pursuant to the Appended Form No. 8-2-1.
- (3) The record specified by Cabinet Office Order that is provided for in Article 20, paragraph (3) of the Act means a record of data that has been recorded into a file created using a magnetic disk or other objects with an equivalent means that can reliably store fixed set of data.

- (4) If a bank seeks to obtain an approval for postponing public notice under the proviso to paragraph (4) of Article 20 of the Act, the bank must attach a written statement of reasons to a written application for approval and submit them to the Commissioner of the Financial Services Agency or other competent authorities.
- (5) When an application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the bank filing the application has what is found to be a compelling reason to postpone the public notice as under the provisions of the proviso to paragraph (4) of Article 20 of the Act.
- (6) An overview of the interim balance sheet, etc. which a bank must publicly announce pursuant to the provisions of Article 20, paragraph (5) of the Act is to be as specified in the Appended Form No. 6-2 (in the Appended Form No. 6-2-2 in case of a bank with specified transaction account; or, in the Appended Form No. 7-2 in case of a foreign bank branch (in the Appended Form No. 7-2-2 in case of a foreign bank branch that submitted notification of a specified transaction account)), an overview of the balance sheet, etc. which a bank must publicly announce pursuant to that paragraph is to be as specified in the Appended Form No. 6-3-2 (in the Appended Form No. 6-4-2 in case of a bank with specified transaction account; or, in the Appended Form No. 7-3-2 in case of a foreign bank branch (in the Appended Form No. 7-4-2 in case of a foreign bank branch that submitted notification of a specified transaction account)), an overview of the interim consolidated balance sheet, etc. which a bank must publicly announce pursuant to that paragraph is to be as specified in the Appended Form No. 8-2, and a overview of the consolidated balance sheet, etc. which a bank must publicly announce pursuant to that paragraph is to be as specified in the Appended Form No. 8-2-2.
- (7) The means of employing an electronic data processing system or of applying any other information and communications technology that is specified by Cabinet Office Order as provided in Article 20, paragraph (6) of the Act are as follows:
- (i) a means of employing an electronic data processing system as set forth in sub-item (a) or sub-item (b):
 - (a) a means of transmitting information over a telecommunications line that connects the computer used by a sender and the computer used by a recipient, and to record the information in a file that has been prepared on the computer used by the recipient; or
 - (b) a means that uses a telecommunications line to make the content of the information recorded in a file that has been prepared on a computer used by the person transmitting it available for the person being provided with the information to inspect, and record that information in a file that has

been prepared on a computer used by the person being provided with that information;

- (ii) a means of delivering a record of data that has been recorded into a file created using a magnetic disk or other objects with an equivalent means to reliably store fixed set of data.
- (8) The means set forth in each item of the preceding paragraph must enable the recipient to prepare a document by outputting what has been recorded in the file.
- (9) The measures under Article 20, paragraph (6) of the Act are to be taken by a means as set forth in paragraph (7), item (i), (b) that involves using an automatic public transmission server connected to the internet (meaning an apparatus that has the function of recording information on the part of its recording medium that is used for automated public transmissions or of automatically transmitting to the public information that is input into that apparatus by connecting to a telecommunication line; the same applies hereinafter).

(Public Inspections of Explanatory Documents Concerning the Condition of Business and Assets)

Article 19-2 (1) The particulars specified by Cabinet Office Order that are provided for in first sentence of Article 21, paragraph (1) of the Act are the particulars set forth in the following sub-items (excluding the particulars set forth in item (i), (a) through (h), item (ii), item (iii), (b), 11., item (iv) (excluding the part concerning sub-item (c)), item (v), (i), and item (vi) in case of explanatory documents for an interim period of a business year (hereinafter referred to as "interim explanatory documents")):

- (i) the following particulars on the summary and organization of a bank:
 - (a) the management organization (including systems for business management of a subsidiary company, etc. of the bank (excluding a subsidiary company, etc. that does not have a significant effect on the content of the explanatory documents prescribed in the first sentence of Article 21, paragraph (2) of the Act), if the bank is not a subsidiary company of another bank or a bank holding company);
 - (b) the following particulars on more than ten top shareholders in number of shares held:
 1. names of the shareholders (names of a corporation or other organization, if the shareholder is the corporation or other organization);
 2. the number of shares held by each shareholder; and
 3. the percentage of shares held by each shareholder to the total number of issued shares;
 - (c) names and titles of its directors and company auditors (names and titles

- of its directors if the bank is a company with audit and supervisory committee; or names and titles of its directors and executive officers if the bank is a company with nominating committee, etc.);
- (d) names of its accounting advisors if the bank is a company with accounting advisors;
 - (e) names of its financial auditors;
 - (f) names and locations of its business offices;
 - (g) the following particulars on a bank agent that has that bank as its principal bank:
 - 1. the bank agent's trade name or name; and
 - 2. names of business offices or offices where the bank agent carries out its bank agency services for the bank;
 - (h) the following particulars on a trustee of acts as set forth in each item of Article 2, paragraph (14) of the Act in a foreign state:
 - 1. the trustee's trade name or name; and
 - 2. names and locations of business offices or business offices where the trustee performs acts as set forth in each item of Article 2, paragraph (14) of the Act for the bank;
 - (ii) the content of the main business of the bank (including the content of the trust business, in the case of conducting trust business);
 - (iii) the following particulars on the main business of the bank:
 - (a) summary of its business in the latest interim period of its business year or in the latest business year;
 - (b) the following particulars, as an indicator of the condition of the main business in the latest three interim periods of business year and for two business years, or, the latest five business years (stating the particulars set forth in sub-items 13 through 16 is limited to the case in which the bank conducts the trust business):
 - 1. its ordinary income;
 - 2. its ordinary profit or ordinary loss;
 - 3. its interim net income or interim net loss, or its net income for the period or net loss for the period;
 - 4. its stated capital and total number of issued shares;
 - 5. the amount of its net assets;
 - 6. the amount of its total assets;
 - 7. the balance of its deposits;
 - 8. the balance of its loans;
 - 9. the balance of its securities;
 - 10. its non-consolidated capital adequacy ratio (meaning the ratio arrived at by the formula associated with the criterion as prescribed in Article 14-2, item (i) of the Act (excluding the non-consolidated leverage ratio

provided in item (v), (j); the same applies in item (v); Article 22, paragraph (1), item (ix); and Article 22-2, paragraph (1), item (ix) and Article 34-19-5, paragraph (2), item (ii));

11. its dividend payout rate;
 12. the number of its employees;
 13. its trust remuneration;
 14. the loan balance of its trust accounts;
 15. the balance of securities of its trust accounts; and
 16. the amount of its trust assets;
- (c) the particulars set forth in Appended Table 1 as an indicator of the condition of business in the latest two interim periods of business year or for the latest two business years;
- (iv) the following particulars on the management of the bank's services:
- (a) its risk management system; and
 - (b) its compliance system;
 - (c) the status of its measures for improving management of small and medium-sized enterprises and for regional revitalization;
 - (d) the particulars prescribed below in accordance with the categories of cases set forth therein:
 1. if there is a designated dispute resolution organization: the trade name or name of the designated dispute resolution organization which is the other party to the basic contract for the implementation of dispute resolution procedures with which the bank takes a measure to conclude that contract, as prescribed in Article 12-3, paragraph (1), item (i) of the Act;
 2. if there is no designated dispute resolution organization: the details of the complaint handling measures and the dispute resolution measure of the bank prescribed in Article 12-3, paragraph (1), item (ii) of the Act; and
- (v) the following particulars on the financial status of the bank in the latest two interim periods of business year or for the latest two business years:
- (a) interim balance sheets, interim profit and loss statements, and interim statements of changes in net assets, or, balance sheets, profit and loss statements, and statements of changes in net assets;
 - (b) the amount as set forth in the following out of the loans, and the total of these amounts:
 1. loans corresponding to loans to bankrupt borrowers (meaning those arising from loans on which accrued interest has not been recorded since it is considered unlikely for the bank to collect the principal or interest or for the debtors to pay the principal or interest (excluding the portion of such a loan that has been written off as uncollectible;

- hereinafter referred to as a "loan with unrecorded accrued interest") because its payment has been delayed for a considerable period or because of other reasons, and those which there are grounds as set forth in Article 96, paragraph (1), item (iii), (a) through (e) of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965) or ground as prescribed in item (iv) of that paragraph; the same applies hereinafter);
2. loans corresponding to overdue loans (meaning those with unrecorded accrued interest that are other than those as set forth in sub-item 1 and those for which the bank has deferred a debtor's paying interest in order to facilitate reorganization of a debtor's management or support of the debtor; the same applies hereinafter);
 3. loans corresponding to those overdue for three months or more (meaning loans (excluding those as set forth in sub-item 1 and sub-item 2) for which payment of principal or interest has been delayed for three months or more from the date following the agreed payment date; the same applies hereinafter); and
 4. loans corresponding to restructured loans (meaning loans (excluding those as set forth in sub-item 1, sub-item 2 and sub-item 3) that entered into an agreement to exempt or reduce interest rate, defer payment of interest, defer payment of principal, waiver claim, or other agreements advantageous to a debtor, for the purpose of facilitating reorganization of a debtor's management or support of the debtor; the same applies hereinafter);
- (c) the amount of loans pertaining to a trust (including a trust that is re-entrusted for the management of trust assets) with a contract indemnifying the principal amounts that correspond to loans to bankrupt borrowers, overdue loans, loans overdue for three months or more, and restructured loans, and the total amount of those loans;
- (d) the particulars specified separately by the Commissioner of the Financial Services Agency concerning the condition of adequacy of equity capital;
- (e) the particulars specified separately by the Commissioner of the Financial Services Agency concerning the condition of soundness in management (excluding the particulars set forth in (d));
- (f) an acquisition price, a contract price, a current price, and a revaluation gain or loss of the followings:
1. securities;
 2. money trusts; and
 3. transactions as set forth in Article 13-3, paragraph (1), item (v), (a) through (e);
- (g) the balance at the end of business year and changes during the business

- year of the allowance for doubtful accounts;
- (h) the amount of loan amortization;
 - (i) an indication that the documents (including an electronic or magnetic record prepared pursuant to the provisions of paragraph (3) of that Article) prepared pursuant to the provisions of Article 20, paragraph (1) of the Act have been audited by financial auditors pursuant to Article 396, paragraph (1) of the Companies Act if that is the case;
 - (j) an indication that a bank has had an audit certification done by a certified public accountant (including a foreign certified public accountant prescribed in Article 16-2, paragraph (5) of the Certified Public Accountants Act (Act No. 103 of 1948); the same applies hereinafter) or auditing firm based on provisions of Article 193-2 of the Financial Instruments and Exchange Act for an interim balance sheet, an interim profit and loss statement, and an interim statement of changes in net assets, or, for a balance sheet, a profit and loss statement, and a statement of changes in net assets, if that is the case; or
 - (k) an indication that an external audit has been conducted concerning the calculation of the non-consolidated capital adequacy ratio and the non-consolidated leverage ratio (meaning the ratio arrived at by the formula associated with the criterion as prescribed in Article 14-2, item (i) of the Act (excluding the non-consolidated capital adequacy ratio)), if that is the case.
 - (vi) the particulars of remuneration, etc. (meaning remuneration, bonuses or any other type of economic benefit payable from the bank as consideration for performance of duties or wages prescribed in Article 11 of the Labor Standards Act (Act No. 49 of 1947)) which are specified separately by the Commissioner of the Financial Services Agency as particulars that may have a significant impact on the conditions of business operation or assets of the bank; and
 - (vii) an indication that, at the end of the business period (at the end of interim business period, in the case of preparing interim explanatory documents), an event or circumstances that cast serious doubt on the premise that the bank will continue its business in the future or any other event that may have a significant effect on the management of the bank (hereinafter referred to as a "material event, etc." in this item and in item (v) of the following Article) exists, and the details of that event, the results of analysis and examination of the significant event, etc., and the specific content of the measures to be taken to eliminate or improve the significant event, etc.,
- (2) Notwithstanding the provisions of the preceding paragraph, the particulars specified by Cabinet Office Order that are provided for in the first sentence of Article 21, paragraph (1) of the Act regarding a foreign bank branch are the

following particulars (excluding the particulars set forth in item (i), (a), in the case of preparing interim explanatory documents).

- (i) the following particulars on the overview of the foreign bank branch:
 - (a) the name and title of the representative in Japan of the foreign bank branch;
 - (b) the following particulars on more than ten top owners in number of shares or equity held, with regard to shares or equity in a foreign bank to which a foreign bank branch pertains:
 - 1. names of the owners (names of a corporation or other organization, if the owner is the corporation or other organization);
 - 2. the number or amount of shares or equity held by each owner of shares or equity;
 - 3. percentage of shares or equity held by each owner of shares or equity to issued shares or contribution;
 - (c) the name and location of its business offices;
 - (d) the following particulars on the bank agent which has the foreign bank branch as its principal bank:
 - 1. the bank agent's trade name or name; and
 - 2. names of business offices or offices where the bank agent carries out its bank agency services for the foreign bank branch;
 - (ii) outlook of business of the foreign bank branch in the latest interim period of business year or for the latest business year; and
 - (iii) interim balance sheets and interim profit and loss statements of the foreign bank branch in the latest two interim periods of business year, or balance sheets and profit and loss statements of the foreign bank branch for the latest two business years.
- (3) In addition to explanatory documents stating the particulars prescribed in the preceding paragraph, a foreign bank branch must keep documents (including those written in language other than Japanese) that state particulars on the condition of business and assets of the company that is a foreign bank to which the foreign bank branch pertains or a holding company that has the foreign bank as its subsidiary company and is established based on foreign laws and regulations (which is referred to as a "foreign bank holding company" in the following paragraph), at the foreign bank branch (excluding an unmanned business office; the same applies in the following paragraph), and must make the documents available for public inspection.
- (4) If documents as prescribed in the preceding paragraph are written in a language other than Japanese, in addition to those documents, a foreign bank branch must prepare documents written in Japanese regarding the outlook of business pertaining to a foreign bank or a foreign bank holding company to which the foreign bank branch pertains, and regarding its interim balance

sheet and its interim profit and loss statement or its balance sheet and its profit and loss statement, must keep them at the foreign bank branch and make them available for public inspection.

- (5) A business office as specified by Cabinet Office Order that is provided for in the first sentence of Article 21, paragraph (1) of the Act is the following business offices:
- (i) a bank's unmanned business office; and
 - (ii) a bank's business office located in a foreign state.

Article 19-3 The particulars specified by Cabinet Office Order that are provided for in the first sentence of Article 21, paragraph (2) of the Act are the following particulars (excluding the particulars set forth in item (i), item (iii), (f), and item (iv), in the case of preparing interim explanatory documents):

- (i) the following particulars on the outlook of a bank and its subsidiary company, etc. (excluding a subsidiary company, etc. that does not have a significant effect on the content of explanatory documents as prescribed in the first sentence of Article 21, paragraph (2) of the Act; hereinafter the same applies in this Article):
 - (a) the content of the main business and organizational structure of the bank and its subsidiary company, etc.;
 - (b) the following particulars on the bank's subsidiary company, etc.:
 1. its name;
 2. the location of its main business office or its main office;
 3. its stated capital or its contribution in capital;
 4. the content of its business;
 5. the date of its establishment;
 6. the percentage of the total shareholder or total investor voting rights that the voting rights the bank holds in the subsidiary company, etc. account for; and
 7. the percentage of voting rights in a single subsidiary company, etc. of the bank which are held by the bank's subsidiary company, etc. other than the single subsidiary company, etc., to all shareholders', all members' or all investors' voting rights.
- (ii) the following particulars on the main business of the bank and its subsidiary company, etc.:
 - (a) the overview of business in the latest interim period of business year or for the latest business year; and
 - (b) the following particulars, as an indicator of the condition of the main business in the latest three interim periods of consolidated fiscal year (meaning a period pertaining to the preparation of interim consolidated financial statements; the same applies hereinafter) and the latest two

consolidated fiscal years (meaning a period pertaining to preparation of consolidated financial statements; the same applies hereinafter) or for the latest five consolidated fiscal years:

1. its ordinary income or any amount equivalent thereto;
2. its ordinary profit or ordinary loss, or any amount equivalent thereto;
3. its interim net income attributable to the shareholders of the parent company or interim net loss attributable to the shareholders of the parent company, or, its net income for the period attributable to the shareholders of the parent company or net loss for the period attributable to the shareholders of the parent company;
4. its comprehensive income;
5. the amount of its net assets;
6. the amount of its total assets; and
7. its consolidated capital adequacy ratio;

(iii) the following particulars on the financial status of the bank and its subsidiary company, etc., in the latest two interim periods of consolidated fiscal year or for the latest two consolidated fiscal years:

- (a) interim consolidated balance sheets, interim consolidated profit and loss statements, and interim consolidated statements of changes in net assets, or consolidated balance sheets, consolidated profit and loss statements, and consolidated statements of changes in net assets (including documents similar thereto; the same applies in sub-item (g));
- (b) the amounts as set forth in the following out of the loans, and the total of those amounts:
 1. loans corresponding to loans to bankrupt borrowers;
 2. loans corresponding to overdue loans;
 3. loans corresponding to loans overdue for three months or more; and
 4. loans corresponding to restructured loans;
- (c) the particulars specified separately by the Commissioner of the Financial Services Agency on the condition of adequacy of equity capital;
- (d) the particulars specified separately by the Commissioner of the Financial Services Agency on the condition of soundness in management (excluding the particulars set forth in (c));
- (e) segment information prescribed in Article 15-2, paragraph (1) of the Regulation on Consolidated Financial Statement or information equivalent thereto;
- (f) an indication that the documents prepared pursuant to the provisions of Article 20, paragraph (2) of the Act (including an electronic or magnetic record that is prepared pursuant to the provisions of paragraph (3) of that Article) has been audited by financial auditors pursuant to Article 396, paragraph (1) of the Companies Act, if that is the case;

- (g) an indication that the bank has had an audit certification done by a certified public accountant or an auditing firm based on the provisions of Article 193-2 of the Financial Instruments and Exchange Act for its interim consolidated balance sheet, interim consolidated profit and loss statement, and interim consolidated statement of changes in net assets, or, for its consolidated balance sheet, consolidated profit and loss statement, and consolidated statement of changes in net assets, if that is the case; and
- (h) an indication that an external audit has been conducted concerning the calculation of the consolidated capital adequacy ratio and the consolidated leverage ratio (meaning the ratio arrived at by the formula associated with the criterion as prescribed in Article 14-2, item (ii) of the Act (excluding the consolidated capital adequacy ratio)), if that is the case;
- (iv) the particulars of remuneration, etc. (meaning remuneration, bonuses or any other type of economic benefit payable from a bank or its subsidiary company, etc. as consideration for performance of duties or wages prescribed in Article 11 of the Labor Standards Act) which are specified separately by the Commissioner of the Financial Services Agency as particulars that may have a significant impact on the conditions of business operation or assets of the bank or its subsidiary company, etc.;
- (v) an indication that, at the end of the business period (at the end of interim business period, in the case of preparing interim explanatory documents), a significant event, etc. exists, if that is the case, and, the details of that event, the results of analysis and examination of the significant event, etc., and the specific content of the measures to be taken to eliminate or improve the significant event, etc.; and
- (vi) in the case of a corporation, etc. subject to special business accounting standards, etc., the business accounting standards adopted thereby.

Article 19-4 (1) A bank must commence making available documents (including documents prescribed in Article 19-2, paragraph (3) and paragraph (4) in the case of a foreign bank branch; and including an electronic or magnetic record prepared pursuant to Article 20, paragraph (3) of the Act, and Article 21, paragraph (3) of the Act; they are referred to as "documents subject to public inspection" in this paragraph and the following paragraph) prepared pursuant to the provisions of Article 20, paragraph (1) or paragraph (2) and Article 21, paragraph (1) or paragraph (2) of the Act, for public inspection, within four months after the end of an interim period of a business year and within four months after the end of a business year of the bank (within six months after the end of an interim period of a business year and within six months after the end of a business year in the case of a foreign bank branch), and must continue to do so until the bank commences to make each of the documents subject to

public inspection that pertain to an interim period of the following business year after that interim period of the business year and that pertain to the following business year after that business year available for public inspection.

- (2) If a bank is unable to commence making documents subject to public inspection available for public inspection by the period prescribed in the preceding paragraph due to compelling reasons, the bank may obtain an approval from the Commissioner of the Financial Services Agency in advance (that of the Director General of the Local Finance Bureau that has jurisdiction over the locality of the head office of a bank (or, the Director General of the Fukuoka Local Finance Branch Bureau, if that locality is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau) if the bank is a bank that is not designated by the Commissioner of the Financial Services Agency) and may postpone the commencement of the public inspection.
- (3) If a bank seeks to obtain an approval under the preceding paragraph, the bank must attach a written statement of reasons to a written application for approval and submit them to the Commissioner of the Financial Services Agency or other competent authorities.
- (4) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the bank filling the application has a compelling reason to postpone commencement of public inspection as under the provisions of paragraph (1).
- (5) The measure specified by Cabinet Office Order that is provided for in Article 21, paragraph (4) of the Act (including as applied mutatis mutandis pursuant to paragraph (5) of that Article) is to be a measure that is taken to indicate the information that has been recorded in an electronic or magnetic record on a sheet of paper or to display it on a screen.

Article 19-5 A bank must disclose especially important particulars (including the particulars specified separately by the Commissioner of the Financial Services Agency) out of the information that serves as reference for a depositor as prescribed in Article 21, paragraph (7) of the Act and other customers to learn the condition of business and assets of the bank and its subsidiary company, etc.

(Information to Be Stated in a Business Report)

- Article 20 (1) Business reports as prescribed in Article 22 of the Act must be prepared pursuant to the Appended Form No. 9 (with regard to a bank with specified transaction account, the Appended Form No. 9-2).
- (2) Annexed detailed statement pursuant to the provisions of Article 22 of the Act must be prepared pursuant to the Appended Form No. 10.

(Corporation Whose Management Is Controlled by a Bank)

Article 21 The corporation specified by Cabinet Office Order that is provided for in Article 24, paragraph (2) of the Act is a subsidiary corporation, etc. of the bank (excluding a subsidiary company of the bank).

Chapter V Mergers, Company Splits, and Business Transfers and Acquisitions

(Application for Approval of Merger)

Article 22 (1) When seeking authorization for a merger under the provisions of Article 30, paragraph (1) of the Act, a bank must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) minutes of shareholders meetings and other documents proving that necessary procedures were taken;
- (iii) a document stating the content of the merger agreement;
- (iv) a document stating the merger costs;
- (v) the latest balance sheet, profit and loss statement, and statement of changes in net assets, and recent daily trial balance sheet;
- (vi) if there is any shareholder that has made a demand under Article 784-2, Article 796-2, or Article 805-2 of the Companies Act, a document stating the progress of the procedures pertaining to the demand;
- (vi)-2 when there are creditors who received public notice or other notices (when a public notice is given by means of a daily newspaper publishing the particulars on current events or an electronic public notice, in addition to a gazette, pursuant to the provisions of the Article 789, paragraph (3) of the Companies Act (including as applied mutatis mutandis pursuant to Article 793, paragraph (2) of that Act; the same applies hereinafter); Article 799, paragraph (3); or Article 810, paragraph (3) (including as applied mutatis mutandis pursuant to Article 813, paragraph (2) of that Act; the same applies hereinafter), the public notice by these means) pursuant to the provisions of the Article 789, paragraph (2) of that Act (excluding item (iii), and including as applied mutatis mutandis pursuant to Article 793, paragraph (2) of that Act; the same applies hereinafter); Article 799, paragraph (2); or Article 810, paragraph (2) (excluding item (iii), and including as applied mutatis mutandis pursuant to Article 813, paragraph (2) of that Act; the same applies hereinafter), and the creditor filed an objection, a document proving that the debt was paid to the creditor, considerable security was provided to the creditor, or reasonable assets were entrusted for

- the purpose of providing payment to the creditor, or there is no risk of loss to the creditor if the merger is implemented;
- (vii) if a company disappearing in the merger or a company that consolidates shares is a share certificate-issuing company, a document proving that public notice was made pursuant to the provisions of the main clause of Article 219, paragraph (1) of the Companies Act, or a document proving that share certificates have not been issued with regard to all the shares;
 - (vii)-2 if a company disappearing in the merger has issued share options, a document proving that public notice was made pursuant to the provisions of Article 293, paragraph (1) of the Companies Act and a document proving that share options as prescribed in the paragraph have not been issued;
 - (viii) a document proving that a notification was submitted pursuant to the provisions of Article 15-2, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947);
 - (ix) articles of incorporation, resumes of the directors and auditors (for a company with audit and supervisory committee, the directors; and for a company with nominating committee, etc., the directors and executive officers), and a document stating the location of business offices of the bank surviving the merger or the bank established in the merger, a document stating the status of establishment of business offices or offices where a bank agent that has that bank as its principal bank carries out bank agency services for the bank, and a document stating prospective income and expenditures and non-consolidated capital adequacy ratio after the merger;
 - (ix)-2 if the bank surviving the merger or the bank established in the merger is a company with accounting advisors, the resumes of the accounting advisors of that bank;
 - (ix)-3 the resume of the financial auditor of the bank surviving the merger or the bank established in the merger;
 - (x) if any of the parties to a merger is not a bank, the former articles of incorporation of any party that is not a bank and the documents as set forth in item (v);
 - (xi) if the bank surviving the merger or the bank established in the merger would make a company eligible to be a subsidiary company (meaning a company eligible to be a subsidiary company as prescribed in Article 16-2, paragraph (1) of the Act, and excluding an advanced banking service company; hereinafter the same applies in this item, paragraph (1), item (xi) of the following Article, and Article 23, paragraph (1), item (ix)) its subsidiary company, the documents concerning the company eligible to be a subsidiary company as set forth in Article 17-5, paragraph (1), item (iv);
 - (xi)-2 if the merger would cause the bank surviving the merger or the bank established in the merger to hold voting rights in an advanced banking

- service company that, when combined, would exceed the maximum threshold for voting rights, or to make a foreign advanced banking service company into a subsidiary company: a document set forth in Article 17-5-2, paragraph (1), item (iv) regarding the company;
- (xii) if the bank surviving the merger or the bank established in the merger would have a subsidiary company, etc. (meaning a subsidiary company, etc. as prescribed in Article 14-2, item (ii) of the Act; hereinafter the same applies in this item, paragraph (1), item (xii) of the following Article, and Article 23, paragraph (1), item (vii)), a document stating income and expenditures and the consolidated capital adequacy ratio of the bank and the subsidiary company, etc. after the merger;
- (xiii) if the merger would cause the bank surviving the merger, the bank established in the merger, or its subsidiary company to hold voting rights in a domestic company that, when combined, would exceed the maximum threshold for voting rights held, a document stating the name and content of business of the domestic company; and
- (xiv) other documents stating information that should serve as a reference in conducting an examination under Article 31 of the Act.
- (2) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to the voting rights prescribed in items (xi)-2 and (xiii) of the preceding paragraph.

(Application for Authorization of Company Split)

- Article 22-2 (1) When seeking authorization for a company split pursuant to the provisions of Article 30, paragraph (2) of the Act, a bank must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
- (ii) minutes of shareholders meetings and other documents proving that necessary procedures were taken;
- (iii) a document stating content of the incorporation-type company split plan or the absorption-type company split agreement;
- (iv) a document stating the costs of the company split;
- (v) the latest balance sheet, profit and loss statement, and statement of changes in net assets, and recent daily trial balance sheet;
- (vi) if there is any shareholder that has made a demand under Article 784-2, Article 796-2, or Article 805-2 of the Companies Act, a document stating the progress of the procedures pertaining to the demand;
- (vi)-2 if there is a creditor that received public notice or other notices (when a public notice is made by means of a daily newspaper publishing the particulars on current events or an electronic public notice, in addition to

- means of a gazette, pursuant to the provisions of the Article 789, paragraph (3); Article 799, paragraph (3); or Article 810, paragraph (3) of the Companies Act, the public notice by these means (when a separate notice is not required pursuant to the provisions of Article 789, paragraph (3) or Article 810, paragraph (3) of that Act, the public notice and other notices)) pursuant to the provisions of the Article 789, paragraph (2); Article 799, paragraph (2); or Article 810, paragraph (2), of the Companies Act, and the creditor filed an objection, a document proving that the debt was paid to the creditor, considerable security was provided to the creditor, or reasonable assets were entrusted for the purpose of providing payment to the creditor, or there is no risk of loss to the creditor, if the company split is implemented;
- (vii) if a share certificate-issuing company would consolidate shares, a document proving that public notice has been made pursuant to the provisions of Article 219, main clause of paragraph (1) of the Companies Act, or a document proving that share certificates have not been issued with regard to all the shares;
- (vii)-2 if the company to be split has issued share options and if it is as prescribed in Article 758, item (v) or Article 763, paragraph (1), item (x) of the Companies Act, a document proving that public notice was made pursuant to the provisions of Article 293, paragraph (1) of the Act and a document proving that certificates of share options as prescribed in the paragraph have not been issued;
- (viii) if a notification is required pursuant to the provisions of Article 15-2, paragraphs (2) or (3) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, a document proving that the notification was submitted;
- (ix) articles of incorporation, resumes of the directors and auditors (for a company with audit and supervisory committee, the directors; and for a company with nominating committee, etc., the directors and executive officers), and a document stating the location of business offices of the bank after the company split, a document stating the condition of the establishment of business offices or offices where a bank agent that has that bank as its principal bank carries out bank agency services for the bank, and a document stating prospective income and expenditures and non-consolidated capital adequacy ratio after the company split;
- (ix)-2 if the bank after the company split would be a company with accounting advisors, resumes of the accounting advisors of the bank;
- (ix)-3 the resume of the financial auditor of the bank after the company split;
- (x) if any of the parties to the company split is not a bank, the former articles of incorporation of the party that is not a bank and the documents as set forth in item (v);

- (xi) if the company split would make a company eligible to be a subsidiary company the subsidiary company of the relevant person, the documents concerning the company eligible to be a subsidiary company as set forth in Article 17-5, paragraph (1), item (iv);
 - (xi)-2 if the company split would cause the relevant person to hold voting rights in an advanced banking service company that, when combined, would exceed the maximum threshold for voting rights, or to make a foreign advanced banking service company into a subsidiary company, a document set forth in Article 17-5-2, paragraph (1), item (iv) regarding the company;
 - (xii) if the bank after the company split would have a subsidiary company, etc., a document stating the prospective income and expenditures and consolidated capital adequacy ratio of the bank and the subsidiary company, etc.;
 - (xiii) if the company split would cause a subsidiary company of the bank to cease to be its subsidiary company, a document stating the name of the subsidiary company;
 - (xiv) if the company split would cause the bank or its subsidiary company to hold voting rights in a domestic company that, when combined, would exceed the maximum threshold for voting rights, a document stating the name and content of business of the domestic company; and
 - (xv) other documents stating information that should serve as a reference in conducting an examination under Article 31 of the Act.
- (2) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to the voting rights prescribed in item (xi)-2 and (xiv) of the preceding paragraph.

(Application for Authorization of Transfer of Business)

- Article 23 (1) When seeking authorization for a business transfer or acquisition (hereinafter referred to as a "transfer, etc. of business" in this Article) pursuant to the provisions of Article 30, paragraph (3) of the Act, a bank must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) minutes of shareholders meetings and other documents proving that necessary procedures were taken;
 - (iii) a document stating the content of the contract for transfer, etc. of business;
 - (iv) recent daily trial balance sheet;
 - (v) if there is a creditor that received public notice or other notice (when a public notice is made by means of a daily newspaper publishing the particulars on current events or an electronic public notice, in addition to means of a gazette, pursuant to the provisions of Article 34, paragraph (3) of

- the Act (including cases as applied mutatis mutandis pursuant to Article 35, paragraph (3) of that Act), the public notice by these means) pursuant to the provisions of Article 34, paragraph (1) of the Act or Article 35, paragraph (1), and the creditor filed an objection, a document proving that the debt was paid to the creditor, considerable security was provided to the creditor, or reasonable assets were entrusted for the purpose of providing payment to the creditor, or there is no risk of loss to the creditor if the transfer, etc. of business is implemented;
- (vi) if a notification is required pursuant to the provisions of Article 16, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, a document proving that the notification was submitted;
 - (vii) if the bank after the transfer, etc. of business would have a subsidiary company, etc., a document stating the prospective income and expenditures and consolidated capital adequacy ratio of the bank and the subsidiary company, etc.;
 - (viii) if the transfer of business would cause a subsidiary company of the bank to no longer be its subsidiary company, a document stating the name of the subsidiary company;
 - (ix) if the transfer of business would cause a company eligible to be a subsidiary company the subsidiary company of the relevant person, the documents concerning the company eligible to be a subsidiary company as set forth in Article 17-5, paragraph (1), item (iv);
 - (ix)-2 if the business acquisition would cause the relevant person to hold voting rights in an advanced banking service company which, in total, exceed the maximum threshold for voting rights, or to make a foreign advanced banking service company into a subsidiary company, a document set forth in Article 17-5-2, paragraph (1), item (iv) regarding the company;
 - (x) if the business acquisition would cause the bank or its subsidiary company to hold voting rights in a domestic company in a total number that exceeds the maximum threshold for voting rights held, a document stating the name and content of business of the domestic company; and
 - (xi) other documents stating information that should serve as a reference in conducting an examination under Article 31 of the Act.
- (2) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to the voting rights prescribed in item (ix)-2 and (x) of the preceding paragraph.

(Creditor Not Requiring Demand in Case of Merger)

Article 24 A creditor as prescribed in Article 7 of the Order as provided by Cabinet Office Order is the following creditors; provided, however that with regard to a creditor as set forth in items (ii) to (vi), limited to the cases of a

- company split (limited to the case of a succession of business by the company split) as prescribed in Article 33-2, paragraph (1) of the Act, is resolved:
- (i) a creditor pertaining to a custody contract;
 - (ii) a creditor pertaining to a forward exchange transaction (limited to transactions conducted with fixed standards and methods);
 - (iii) a creditor pertaining to an over-the-counter derivative transaction (excluding transactions as set forth in Article 2, paragraph (22), item (vi) of the Financial Instruments and Exchange Act, and limited to transactions conducted by fixed standards and methods based on fair commercial customs) pertaining to money rate or foreign exchange;
 - (iv) a creditor pertaining to a letter of credit transaction (limited to transactions pertaining to export and import transactions in international transactions based on fair commercial customs);
 - (v) a creditor pertaining to checks that a bank issued with itself as the drawer; and
 - (vi) a creditor pertaining to the sale of lottery tickets as prescribed in Article 6, paragraph (1) of the Public Lottery Ticket Act (Act No. 144 of 1948).

Chapter VI Discontinuance and Dissolution of Banking

(Application for Approval of Discontinuance and Dissolution of Banking)

Article 25 When seeking authorization for a discontinuation, merger, or dissolution of banking under the provisions of Article 37, paragraph (1) of the Act, a bank must submit a written application for authorization accompanied by the documents set forth in the relevant of the following items for the authorization set forth in that item to the Commissioner of the Financial Services Agency:

- (i) discontinuation or dissolution of banking:
 - (a) a written statement of reasons;
 - (b) minutes of shareholders meetings (with regard to a foreign bank branch, minutes of the organization that is to reach a resolution on the matter);
 - (c) recent daily trial balance sheet;
 - (d) a document identifying the content of assets and liabilities;
 - (e) a document stating the disposition method of obligations; and
 - (f) other documents stating information that should serve as a reference in conducting an examination under Article 37, paragraph (2) of the Act;
- (ii) merger:
 - (a) documents as set forth in each item of Article 22, paragraph (1) (excluding item (ix), item (ix)-2, and item (xi));
 - (b) articles of incorporation of the company surviving the merger or the company established in the merger, and the resumes of the directors and

auditors (for a company with audit and supervisory committee, the directors; and for a company with nominating committee, etc., the directors and executive officers);

- (c) if the company surviving the merger or the company established in the merger would be a company with accounting advisors, the resumes of the accounting advisors of the company; and
- (d) documents as set forth in sub-items (e) and (g) of the preceding item.

(Public Notice of Discontinuance)

Article 26 When issuing a public notice or making a posting under the provisions of Article 38 of the Act, a bank is to indicate the policies for handling deposits, etc. and other transactions associated with the business that is specified by the Commissioner of the Financial Services Agency.

(Application of Approval for Effect of License)

Article 27 (1) If person that has been licensed by the Prime Minister as referred to in Article 4, paragraph (1) of the Act seeks approval under the provisions of Article 41, item (iv) of the Act, that person must submit a written application for approval accompanied by a written statement of reasons to the Commissioner of the Financial Services Agency.

- (2) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency is to examine whether it conforms to the following standards:
 - (i) what is found to be a compelling reason that the services cannot be commenced within six months from the date on which the license prescribed in Article 4, paragraph (1) of the Act is obtained exists;
 - (ii) it is expected that the business may be commenced within a reasonable period; and
 - (iii) at the time of licensing, it is expected that there would be no significant changes in the particulars on which the examination has been based before the time projected for the commencement of business.

Chapter VII Foreign Bank Branches

(Application for Foreign Banks' Business Licenses)

Article 28 (1) When a foreign bank specifies its main foreign bank branch (meaning a main foreign bank branch as prescribed in Article 47, paragraph (1) of the Act; the same applies in Article 37, paragraph (3)) based on the provisions of Article 47, paragraph (1) of the Act and seeks to obtain a business license pursuant to the provisions of Article 4, paragraph (1) of the Act, the foreign bank must submit a written application for license signed by directors

who have the authority of representation of the foreign bank accompanied by the following documents to the Prime Minister through the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
 - (ii) articles of incorporation or a document sufficient for identifying the characteristics of the foreign bank;
 - (iii) a document proving the existence of the main business office of the foreign bank;
 - (iv) a document proving the qualification of directors who have the authority of representation of the foreign bank;
 - (v) a document stating the location of the foreign bank branch to which the application pertains;
 - (vi) a document stating the prospective of income and expenditures for three business years after commencement of business of the foreign bank branch to which the application pertains;
 - (vii) resume of representative in Japan of the foreign bank branch;
 - (vii)-2 a document proving that the foreign bank branch holds assets corresponding to the stated capital prescribed in Article 47-2 of the Act in Japan;
 - (viii) a document stating the name, domicile or residence, nationality, and occupation of any major shareholder or person holding major equity in that foreign bank (hereinafter referred to as a "major shareholder, etc." in this item) (if a major shareholder, etc. is a corporation or other organizations, its name, location of its main business office or office and the content of business carried out) and the number of shares held by the person or the amount of contribution;
 - (ix) the latest balance sheet of the foreign bank, its profit and loss statement, statement of changes in net assets, and other documents providing the recent condition of business, assets, and profit and loss;
 - (x) when establishment of a foreign bank branch to which the application pertains requires permission, authorization and other acts (hereinafter referred to as "permission, etc." in this item and Article 32, paragraph (2)) of a foreign administrative organ, a document proving that the permission, etc. was granted; and
 - (xi) other documents stating information that should serve as a reference in conducting an examination under Article 4, paragraphs (2) and (3) of the Act.
- (2) When the Prime Minister implements an examination under Article 4, paragraph (2) of the Act pertaining to an application for license referred to in the preceding paragraph, the Prime Minister is to take into account the following particulars:
- (i) the amount of assets of the foreign bank branch to which the application

- pertains, which correspond to the stated capital prescribed in Article 47-2 of the Act, is equal to or greater than the amount as prescribed in Article 3, paragraph (2) of the Order and is an amount sufficient for carrying out the business of the foreign bank branch that is to be operated;
- (ii) net profit for one business year of the foreign branch bank to which the application pertains is expected by the day on which three business years have elapsed after commencement of the business;
 - (iii) in light of things such as the extent to which it has secured a representative in Japan or employees who possess sufficient knowledge and experience concerning the business of the foreign bank branch to which the application pertains, and the business management systems of the foreign bank branch, the foreign bank that filed the application is able to carry out the business of the foreign bank branch precisely, fairly, and effectively, and has sufficient social credibility; and
 - (iv) the content and methods of the business of the foreign bank branch to which the application pertains are appropriate from the standpoint of protection of depositors, etc. and maintenance of an orderly financial system.

(Preliminary Examination of Foreign Banks' Business Licenses)

Article 29 A foreign bank that seeks to obtain a business license pursuant to the provisions of Article 4, paragraph (1) of the Act based on the provisions of Article 47, paragraph (1) of the Act, may submit documents equivalent to those pursuant to the provisions of paragraph (1) of the preceding Article to the Prime Minister through the Commissioner of the Financial Services Agency and request a preliminary examination.

(Actions Deemed to Constitute Actions as an Agent or Intermediary for a Foreign Bank's Services)

Article 29-2 The intermediation specified by Cabinet Office Order that is provided for in Article 47, paragraph (3) of the Act means an act that is found to fall under the category of acts as an agent or intermediary for a business office in the home state of the relevant foreign bank, if a foreign bank branch and a business office in the home state of the foreign bank to which that foreign bank branch belongs are deemed to be different corporations.

(Persons with a Unique Relationship with the License of a Foreign Bank)

Article 30 The person prescribed by Cabinet Office Order that is provided for in Article 11, item (iv) of the Order means two or more persons that have established a main business office in a country as prescribed in Article 3, item (ii) (but only if both of those persons hold a number or amount of shares or equity that account for over five percent of the issued shares or contribution of

a foreign bank) and whose total number or amount of shares or equity accounts for over fifty percent of the issued shares or contribution of a foreign bank.

(Provision of Information to Depositors, etc.)

Article 30-2 In order to contribute to the protection of depositors, etc., a foreign bank branch must clearly indicate the following particulars to depositors, etc. with regard to the acceptance of deposits, etc. (excluding the acceptance of specified deposits, etc. as prescribed in Article 13-4 of the Act):

- (i) that the deposits, etc. handled are not covered by the payment of insurance money prescribed in Article 53 of the Deposit Insurance Act;
- (ii) in the event of the failure of the foreign bank to which the foreign bank branch belongs, paying out of deposits, etc. may not be promptly made even when it is to take place; and
- (iii) other information found to be of reference concerning deposit of deposits, etc.

(Scope of Business Pertaining to the Development of a System to Protect Customers' Interests)

Article 30-3 The services specified by Cabinet Office Order that are provided for in Article 13-3-2, paragraph (1) of the Act, by replacing terms pursuant to the provisions of Article 9 of the Order, means bank services.

(Measures Necessary to Prevent Customers' Interests from Being Unduly Harmed)

Article 30-4 (1) A foreign bank branch must take the following measures to ensure that a transaction it carries out does not unduly harm the interests of a customer of the bank services it conducts; to ensure that a transaction carried out by the foreign bank to which that foreign bank branch belongs does not unduly harm the interests of a customer of the bank services that foreign bank conducts; to ensure that a transaction carried out by a bank agent that has the relevant foreign bank branch as its principal bank does not unduly harm the interests of a customer of the bank services that bank agent conducts; and to ensure that a transaction carried out by the parent financial institution, etc. (meaning a parent financial institution, etc., prescribed in Article 13-3-2, paragraph (2) of the Act, as replaced pursuant to the provisions of Article 9 of the Order; the same applies hereinafter in this Article) or a subsidiary financial institution, etc. (meaning a subsidiary financial institution, etc. as prescribed in Article 13-3-2, paragraph (3) of the Act, as replaced pursuant to Article 9 of the Order; hereinafter the same applies in this Article) of the foreign bank to which the relevant foreign bank branch belongs does not unduly harm the interests of a customer of the bank services conducted by a

subsidiary financial institution, etc. of the foreign bank to which that foreign bank branch belongs:

- (i) development of a system to identify the subject transactions in an appropriate manner;
 - (ii) development of a system to properly ensure the protection of the customer by the following or any other methods:
 - (a) method for separating the department conducting subject transactions and the department conducting transactions with the customer;
 - (b) method for changing the conditions or method of the subject transactions or transactions with the customer;
 - (c) method for interrupting the subject transactions or transactions with the customer;
 - (d) method for appropriately disclosing to the customer that there is a risk that the customer's interests will be unduly harmed in connection with a subject transaction.
 - (iii) Formulation of the policy of implementation of the measures set forth in the preceding two items and disclosure of their outline by an appropriate method;
 - (iv) preserving the following records:
 - (a) records pertaining to the identification of the subject transactions conducted under the system prescribed in item (i);
 - (b) records pertaining to measures to appropriately ensure the protection of customers conducted under the system prescribed in item (ii);
- (2) The record prescribed in item (iv) of the preceding paragraph must be maintained for five years from the date of creation.
- (3) The term "subject transaction" in paragraph (1) means a transaction carried out by a foreign bank branch that brings about the risk of unduly harming the interests of a customer of the bank services it conducts; a transaction that is carried out by the foreign bank with which the relevant foreign bank branch is associated and that brings about the risk of unduly harming the interests of a customer of the bank services that the foreign bank conducts; a transaction that is carried out by a bank agent which has the relevant foreign bank branch as its principal bank and that brings about the risk of unduly harming the interests of a customer of the bank services that the bank agent conducts; or a transaction that is carried out by the parent financial institution, etc. or subsidiary financial institution, etc. of the foreign bank with which the relevant foreign bank branch belongs and that brings about the risk of unduly harming the interests of a customer of the bank services that are conducted by a subsidiary financial institution, etc. of the foreign bank with which the relevant foreign bank branch is associated.

(Money Lent to a Person That Has a Domicile or Residence in Japan)

Article 31 The loans specified by Cabinet Office Order that are provided for in Article 13, paragraph (1), item (ix) of the Order are the following loans (excluding those for a person that has a unique relationship with a foreign bank branch as prescribed in Article 12-2 of the Order (limited to the persons set forth in items (i) to (v) of that Article)):

- (i) loans recorded in the call loan account of the balance sheet; and
- (ii) loans for which a secure collateral has been collected in Japan (excluding those set forth in the preceding item).

(Establishment of a Secondary Foreign Bank Branch)

Article 32 (1) The case specified by Cabinet Office Order that is provided for in Article 47-3 of the Act means:

- (i) the establishment of a sub-office (limited to a temporary or circuit-type facility or unmanned equipment); or
- (ii) the closure of a sub-office.

(2) When seeking authorization for the establishment, change of type, or closure of a secondary foreign bank branch (meaning a secondary foreign bank branch as prescribed in Article 47, paragraph (2) of the Act; hereinafter the same applies in this Article and the following Article) under the provisions of Article 47-3 of the Act, a foreign bank branch must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency or other competent authorities:

- (i) a written statement of reasons;
- (ii) when establishment of the secondary foreign bank branch requires the permission, etc. of a foreign administrative organ, a document proving that the permission, etc. has been obtained; and
- (iii) other documents stating particulars that the Commissioner of the Financial Services Agency finds to be necessary.

(3) When an application for authorization to establish or change the type of a secondary foreign bank branch under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether it conforms to the following standards:

- (i) excluding cases that it is found to contribute to securing sound business of a foreign bank branch which filed the application, the condition of adequacy of equity capital of the foreign bank pertaining to the foreign bank branch that filed the application falls under the category equivalent to an exception from the categories of the table in Article 1, paragraph (1), item (i) of the Order Prescribing Classification etc. provided in Article 26, paragraph (2) of the Banking Act and an exception from the leverage categories set forth in the table under item (iii) of that paragraph, and the condition of adequacy of

equity capital of the foreign bank that filed the application and its subsidiary company, etc. falls under the category equivalent to an exception from the categories of the table in paragraph (2), item (i) of that Article and an exception from the leverage categories set forth in the table under item (iii) of that paragraph;

(ii) in light of things such as the business management systems of the foreign bank branch that filed the application, it is able to carry out the services of a bank reliably, fairly, and efficiently; and

(iii) the necessary crime prevention measures are taken at the secondary foreign bank branch and customer information is maintained appropriately.

(4) When an application for authorization to close a secondary foreign bank branch under the provisions of paragraph (2) is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether it will not have a considerable impact upon the customers of the secondary foreign bank branch, such as the succession of transactions pertaining to the customers of the business office by another business office of the foreign bank branch which filed the application or another financial institution, without any problems.

(Examination as to Approval of Non-Business Days)

Article 32-2 (1) If a foreign bank branch files an application for authorization under paragraph (2) of the preceding Article using a written application that includes a statement indicating that it will set a day other than a designated non-business day as a non-business day at a secondary foreign bank branch, in addition to conducting the examination under Article 15, paragraph (3), the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the day conforms to the standards set forth in the items of Article 15, paragraph (2).

(2) If a foreign bank branch obtains authorization as prescribed in Article 47-3 of the Act based on a written application as specified in the preceding paragraph, the foreign bank branch is deemed to have been approved as referred to in Article 5, paragraph (2), item (ii) of the Order to set a day other than a designated non-business day as a non-business day at the secondary foreign bank branch subject to that authorization.

(Notification of a Foreign Bank Branch)

Article 33 (1) The cases specified by Cabinet Office Order that are provided for in Article 49, paragraph (1), item (vii) of the Act means that there has been a change in the person that holds a number of shares or an amount of equity constituting over fifty percent of its issued shares or contribution

(2) The cases specified by Cabinet Office Order that are provided for in Article 49,

paragraph (2), item (i) of the Act are as follows:

- (i) if the relevant person changes the location of a sub-office (limited to temporary or circuit-type facility or unmanned equipment);
 - (ii) if the relevant person changes locations due to extension and reconstruction or other compelling reasons (but only if it is definite that the person will return to the original location before the change); and
 - (iii) if the relevant person returns to the foreign bank branch of the original location after the change as prescribed in the preceding item.
- (3) The cases specified by Cabinet Office Order that is provided for in Article 49, paragraph (2), item (iv) of the Act are as follows:
- (i) if a sub-office (excluding a sub-office as prescribed in item (i) of the preceding paragraph) has been closed;
 - (ii) if a contract to entrust a person with bank agency services has been concluded, changed, or terminated (including when further entrustment of entrusted bank agency services has been authorized); and
 - (iii) if a contract to entrust a person with agency or intermediation services in the conclusion of a contract involving the business as prescribed in Article 10, paragraph (2) of the Act has been concluded, changed, or terminated.
- (4) When seeking to file a notification under the provisions of Article 49, a foreign bank branch must submit the written notice accompanied by a written statement of reasons and other documents giving information of reference to the Commissioner of the Financial Services Agency without delay.

(Matters to Be Notified for an Establishment of a Liaison Office of a Foreign Bank)

Article 34 (1) The particulars specified by Cabinet Office Order that are provided for in Article 52, paragraph (1) of the Act are the following particulars:

- (i) the following particulars concerning a foreign bank:
 - (a) name;
 - (b) location of the principal business office; and
 - (c) content of business;
 - (ii) the following particulars concerning a liaison office or other facilities to be established in Japan:
 - (a) name;
 - (b) address and name of the representative;
 - (c) reasons for establishment; and
 - (d) date of establishment.
- (2) When seeking to file a notification regarding a liaison office or other facilities under the provisions of Article 52, paragraph (1) of the Act, a foreign bank must submit a written notification accompanied by the following documents to the Commissioner of the Financial Services Agency:

- (i) a document stating the number of branch offices, other business offices, and liaison offices;
- (ii) a document stating the amount of stated capital or total amount of contribution; and
- (iii) a document stating the title and name of officers who have the authority of representation.

Chapter VII-2 Special Provisions on Foreign Bank Agency Services

(Application for Authorization of Foreign Bank Agency Services)

Article 34-2 (1) If a bank (excluding a bank that intends to perform foreign bank agency services (foreign bank agency services prescribed in Article 52-2, paragraph (1) of the Act; the same applies hereinafter) that has a business office in the home state of a foreign bank to which a foreign bank branch belongs as principal foreign bank (principal foreign bank prescribed in that paragraph; the same applies hereinafter)) seeks authorization under Article 52-2, paragraph (1) of the Act, it must submit a written application for authorization with the Commissioner of the Financial Services Agency with the following documents (excluding the documents set forth in items (iv) and (vi) if the applicant intends to perform foreign bank agency services by having a foreign bank, other than a foreign bank which is a subsidiary company of a bank and the foreign banks set forth in Article 13-2, paragraph (1), item (i), sub-items (a) to (d), as the principal foreign bank) attached thereto:

- (i) a written statement of reasons;
- (ii) a document proving the existence of the main business office of the principal foreign bank;
- (iii) a document proving the qualification of the directors who have the authority of representation of the principal foreign bank;
- (iv) a document stating the name, domicile or residence, nationality, and occupation of any major shareholder or person that holds major equity in that principal foreign bank (hereinafter referred to as a "major shareholder, etc." in this item and paragraph (5), item (v)) (if a major shareholder, etc. is a corporation or other organization, its name, location of the main business office or office and the details of business carried out) and the number of shares held or the amount of contribution by the shareholder or person;
- (v) the latest balance sheet, profit and loss statement, and statement of changes in net assets (including documents similar thereto), and other documents that provide the latest conditions of the business, assets, and profit and loss of the principal foreign bank;
- (vi) a document stating the capital ties between the bank and the principal foreign bank;

- (vii) a document stating the content of the outsourcing contract for the foreign bank agency services to which the application pertains between the bank and the principal foreign bank;
 - (viii) a document stating the details and method of the foreign bank agency services to which the application pertains; and
 - (ix) other documents stating information that should serve as a reference in conducting an examination under paragraph (3).
- (2) If a bank seeking to perform foreign bank agency services while using, as its principal foreign bank, a business office in the home state of the foreign bank with which a foreign bank branch is associated seeks authorization under the provisions of Article 52-2, paragraph (i) of the Act, it must submit a written application for authorization to the Commissioner of the Financial Services Agency together with the following documents (excluding the documents set forth in items (ii) and (iii) if the applicant is a foreign bank branch and it intends to perform foreign bank agency services having a business office in the home state of a foreign bank to which the foreign bank branch belongs as the principal foreign bank; and excluding the document set forth in item (ii) if the applicant intends to perform foreign bank agency services by having a foreign bank, other than a business office in the home state of a foreign bank to which a foreign bank branch belongs and the foreign banks set forth in Article 13-2, paragraph (2), item (i), sub-items (a) to (c), as the principal foreign bank):
- (i) a written statement of reasons;
 - (ii) a document stating the capital ties between the bank and the principal foreign bank;
 - (iii) a document stating the content of the outsourcing contract for the foreign bank agency services to which the application pertains between the bank and the principal foreign bank;
 - (iv) a document stating the details and method of the foreign bank agency services to which the application pertains;
 - (v) other documents stating information that should serve as a reference in conducting an examination under the next paragraph.
- (3) Upon receiving an application for authorization prescribed in the preceding two paragraphs, the Commissioner of the Financial Services Agency is to examine whether the application satisfies the following standards (excluding the standards set forth in item (iii) if an application for authorization is filed in order to perform foreign bank agency services by having a foreign bank, other than a foreign bank which is a subsidiary company of a bank and the foreign banks set forth in Article 13-2, paragraph (1), item (i), sub-items (a) to (d), or a foreign bank, other than a business office in the home state of a foreign bank to which a foreign bank branch belongs and the foreign banks set forth in Article 13-2, paragraph (2), item (i), sub-items (a) to (c), as the principal foreign bank):

- (i) the principal foreign bank has a sufficient financial basis to conduct the services of a bank soundly and efficiently;
 - (ii) in light of things such as its personnel structure, the principal foreign bank has knowledge and experience to conduct the services of a bank precisely, fairly and efficiently, and has sufficient social credibility.;
 - (iii) in a state where the principal business office of the principal foreign bank and the following persons that has a unique relationship with that principal foreign bank (for persons set forth in sub-item (c), limited to those who hold all or part of the shares of the principal foreign bank) is located, the bank is recognized as being given substantially equivalent treatment as under the Act; provided, however, that this does not apply when such examination is to preclude sincere implementation of the treaties or other international agreements concluded by Japan;
 - (a) a person holding a number of shares or an amount of equity in a principal foreign bank accounting for over fifty percent of its issued shares or contribution;
 - (b) a person holding a number of shares or an amount of equity in a person set forth in sub-item (a) accounting for over fifty percent of its issued shares or contribution;
 - (c) any one of the two or more persons whose main business offices are located in the same state and whose total number of shares or amount of equity held account for over fifty percent of the issued shares or contribution of a principal foreign bank;
 - (d) any one of the two or more persons whose main business offices are located in a state prescribed in Article 3, item (ii) (limited to the cases in which each of the persons holds a number of shares or an amount of equity exceeding five percent of the issued shares or contribution of a principal foreign bank) and whose total number of shares or amount of equity constitute over fifty percent of the issued shares or contribution of a principal foreign bank.
- (4) The persons specified by Cabinet Office Order that are provided for in Article 52-2, paragraph (2) of the Act are the persons specified in the following items in accordance with the categories of persons set forth in each item:
- (i) a bank (excluding a foreign bank branch; hereinafter the same applies in this item): the following foreign banks:
 - (a) a foreign bank which is a subsidiary corporation, etc. of a bank;
 - (b) a foreign bank which has a bank as its subsidiary corporation, etc.;
 - (c) a foreign bank which is a subsidiary corporation, etc. of a bank holding company which has a bank as its subsidiary company (excluding the foreign banks set forth in sub-items (a) and (b)); and
 - (d) a foreign bank which is a subsidiary corporation, etc. of a parent

- corporation, etc. which has a bank as its subsidiary company (excluding the foreign banks set forth in sub-items (a) to (c)); and
- (ii) a foreign bank branch: the following foreign banks:
 - (a) a business office in the home state of a foreign bank to which a foreign bank branch belongs;
 - (b) a foreign bank which is a subsidiary corporation, etc. of a foreign bank to which a foreign bank branch belongs;
 - (c) a foreign bank which has, as its subsidiary corporation, etc., a foreign bank to which a foreign bank branch belongs; and
 - (d) a foreign bank which is a subsidiary corporation, etc. of a parent corporation, etc. which has, as its subsidiary company, a foreign bank to which a foreign bank branch belongs.
 - (5) When a bank seeks to obtain an authorization pursuant to the provisions of Article 52-2, paragraph (2) of the Act, it must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency:
 - (i) a written statement of reasons;
 - (ii) a document stating the trade name of the principal foreign bank;
 - (iii) a document stating the location of the main business office of the principal foreign bank;
 - (iv) a document stating the names of the officers who have the authority of representation of the principal foreign bank;
 - (v) a document stating the name, domicile or residence, nationality, and occupation of the major shareholder, etc. of the principal foreign bank (excluding a foreign bank which is a subsidiary company of a bank and a foreign bank to which a foreign bank branch belongs) (when the major shareholder, etc. is a corporation or other organization, its name, location of its main business office or office and the content of business carried out thereby), and the number of shares or the amount of contribution held by the major shareholder, etc.;
 - (vi) with regard to the foreign bank group (meaning the foreign bank group prescribed in Article 52-2, paragraph (2) of the Act; the same applies hereinafter) to which the principal foreign bank belongs, the latest consolidated balance sheet, profit and loss statement, and statement of changes in net assets (including documents similar thereto), and other documents that provide the latest conditions of business, assets, and profit and loss of the foreign bank group;
 - (vii) a document stating the capital ties between the bank, the principal foreign bank, and the foreign bank group to which the principal foreign bank belongs;
 - (viii) a document indicating the basic policy for management of the foreign

- bank group to which the principal foreign bank belongs;
 - (ix) a document indicating the policies for risk management and legal compliance pertaining to the foreign bank group to which the principal foreign bank belongs;
 - (x) a document stating the content of the outsourcing contract for the foreign bank agency services to which the application pertains between the bank and the principal foreign bank (excluding a foreign bank to which a foreign bank branch belongs (but only if the applicant is a foreign bank branch and has a foreign bank, to which the foreign bank branch belongs, as its principal foreign bank));
 - (xi) a document stating the content and method of the foreign bank agency services to which the application pertains; and
 - (xii) other documents stating information that should serve as a reference in conducting an examination under the following paragraph.
- (6) When an application of authorization is filed pursuant to the provisions of the preceding paragraph, the Commissioner of the Financial Services Agency is to examine whether it conforms to the following standards:
- (i) the foreign bank group to which the principal foreign bank belongs has a sufficient financial basis to conduct the services of a bank soundly and efficiently;
 - (ii) in light of things such as its personnel structure, the foreign bank group to which the principal foreign bank belongs has knowledge and experience to conduct the services of a bank precisely, fairly and efficiently, and has sufficient social credibility;
 - (iii) it is found that the appropriate risk management and management in compliance with laws and regulations will be assured, on such grounds as policies for risk management and compliance are formulated with regard to the foreign bank group to which the principal foreign bank belongs and the business operation is reviewed based on these policies; and
 - (iv) the standards set forth in paragraph (3), item (iii).

(Written Notice Pertaining to Foreign Bank Agency Services)

Article 34-2-2 (1) The foreign bank specified by Cabinet Office Order that is provided for in Article 52-3, paragraph (2) of the Act means any of the following foreign banks:

- (i) a foreign bank that a bank has changed into its subsidiary company under any of the following authorizations:
 - (a) authorization to change a bank, etc. eligible to be a subsidiary company prescribed in Article 16-2, paragraph (7) of the Act (including as applied mutatis mutandis pursuant to the provisions of paragraph (ix) of that Article) (meaning a bank, etc. eligible to be a subsidiary company

- prescribed in paragraph (vii) of that Article) into a subsidiary company;
- (b) authorization prescribed in proviso to Article 16-2, paragraph (8) of the Act;
- (c) authorization prescribed in Article 30, paragraphs (1) to (3) of the Act;
- (d) authorization prescribed in Article 5, paragraph (1) the Act on Financial Institutions' Merger and Conversion;
- (ii) a foreign bank that a bank holding company has changed into its subsidiary company under any of the following authorizations (excluding a foreign bank prescribed in the preceding item):
 - (a) authorization to change a bank, etc. eligible to be a subsidiary company prescribed in Article 52-23, paragraph (6) of the Act (including as applied mutatis mutandis pursuant to the provisions of paragraph (8) of that Article) (meaning a bank, etc. eligible to be a subsidiary company prescribed in paragraph (6) of that Article) into a subsidiary company;
 - (b) authorization prescribed in proviso to Article 52-23, paragraph (7) of the Act;
 - (c) authorizations prescribed in Article 52-35, paragraphs (1) to (3) of the Act;
- (2) When seeking to file a notification pursuant to the provisions of Article 52-2, paragraph (3) of the Act, a bank must submit the written notification with the Commissioner of the Financial Services Agency or other competent authorities with the following documents attached thereto:
 - (i) a written statement of reasons;
 - (ii) a document stating the location of the main business office of the principal foreign bank;
 - (iii) a document stating the names of the officers who have the authority of representation of the principal foreign bank;
 - (iv) the latest balance sheet, profit and loss statement, and statement of changes in net assets (including documents similar thereto), and other documents that provide the most recent condition of the business, assets, and profit and loss of the principal foreign bank;
 - (v) a document stating the capital ties between the bank and the principal foreign bank;
 - (vi) a document stating the content of the outsourcing contract for the foreign bank agency services pertaining to the notification between the bank and the principal foreign bank; and
 - (vii) a document stating the details and method of the foreign bank agency services to which the application pertains.

(Information to Be Stated in the Document Stating the Content of an Outsourcing Contract)

Article 34-2-3 The particulars to be stated in the document stating the content of

an outsourcing contract prescribed in Article 34-2, paragraph (1), item (vii), paragraph (2), item (iii), and paragraph (5), item (x), and in paragraph (2), item (vi) of the preceding Article are the following particulars:

- (i) the particulars of the establishment, closure, or change of location of the business office where foreign bank agency services are carried out;
- (ii) the particulars of the details of the foreign bank agency services (including identification of whether it corresponds to acting as an agent or intermediary; the same applies hereinafter);
- (iii) the particulars of the business days and business hours of the foreign bank agency services;
- (iv) provisions forbidding the principal foreign bank (meaning a foreign bank's agent bank prescribed in Article 52-2-5 of the Act; the same applies hereinafter) to wrongfully disclose information relating to trade secret or creditworthiness of a person with which it has business dealings to any person other than the foreign bank's agent bank or the person in question or use such information for the interest of any person other than oneself, the foreign bank's agent bank or the person in question;
- (v) the particulars on the standard of handling cash, securities, etc., and the responsibility of the principal foreign bank on customers pertaining thereto;
- (vi) the particulars of the term, renewal, and cancellation of agreements;
- (vii) the particulars on the details of the foreign bank agency services and the business days and business hours of the foreign bank agency services displayed at the storefront;
- (viii) other particulars found to be necessary.

(Details and Method of Foreign Bank Agency Services)

Article 34-2-4 (1) The particulars to be stated in the document stating the details and method of foreign bank agency services prescribed in Article 34-2, paragraph (1), item (viii), paragraph (2), item (iv) and Article 34-2-2, paragraph (2), item (vii) are the following:

- (i) types of the principal foreign bank's services to be handled;
 - (ii) whether the relevant person acts as an agent or as an intermediary for each type of the principal foreign bank's services to be handled (if it acts as both agent and intermediary, a statement to that effect);
 - (iii) implementation system of the foreign bank agency services.
- (2) The particulars to be stated in a document stating the content and method of the foreign bank agency services prescribed in Article 34-2, paragraph (5), item (xi) are the following:
- (i) the type of services pertaining to the foreign bank group the bank is to handle;
 - (ii) whether the relevant person acts as an agent or as an intermediary for each

- type of the services pertaining to the foreign bank group to be handled (if it acts as both agent and intermediary, a statement to that effect); and
- (iii) implementation system of the foreign bank agency services.
- (3) The implementation system of the foreign bank agency services prescribed in paragraph (1), item (iii), and item (iii) of the preceding paragraph is to include a system to prevent the acts prescribed in the items (excluding item (iv)) of Article 52-45 of the Act, which is applied mutatis mutandis in Article 52-2-10 of the Act, and other acts that may prevent appropriate and reliable acts of foreign bank agency services and, systems prescribed in the following items according to the classification of categories in each item:
- (i) when a bank agent is authorized to receive delivery of cash or other assets from a customer concerning activities as a foreign bank agent (meaning acts pertaining to foreign bank agency services; the same applies hereinafter); a system to separate and manage the delivered assets from its own assets;
- (ii) when a bank agent operates foreign bank agency services by using a computer connected with electronic telecommunications lines, a system to prevent a customer from misidentifying the foreign bank's agent bank for another party.

(Types of Contract)

Article 34-2-5 The particular specified by Cabinet Office Order that is provided for in Article 34 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, is a contract for specified deposit, etc..

Article 34-2-6 Deleted

(Information to Be Stated in Documents to Be Delivered to a Professional Investor That Has Made a Request)

Article 34-2-7 The particular specified by Cabinet Office Order that is provided for in Article 34-2, paragraph (3), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, is a statement to the effect that, with regard to a subject contract (meaning a subject contract prescribed in that paragraph; the same applies in Article 34-2-9-2), the applicant (meaning the applicant prescribed in that paragraph) is treated as a customer other than a professional investor only by a foreign bank's agent bank who gave approval pursuant to the provisions of paragraph (2) of Article 34-2.

(Provision by Use of Information and Communications Technology)

Article 34-2-8 (1) The means specified by Cabinet Office Order that are provided

for in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (including as applied mutatis mutandis in Article 34-3, paragraph (12) (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act), Article 34-4, paragraph (3), Article 37-3, paragraph (2) and Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act; hereinafter the same applies in this Article) are the following:

- (i) any of the following means of employing an electronic data processing system:
 - (a) a means of transmitting information that is required to be stated in a document (hereinafter referred to as an "required information" in this Article) to over a telecommunications line that connects a computer used by a foreign bank's agent bank (including a person that prepares a file on a computer under its administration based on a contract with a foreign bank's agent bank which provides persons with the particulars prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act, and makes that file available for use by the persons to which the bank provides those particulars (hereinafter each such person is referred to as a "customer" in this Article) or by that foreign bank's agent bank; hereinafter the same applies in this Article) and the computer used by a customer, etc. (meaning a customer or a person that prepares a customer file (meaning a file made available exclusively for use by a customer; hereinafter the same in this Article) on a computer under its administration based on a contract with the customer; hereinafter the same applies in this Article) and to be recorded in a customer file that has been prepared on the computer used by the customer, etc. (for consent indicating that a person is willing, or a notice indicating that a person is not willing, to be provided with information by the means prescribed in the preceding paragraph, a means of recording on the file that has been prepared on a computer used by a foreign bank's agent bank which provides persons with the particulars prescribed in that paragraph to that effect);
 - (b) a means that uses a telecommunications line to make the required information that has been recorded into a file which has been prepared on a computer used by a foreign bank's agent bank available for a customer to inspect and recording that required information in the customer file for that customer that has been prepared on a computer used by the customer, etc. (for consent indicating that a person is willing, or a notice indicating that a person is not willing, to be provided with information by the means

- prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act, a means of recording in a file that has been prepared on a computer used by the foreign bank's agent bank to that effect);
- (c) a means that uses a telecommunications line to make the required information that has been recorded into a customer file which has been prepared on a computer used by a foreign bank's agent bank available for a customer to inspect; or
 - (d) a means that uses a telecommunications line to make the required information that has been recorded in an inspection file (meaning a file that has been prepared on a computer used by a foreign bank's agent bank into which required information is recorded so that it can be made available for multiple customers to inspect simultaneously; hereinafter the same applies in this Article) available for a customer to inspect.
 - (ii) a means of delivering to the relevant person a record of the required information that has been recorded into a file created using a magnetic disk, CD-ROM, or other objects with an equivalent means to reliably store fixed set of data.
- (2) The means set forth in each item of the preceding paragraph must conform to the following standards:
- (i) it enables the customer to create a document by outputting what has been recorded in the customer file or inspection file;
 - (ii) if using a means as set forth in item (i), sub-item (a), (c), or (d) of the preceding paragraph (excluding a means of recording the required information to in a customer file that has been prepared on a computer used by the customer), the relevant person notifies the customer that the required information will be or has been recorded in the customer file or inspection file; provided, however, that this does not apply if it has been confirmed that the customer has inspected the required information;
 - (iii) for the means set forth in item (i), sub-item (c) and (d) of the preceding paragraph, it should be that the relevant person cannot delete or modify the following information for five years after the final date on which a transaction set forth in the required information is carried out (if a complaint involving that required information is filed by the day on which that period ends, the relevant information cannot be deleted or modified until the date on which that period ends or the date on which that complaint is resolved, whichever occurs later); provided, however, that if the relevant person delivers in writing, the required information that it has made available for inspection; if the relevant person obtains the customer's consent (meaning consent by a means prescribed in Article 14-3 of the Order) and provides the relevant information by a means set forth in item (i), sub-item

- (a) or (b) of the preceding paragraph or item (ii); or if the customer instructs the relevant person to delete the required information; the person may delete that required information:
 - (a) the required information recorded in the customer file, for the means as set forth in item (i), sub-item (c) of the preceding paragraph; or
 - (b) the required information recorded in the inspection file, for the means as set forth in item (i), sub-item (d) of the preceding paragraph;
- (iv) if the relevant person uses the means as set forth in item (i), sub-item (d) of the preceding paragraph, that the means conforms to the following standards:
 - (a) it is to record in the customer file the information that a customer needs to have in order to inspect the inspection file; and
 - (b) to maintain a state that is possible to connect the customer file into which, pursuant to sub-item (a), the relevant person has recorded the information that a customer needs to have in order to inspect the inspection file and the inspection file itself using a telecommunications line until the end of the period prescribed in the preceding item; provided, however, that this does not apply if a customer that has been given access to those files has notified the relevant person that it is not necessary to maintain them in a state that allows the customer to connect to them.
- (3) The term "electronic data processing system" as used in paragraph (1), item (i) means an electronic data processing system uses a telecommunications line to connect the computer used by the foreign bank's agent bank and the computer on which the customer file has been prepared that is used by the customer, etc. or the foreign bank's agent bank.

(Type and Content of Electronic or Magnetic Means)

Article 34-2-9 The type and content of the means that the relevant person is required to indicate pursuant to the provisions of Article 14-3, paragraph (1) and Article 14-4, paragraph (1) of the Order means the following particulars:

- (i) out of the means set forth in each item of paragraph (1) of the preceding paragraph or each item in Article 34-2-12, paragraph (1), those that the foreign bank's agent bank will use; and
- (ii) the method used to record data to the file

(Information to Be Stated in Documents with Which a Person That Has Requested Reinstatement as a Professional Investor Gives Consent)

Article 34-2-9-2 The particulars specified by Cabinet Office Order that are provided for in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are the following particulars:

- (i) the date when acceptance is made (which is referred to as the "approval date" in items (iv) and (v)) pursuant to the provisions of Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act;
- (ii) a statement to the effect that the subject contract is a contract for specified deposit, etc.;
- (iii) a statement to the effect that the person requesting reinstatement (meaning the person requesting reinstatement prescribed in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; hereinafter the same applies in this Article) understands the following particulars:
 - (a) the fact that the provisions set forth in the items of Article 45 (excluding items (iii) and (iv)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are not applicable when the person requesting reinstatement, with regard to Subject Contract, is a person prescribed in any of the items (excluding the cases prescribed in the proviso of that Article);
 - (b) the fact that, if a person that it is inappropriate to be treated as a professional investor in a subject contract in light of the person's knowledge, experience, and financial status, is treated as a professional investor, it is likely to result in insufficient protection of that person.
- (iv) a statement to the effect that the person requesting reinstatement is to be treated again as a professional investor when the person requesting reinstatement is solicited to conclude or concludes a subject contract on or after the approval date;
- (v) a statement to the effect that, at any time on or after the approval date, the person requesting reinstatement may make an application pursuant to Article 34-2, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act;

(Obtainment of Consent by the Use of Information and Communications Technology)

Article 34-2-9-3 (1) The particulars specified by Cabinet Office Order that are provided for in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (3) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act), as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; hereinafter the same applies in this Article), as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are as follows:

- (i) any of the following means of employing an electronic data processing system:
 - (a) a means of transmitting over a telecommunications line that connects the computer used by a foreign bank's agent bank and the computer used by a person from whom the foreign bank's agent bank is seeking to obtain consent pursuant to the provisions of Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act (hereinafter referred to as the "customer") to record particulars in a file that has been prepared on the computer used by the recipient.
 - (b) a means that uses a telecommunications line to make information on customer's consent that has been recorded in a file that has been prepared on a computer used by a foreign bank's agent bank available for the customer to inspect and record that information in a file that has been prepared on a computer used by the foreign bank's agent bank;
 - (ii) a means of obtaining the particulars on the customers' consent that has been recorded into a file created using a magnetic disk, CD-ROM, or other objects with an equivalent means reliably store fixed set of data.
- (2) The means set forth in each item of the preceding paragraph must enable a foreign bank's agent bank to prepare a document by outputting what has been recorded in the file.
- (3) The term "electronic data processing system" as used in paragraph (1), item (i) means an electronic data processing system that uses a telecommunications line to connect the computer used by the foreign bank's agent bank and the computer used by the customer.

(Due Date If a Corporation Who Is a Customer Other than a Professional Investor Is Deemed to Be a Professional Investor)

Article 34-2-10 (1) The case specified by Cabinet Office Order that is provided for in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, means if a foreign bank's agent bank specifies a certain date and publicly discloses the following particulars by posting them at a place easy to see for the public in a business office of the foreign bank's agent bank or by any other appropriate method:

- (i) the date; and
- (ii) a statement to the effect that the due date (meaning a due date as prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; the same applies in paragraph (2), item (i) of the following Article and Article 34-2-12) is the date prescribed in the following

paragraph.

- (2) The date specified by Cabinet Office Order that is provided for in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, means the date that is specified by a foreign bank's agent bank pursuant to the provisions of the preceding paragraph and is the last day within one year from the approval date (meaning the approval date prescribed in paragraph (2), item (i) of that Article; the same applies in paragraph (2), item (iii) of the following Article and Article 34-2-12).

(Information to Be Stated in the Document to Which a Corporation, Which Is a Customer Other than a Professional Investor That Has Made a Request, Gives Its Consent)

Article 34-2-11 (1) The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (2), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act, are a statement to the effect that, with regard to the subject contract (meaning the subject contract prescribed in item (ii) of that paragraph; the same applies in the following paragraph and Article 34-2-12-2), the provisions in each item of Article 45 (excluding items (iii) and (iv)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act, are not applicable when the applicant (meaning the applicant prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act; the same applies in the following paragraph) is a person prescribed in any of the items of Article 45 of that Act (except in the case prescribed in the proviso to Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act).

- (2) The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act, are the following particulars:

- (i) with regard to an act performed based on the provisions of laws and regulations or the stipulations of a contract pertaining to a subject contract concluded before the due date, even if such act is performed after the due date, the fact that an applicant is treated as a professional investor;
- (ii) a statement to the effect that, with regard to the subject contract, an applicant is treated as a professional investor only by the foreign bank agent bank that accepted the request pursuant to the provisions of Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act;

(iii) a statement to the effect that, at any time on or after the approval date, an applicant may make an application pursuant to Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act.

(Period Necessary for a Corporation, Which Is a Customer Other than a Professional Investor That Has Made a Request, to Make a Request for Renewal)

Article 34-2-12 (1) The period specified by Cabinet Office Order that is provided for in Article 34-3, paragraph (7) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act is 11 months (in the cases set forth in the following items, the period prescribed in each item):

(i) if the period between the approval date and the due date is less than one year (excluding the cases set forth in the following item), a period obtained by deducting one month from that period;

(ii) if the period between the approval date and the due date does not exceed one month, one day;

(2) In applying the provisions of the preceding paragraph to the cases prescribed in Article 34-3, paragraph (8) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, the term "approval date" in that paragraph is deemed to read "the day immediately following the previous due date".

(Information to Be Stated in Documents to Be Delivered to a Corporation That Has Made a Request for Reinstatement as a Customer Other than a Professional Investor)

Article 34-2-12-2 The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are the following particulars:

(i) the date when acceptance is made pursuant to the provisions of Article 34-3, paragraph (10) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (which is referred to as the "approval date" in item (iii));

(ii) a statement to the effect that the subject contract is a contract for specified deposit, etc.;

(iii) an indication that the relevant person will once again treat a corporation that has made a request under Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, as a customer other than a professional investor

when soliciting that corporation to conclude a subject contract on or after the approval date or when concluding a subject contract with that corporation on or after the approval date;

(Proprietors and Others That May Request to Be Treated as Professional Investors)

Article 34-2-13 (1) The person specified by Cabinet Office Order that is provided for in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act, means the person that satisfies any of the following requirements:

(i) the person has not obtained consent of all silent partners in making the request prescribed in Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act.

(ii) the total amount of contribution under the anonymous partnership agreement the person has concluded as prescribed in Article 535 of the Commercial Code is less than 300 million yen.

(2) The individuals specified by Cabinet Office Order that are provided for in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are the following persons:

(i) an individual who is a partner who concluded a partnership agreement prescribed in Article 667, paragraph (1) of the Civil Code and has been entrusted with the execution of business of the partnership (limited to a person satisfying all of the following requirements):

(a) The individual has obtained the consent of all the other partners in making the request prescribed in Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; and

(b) the total amount of contribution under the partnership agreement is 300 million yen or more;

(ii) an individual who is a partner who has concluded a limited liability partnership agreement prescribed in Article 3, paragraph (1) of the Limited Liability Partnership Act, participates in decision-making of important partnership business, and personally executes the business (limited to a person satisfying all of the following requirements):

(a) The individual has obtained the consent of all the other partners in making the request prescribed in Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; and

(b) the total amount of contribution under the limited liability business

partnership agreement is 300 million yen or more.

(Individuals Who May Request To Be Treated as a Professional Investor)

Article 34-2-14 The requirement specified by Cabinet Office Order that is provided for in Article 34-4, paragraph (1), item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, is that all of the following requirements be met:

- (i) judging reasonably from the transaction status and other circumstances, the amount obtained by deducting the total amount of liabilities from the total amount of assets of the applicant (meaning an applicant prescribed in Article 34-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; hereinafter the same applies in this Article and Article 34-2-16) on the approval date (meaning the approval date as prescribed in Article 34-3, paragraph (2), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; the same applies in the following item, paragraph (2) of the following Article, Article 34-2-16, paragraph (2), item (iii), and Article 34-2-16-2) is expected to be 300 million yen or more;
- (ii) judging reasonably from the transaction status and other circumstances, the total amount of assets (limited to those set forth in the following items) of the applicant on the approval date is expected to be 300 million yen or more:
 - (a) securities (excluding those set forth in sub-item (e) and those set forth in sub-item (f) (limited to those based on a contract concluded with a special business operator prescribed in Article 2, paragraph (9) of the Act on Specified Joint Real Estate Ventures));
 - (b) rights pertaining to derivative transactions;
 - (c) specified deposit, etc. as prescribed in Article 13-4 of the Act; specified savings, etc. as prescribed in Article 11-5 of the Agricultural Cooperatives Act; specified savings, etc., as prescribed in Article 11-9 of the Fishery Cooperatives Act; specified deposit, etc., as prescribed in Article 6-5-11 of the Act on Financial Business by Cooperatives; specified deposit, etc., as prescribed in Article 89-2 of the Shinkin Bank Act; specified deposit, etc., as prescribed in Article 17-2 of the Long-Term Credit Bank Act; specified deposit, etc., as prescribed in Article 94-2 of the Labor Bank Act; and specified deposit, etc., as prescribed in Article 59-3 of the Norinchukin Bank Act; and specified deposit, etc. as prescribed in Article 29 of the Shoko Chukin Bank Limited Act;
 - (d) rights pertaining to insurance money, mutual aid money, refund, or other

payments based on a specified mutual aid contract as prescribed in Article 11-27 of the Agricultural Cooperatives Act, a specified mutual aid contract as prescribed in Article 12-3, paragraph (1) of the Consumers Cooperatives Act, a specified mutual aid contract as prescribed in Article 15-7 of the Fishery Cooperatives Act, a specified mutual aid contract as prescribed in Article 9-7-5, paragraph (2) of the Small and Medium-Sized Enterprise Cooperatives Act, and a specified mutual aid contract as prescribed in Article 300-2 of the Insurance Business Act;

- (e) a beneficiary right of trust pertaining to a specified trust contract as prescribed in Article 24-2 of the Trust Business Act;
 - (f) a right based on a real property specified joint enterprise contract as prescribed in Article 2, paragraph (3) of the Act on Specified Joint Real Estate Ventures; and
 - (g) a right pertaining to a transaction on a commodity market, foreign commodity market transaction, and over-the-counter commodity derivative transaction;
- (iii) one year has elapsed from the date the applicant first concluded contract for specified deposit, etc. pertaining to foreign bank agency services.

(Due Date If an Individual Who Is a Customer Other than a Professional Investor Is Deemed a Professional Investor)

Article 34-2-15 (1) The case specified by Cabinet Office Order that is provided for in Article 34-3, paragraph 2 of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis in Article 52-2-5 of the Act, is when a foreign bank's agent bank specifies a certain date and publicly discloses the following particulars by posting them at a place that is easy to see for the public in a business office of the foreign bank's agent bank or by other appropriate methods:

- (i) the date;
 - (ii) a statement to the effect that the due date (meaning the due date prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; the same applies in paragraph (2), item (i) of the following Article and Article 34-2-16-2) is the date prescribed in the following paragraph.
- (2) The date specified by Cabinet Office Order that is provided for in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, is the date that

is specified by a foreign bank's agent bank pursuant to the provisions of the preceding paragraph and that is the last day within one year from the approval date.

(Information To Be Stated in the Document to Which an Individual, Who Is a Customer Other than the Professional Investor That Has Made a Request, Gives Its Consent)

Article 34-2-16 (1) The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (2), item (iv), sub-item (a) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis in Article 52-2-5 of the Act, are a statement to the effect that, with regard to the subject contract (meaning the subject contract prescribed in item (ii) of that paragraph; the same applies in the following paragraph and Article 34-2-16-3), the provisions of each item of Article 45 (excluding items (iii) and (iv)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act, are not applicable when the applicant is a person prescribed in any of those items (except in the case prescribed in the proviso to Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act).

(2) The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis in Article 52-2-5 of the Act, are as follows:

(i) with regard to an act performed based on the provisions of laws and regulations or the stipulations of a contract pertaining to a subject contract concluded before the due date, even if such act is performed after the due date, the fact that an applicant is to be treated as a professional investor;

(ii) a statement to the effect that, with regard to the subject contract, an applicant is to be treated as professional investor only by the foreign bank's agent bank that accepted the request pursuant to the provisions of Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis in Article 52-2-5 of the Act;

(iii) a statement to the effect that, at any time on or after the approval date, an applicant may make an application pursuant to Article 34-4, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act.

(Period Necessary for an Individual, Who Is a Customer Other than a

Professional Investor That Has Made a Request, to Make a Request for Renewal)

Article 34-2-16-2 (1) The period specified by Cabinet Office Order that is provided for in Article 34-3, paragraph (7) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, is 11 months (in the cases set forth in the following items, the period prescribed in each item):

- (i) if the period between the approval date and the due date is less than one year (excluding the cases set forth in the following item), a period obtained by deducting one month from that period;
- (ii) if the period between the approval date and the due date does not exceed one month: one day;

(2) In applying the provisions of the preceding paragraph to the cases prescribed in Article 34-3, paragraph (8) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, the term "approval date" in that paragraph is deemed to read "the day immediately following the previous due date".

(Information to Be Stated in Documents to Be Delivered to an Individual Who Has Made a Request for Reinstatement as a Customer Other than a Professional Investor)

Article 34-2-16-3 The particulars specified by Cabinet Office Order that are provided for in Article 34-3, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of that Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are as follows:

- (i) the date when acceptance is made pursuant to the provisions of Article 34-4, paragraph (5) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (referred to as the "approval date" in item (iii));
- (ii) a statement to the effect that the subject contract is a contract for specified deposit, etc.;
- (iii) an indication that the relevant person will once again treat an individual who has made a request under Article 34-4, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, as a customer other than a professional investor when soliciting that individual to conclude a subject contract on or after the approval date or when concluding a subject contract with that individual on or after the approval date.

(Acts Similar to Advertisement)

Article 34-2-17 The acts specified by Cabinet Office Order that are provided for in each item of Article 37 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are means of providing information with the same content to many persons by postal mail, correspondence delivery, or using a facsimile device; by electronic mail; by distributing fliers or pamphlets; or by other means (excluding the following means):

- (i) distributing documents prepared based on a law or regulation or based on a disposition given by a government agency under a law or regulation;
- (ii) distributing materials on analysis and evaluation of individual companies that are not used for the solicitation of the conclusion of a contract for specified deposit, etc.;
- (iii) providing persons with gifts or other goods that only indicate all the following information (limited to goods for which the information set forth in sub-items (b) to (d) are indicated clearly and properly) (if any of this information is not indicated on a gift or other good, this includes providing such a gift or other goods together as a single unit with any other goods that indicates that information):
 - (a) name of the financial instrument (including a name it is commonly known by);
 - (b) trade name or a commonly used name of the foreign bank's agent bank who provides the same contents of information to a large number of persons by a means prescribed in this item.
 - (c) information as set forth in Article 14-5, paragraph (2), item (i) of the Order (limited to information indicated using characters and numerals of a size that is not considerably different from the largest size of the characters and numerals indicating information other than the information in question);
 - (d) statement to the effect that the content of any of the following documents should be thoroughly read:
 1. the document prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (hereinafter referred to as a "document to be delivered prior to the conclusion of a contract" from this Article to Article 34-2-30-2);
 2. the document concerning foreign currency deposit, etc. prescribed in Article 34-2-25, paragraph (1), item (i);
 3. the contract change document prescribed in Article 34-2-25, paragraph (1), item (iii) (b);

(Method of Indication in Advertisements on a Person's Agency or Intermediary Service for Concluding a Contract for Specified Deposits)

Article 34-2-18 (1) When a foreign bank's agent bank runs an advertisement or performs an act prescribed in the preceding paragraph (referred to as an "advertisement, etc." in the following paragraph) with regard to the details of its actions as an agent or intermediary for the conclusion of a contract for specified deposit, etc., the particulars set forth in the items of Article 37, paragraph (1) (excluding item (ii)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, must be indicated clearly and accurately;

(2) When a foreign bank's agent bank runs an advertisement, etc. about the details of its actions as an agent or intermediary in the conclusion of contracts for specified deposit, etc., any characters or numerals that convey the information set forth in Article 14-5, paragraph (1), item (ii) of the Order are to be indicated in a size that is not considerably different from the largest size used to indicate characters and numerals that convey information other than the information in question;

(3) When a foreign bank's agent bank runs an advertisement, etc. about the details of its actions as an agent or intermediary in the conclusion of contracts for specified deposit, etc., by broadcasting them using the broadcasting equipment of a basic broadcaster or by any of the methods set forth in the items of Article 34-2-21, paragraph (1) (excluding audio broadcasting), notwithstanding the provisions of the preceding paragraph, any characters or numerals that convey the information set forth in Article 14-5, paragraph (2), item (i) of the Order are to be indicated in a size that is not considerably different from the largest size used to indicate characters and numerals that convey information other than the information in question;

(Particulars of Compensation to Be Paid by a Customer)

Article 34-2-19 The particulars specified by Cabinet Office Order that are provided for in Article 14-5, paragraph (1), item (i) of the Order are an outline of the amounts by category of the fees, etc. or their maximum limits, or of the way these are calculated (including the percentage of the amount of principal pertaining to the contract for specified deposit, etc.; hereinafter the same applies in this Article) and an outline of the total of those amounts or maximum limits, or of the way these are calculated; provided, however, that if these cannot be indicated, to state that fact and the reasons therefor.

(Important Particulars That Impact Customers' Judgment)

Article 34-2-20 The particulars specified by Cabinet Office Order that are

provided for in Article 14-5, paragraph (1), item (iii) of the Order are the following:

- (i) an indication that, if the right that the referenced principal foreign bank of a foreign bank's agent bank holds to extend the deposit period of a specified deposit, etc. is exercised, the customer risks being put at a disadvantage by the money rate of the specified deposit, etc. falling below the money market rate; or
- (ii) any other fact regarding the important particulars of the contract for specified deposit, etc. that may become disadvantageous to the customer.

(Means Equivalent to the Means of Broadcasting Using the Broadcasting Equipment of a Basic Broadcaster)

Article 34-2-21 (1) The means specified by Cabinet Office Order that are provided for in Article 14-5, paragraph (2) of the Order are the following:

- (i) means of broadcasting the matter using the broadcasting equipment of a basic broadcaster;
 - (ii) making the content of information recorded in a file that has been prepared on a computer used by a foreign bank's agent bank or by a person entrusted with services involving advertisement, etc. conducted by the foreign bank's agent bank (limited to information that is the same as that provided by the means of broadcasting using the broadcasting equipment of a basic broadcaster or by a means set forth in the preceding item) available for inspection to customers through a telecommunications line; or
 - (iii) means of having the public indicate regularly or continuously for a fixed period inside or outside a building by installing or indicating on a signboard, standing signboard, placard and label, advertising tower, advertising board, building, or other structure, etc. or by any equivalent means.
- (2) The particulars specified by Cabinet Office Order that are provided for in Article 14-5, paragraph (2), item (ii) of the Order are the particulars set forth in Article 34-2-17, item (iii), sub-item (d).

(Particulars for which Exaggerated Advertisement is Prohibited)

Article 34-2-22 The particulars specified by Cabinet Office Order that are provided for in Article 37, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5, are the following particulars:

- (i) the particulars on the cancellation of a contract for specified deposit, etc.;
- (ii) the particulars on the bearing of all or part a loss or guarantee of profit pertaining to a contract for specified deposit, etc.;
- (iii) the particulars on liquidated damages (including a penalty) pertaining to a contract for specified deposit, etc.; and

- (iv) the particulars on the amount of a fee, etc. to be paid by a customer concerning a contract for specified deposit, etc. or its calculation method, payment method, and timing and the payee.

(Method of Entering Into a Document to be Delivered Prior to the Conclusion of a Contract)

Article 34-2-23 (1) In the document to be delivered prior to the conclusion of a contract, the particulars set forth in the items of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, must be stated clearly and accurately, using letters and numbers of font size 8 points or larger as provided for in the Japanese Industrial Standards Z 8305.

(2) Notwithstanding the provisions of the preceding paragraph, in the document to be delivered prior to the conclusion of a contract, the following particulars are to be stated inside the box, clearly and accurately using letters and numbers of font size 12 points or larger as provided for in the Japanese Industrial Standards Z 8305, and after the particulars prescribed in the following paragraph:

- (i) an outline of the particulars set forth in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act and the particulars set forth in item (v) of that paragraph, and Article 34-2-27, item (xi); and
- (ii) the particulars set forth in Article 34-2-27, item (xii).

(3) In the document to be delivered prior to the conclusion of a contract, a foreign bank's agent bank is to state out of the particulars set forth in Article 34-2-27, item (i) and the items of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, particulars that are of particular importance in their impact on customers' judgment, in plain language, using characters and numerals of size 12 points or larger as provided for in the Japanese Industrial Standards Z 8305 at the beginning of the document to be delivered prior to the conclusion of a contract.

(Methods of Providing Information)

Article 34-2-24 The provision of information prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, is to be done by delivering a document to be delivered prior to the conclusion of a contract.

(When Delivery of Document to be Delivered Prior to the Conclusion of a Contract Is Not Required)

Article 34-2-25 (1) The cases specified by Cabinet Office Order that are provided for in proviso to Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act are as follows :

- (i) the cases in which a document (hereinafter referred to as a "document concerning foreign currency deposit, etc." from this Article to Article 34-2-30-2), in which the particulars set forth in Article 37-3, paragraph (1), item (i) and items (iii) to (v) and Article 34-2-27, items (i), (xi), and (xvii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, with regard to a contract for specified deposit, etc. pertain to foreign currency deposit, etc., are stated by a method equivalent to that prescribed in Article 34-2-23, is delivered to the customer within one year before the conclusion of the contract for specified deposit, etc. (limited to the cases in which the customer expressed the intention of not requiring the delivery of the document to be delivered prior to the conclusion of a contract);
 - (ii) the cases in which, within one year before the conclusion of a contract for specified deposit, etc., a document to be delivered prior to the conclusion of a contract for a specified deposit, etc. for which the terms are the same as those of the contract for specified deposit, etc., is delivered to the customer (including the cases in which the document to be delivered prior to the conclusion of a contract has not been delivered for the contract for specified deposit, etc. with the same terms pursuant to the provisions of the preceding item); and
 - (iii) the following are the cases in which the relevant person acts as an agent or intermediary for conclusion of a contract for specified deposit, etc. to change part of the terms of the contract for specified deposit, etc. already concluded:
 - (a) when there is nothing to be changed, along with the change, in the entry of the document to be delivered prior to the conclusion of a contract for the contract for specified deposit, etc. already concluded; and
 - (b) when along with the change, there are changes to be made to what are stated in the document to be delivered prior to the conclusion of a contract for a contract for specified deposit, etc. already concluded, if a document in which the change is stated (hereinafter referred to as a "contract change document" from this Article to Article 34-2-30-2) is delivered to the customer.
- (2) The provisions of Article 14-11-25, paragraph (2) apply mutatis mutandis to delivery of a contract change document pursuant to the provisions of item (iii), sub-item (b) of the preceding paragraph.
- (3) If a contract for specified deposit, etc. pertaining to a foreign currency deposit, etc. is concluded within one year from the date when a document of foreign

currency deposit, etc. is delivered (including the date when a document of foreign currency deposit, etc. is deemed to be delivered pursuant to the provisions of this paragraph) (limited to the cases in which the customer expressed the intention of not requiring delivery of a document to be delivered prior to the conclusion of a contract), it is deemed that a document of foreign currency deposit, etc. was delivered on the date of the conclusion and the provisions of paragraph (1), item (i) are applied.

- (4) If, within one year from the date of delivery of document to be delivered prior to the conclusion of a contract (including the date of conclusion of the contract for specified deposit, etc. and the date when the document to be delivered prior to the conclusion of a contract is deemed to be delivered pursuant to the provisions of this paragraph, if the document to be delivered prior to the conclusion of a contract is not delivered with regard to a contract for specified deposit, etc. pursuant to the provisions of paragraph (1), item (i)), a contract for specified deposit, etc. with the same terms as those of the contract for specified deposit, etc. pertaining to the document to be delivered prior to the conclusion of a contract is concluded, it is deemed that a document to be delivered prior to the conclusion of a contract was delivered on the date of the conclusion and the provisions of paragraph (1), item (ii) are applied.

(Particulars on Compensation to Be Paid by a Customer)

Article 34-2-26 The particulars specified by Cabinet Office Order that are provided for in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5, are regardless of whether it is referred to as a fee, consideration, charge, or any other name, the amounts to be paid by the customer for a contract for specified deposit, etc., their maximum limits, or the way these are calculated (including the percentage of the amount of principal pertaining to the contract for specified deposit, etc.; hereinafter the same applies in this Article) and the total of those amounts or maximum limits, or the way these are calculated; provided, however, that when these cannot be stated, stating this fact and the reasons therefor.

(Information to Be Entered Into Document to be Delivered Prior to the Conclusion of a Contract)

Article 34-2-27 The particulars specified by Cabinet Office Order that are provided for in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are the following particulars:

- (i) a statement to the effect that the content of the document to be delivered prior to the conclusion of a contract should be thoroughly read;

- (ii) name of the financial instrument (including a name it is commonly known by)
- (iii) whether it is eligible for the payment of insurance money prescribed in Article 53 of the Deposit Insurance Act
- (iv) scope of the persons eligible for acceptance;
- (v) period of deposit (including whether the deposit will be automatically renewed or not);
- (vi) minimum amount of deposit, unit of deposit, and any other particulars pertaining to deposit;
- (vii) method of repayment;
- (viii) method of setting interest rate, payment method, calculation method, and any other particulars pertaining to interest;
- (ix) the particulars on any special provisions that may be added;
- (x) terms of termination of contract before maturity (including calculation methods of interest and fees);
- (xi) the following particulars, if there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, as regards the contract for specified deposit, etc. into which the customer will enter:
 - (a) the indicator in question; and
 - (b) the reasons that fluctuations in that indicator could give rise to a loss;
- (xii) an indication that, if the right that the referenced principal foreign bank of a foreign bank's agent bank holds to extend the deposit period of a specified deposit, etc. is exercised, the customer risks being put at a disadvantage by the money rate of the specified deposit, etc. falling below the money market rate;
- (xiii) when financial instruments combined with specified deposit, etc. with those set forth in the following sub-items, which do not guarantee repayment at maturity are handled, a statement to the effect that the full repayment at maturity of amount paid at initial deposit is not guaranteed and any other details on the instrument:
 - (a) a market derivative transaction or a foreign market derivative transaction (excluding a transaction that falls under securities-related derivative transactions);
 - (b) a financial derivative transaction prescribed in Article 10, paragraph (2), item (xiv) of the Act;
 - (c) a forward foreign exchange transaction;
 - (d) a securities-related derivative transaction (excluding transactions set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act and transactions in a foreign financial instruments market

- similar to transactions set forth in that item); and;
- (e) a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or transactions in a foreign financial instruments market similar to transactions set forth in that item (limited to a national government bond certificate, etc. and those of securities set forth in paragraph (1), item (xvii) of that Article which have the characteristics prescribed in item (i) of that paragraph);
- (xiv) when the way of establishing an indicator and money rate to be the standard for establishing a money rate of a floating rate deposit are specified, the particulars on the standards, method, and money rate;
- (xv) outline of taxation pertaining to the contract for specified deposit, etc.;
- (xvi) a method for the customer to contact the principal foreign bank of the foreign bank's agent bank;
- (xvii) other information found to be of reference for the deposit of a specified deposit, etc.

(Information to Be Entered Into Document to be Delivered upon the Conclusion of a Contract)

Article 34-2-28 The following particulars must be stated in the document to be prepared when a specified deposit, etc. contract is concluded as prescribed in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 (referred to as a "document to be delivered upon the conclusion of a contract" in the following Article):

- (i) name or trade name of the principal foreign bank of the foreign bank's agent bank;
- (ii) amount of deposit (when the amount of principal is indicated in a foreign currency, the amount of principal expressed in the foreign currency);
- (iii) whether the financial instrument is eligible for payment of insurance money prescribed in Article 53 of the Deposit Insurance Act;
- (iv) date of deposit and date of maturity (including whether the deposit will be automatically renewed or not);
- (v) method of repayment;
- (vi) method of setting interest rates, payment method, calculation method, and other particulars pertaining to interest;
- (vii) terms of termination of contract before maturity (including the calculation methods of interest and fees);
- (viii) date of conclusion of the contract for specified deposit, etc.;
- (ix) terms of fee, etc. for the contract for specified deposit, etc.;
- (x) name of the customer; and
- (xi) a method for the customer to contact the principal foreign bank of the

foreign bank's agent bank.

(When Delivery of Document to be Delivered upon the Conclusion of a Contract Is Not Required)

Article 34-2-29 (1) The cases specified by Cabinet Office Order that are provided for in Article 37-4, proviso of paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act as regards a document to be delivered upon the conclusion of a contract are as follows:

- (i) if a document of foreign currency deposit, etc. is delivered to the customer within one year before the conclusion of the contract for specified deposit, etc. pertaining to a foreign currency deposit, etc. (limited to the cases in which the customer expressed the intention of not requiring the delivery of the document to be delivered upon the conclusion of a contract);
 - (ii) if, within one year before the conclusion of a contract for specified deposit, etc., a document to be delivered upon the conclusion of a contract for a contract for specified deposit, etc. with the same terms as the contract for specified deposit, etc., is delivered to the customer (including the cases in which the document to be delivered upon the conclusion of a contract has not been delivered for the contract for specified deposit, etc. with the same terms, pursuant to the provisions of the preceding item); and
 - (iii) a case as follows, if a contract for specified deposit, etc. whose substance changes a part of a specified deposit, etc. contract that is already in effect, takes effect:
 - (a) if the change in question does not require a change to be made to a particular entered in a document delivered at the conclusion of the specified deposit, etc. contract that is already in effect; and
 - (b) if the change in question requires a change to be made to a particular entered in a document delivered at the conclusion of the specified deposit, etc. contract that is already in effect, and a document in which the particular requiring the change is stated has been delivered to the customer.
- (2) The provisions of Article 14-11-25, paragraph (2) apply mutatis mutandis to delivery of a document pursuant to the provisions of item (iii), sub-item (b) of the preceding paragraph.
- (3) If a contract for specified deposit, etc. pertaining to a foreign currency deposit, etc. is concluded within one year from the date when a document of foreign currency deposit, etc. is delivered (including the date when a document of foreign currency deposit, etc. is deemed to be delivered pursuant to the provisions of this paragraph) (limited to the cases in which the customer expressed the intention of not requiring delivery of a document to be delivered

upon the conclusion of a contract), it is deemed that a document of foreign currency deposit, etc. was delivered on the date of the conclusion and the provisions of paragraph (1), item (i) are applied.

- (4) If, within one year from the date of delivery of document to be delivered upon the conclusion of a contract (including the date of conclusion of the contract for specified deposit, etc. and the date when the document to be delivered upon the conclusion of a contract is deemed to be delivered pursuant to the provisions of this paragraph in the case the document to be delivered upon the conclusion of a contract pertaining to a contract for specified deposit, etc. is not delivered pursuant to the provisions of paragraph (1), item (i)), a contract for specified deposit, etc. with the same terms as those of the contract for specified deposit, etc. pertaining to the document to be delivered upon the conclusion of a contract is concluded, it is deemed that a document to be delivered upon the conclusion of a contract was delivered on the date of the conclusion and the provisions of paragraph (1), item (ii) are applied.

(Significance of Registration of a Credit Rating Agency and Other Particulars)

Article 34-2-30 (1) The particulars specified by Cabinet Office Order that are provided for in Article 38, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are as follows:

- (i) the significance of registration pursuant to Article 66-27 of the Financial Instruments and Exchange Act;
 - (ii) with regard to a person that gave the credit rating, the particulars set forth in the following:
 - (a) trade name or name.
 - (b) if the person is a corporation (including an organization without legal personality and has provisions on a representative or an administrator), the name of its officers (for an organization without legal personality and has provisions on a representative or an administrator, such representative or administrator).
 - (c) names and locations of the head office and other main business offices or offices.
 - (iii) the outline of the policy and method that the person that gave the credit rating uses to give the credit rating.
 - (iv) the premise, significance, and limitations of credit rating.
- (2) Notwithstanding the provisions of the preceding paragraph, with regard to credit ratings granted by a specified associated corporation, the particulars specified by Cabinet Office Order that are provided for in Article 38, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act are as follows:

- (i) the significance of registration pursuant to Article 66-27 of the Financial Instruments and Exchange Act;
- (ii) trade name or name, and registration number of the credit rating agency whose associated corporation was designated as the specified associated corporation by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 116-3, paragraph (2) of the Cabinet Office Order on Financial Instruments Business;
- (iii) the name used by the specified associated corporation as an indication of the credit rating business;
- (iv) the outline of the policy and method that the specified associated corporation that gave the credit rating uses to give the credit rating or means of obtaining information on the outline from credit rating agency provided in item (ii);
- (v) the premise, significance, and limitations of credit rating.

(Prohibited Acts)

Article 34-2-30-2 The acts specified by Cabinet Office Order that are provided for in Article 38, item (ix) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are the following acts:

- (i) acts set forth in the items of Article 34-2-44;
- (ii) with regard to delivery of the following documents, an act as an agent or an intermediary for the conclusion of a contract for specified deposit, etc. without explaining in advance to the customer (excluding a professional investor (excluding a person that is deemed to be a customer other than a professional investor pursuant to the provisions of Article 34-2, paragraph (5) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, and including a person that is deemed to be a professional investor pursuant to the provisions of Article 34-3, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (including cases as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act)); hereinafter the same applies in this item) about particulars (when a document set forth in item (c) is delivered, particulars that are stated in the document and that are pertaining to the particulars set forth in Article 37-3, paragraph (1), items (iii) to (v) and (vii) of the Financial Instruments and Exchange Act) set forth in items (iii) to (v) and (vii) of that paragraph, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, by a method and to a degree deemed necessary for the the customer to understand those particulars in light of the customer's

knowledge, experience, financial status, and purpose of concluding the specified deposit, etc. contract:

- (a) document to be delivered prior to the conclusion of a contract;
 - (b) document of foreign currency deposit, etc.; and
 - (c) contract change document;
- (iii) with regard to solicitation of conclusion of a contract for specified deposit, etc., an act of misrepresentation or an act of representation that may cause misunderstanding of important particulars;
- (iv) with regard to a contract for specified deposit, etc., an act of promising special benefits to the customer or a person designated by the customer, or an act of offering special benefits to the customer or a third party (including an act of having a third party promise or offer special benefits); and
- (v) with regard to conclusion or termination of a contract for specified deposit, etc., an act of soliciting, by telephone or by visitation, at the time the customer (limited to an individual) finds annoying.

(Exemption of Exclusion from Application of Restriction on Acts)

Article 34-2-31 To apply the provisions of Article 37-4 of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, the case specified by Cabinet Office Order that is provided for in the proviso to Article 45 of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 52-2-5 of the Act is when a system for promptly responding to an inquiry concerning a contract for specified deposit, etc. that a customer concluded has not been developed.

(Public Inspection of Explanatory Statements of a Principal Foreign Bank)

Article 34-2-32 (1) A foreign bank's agent bank must start making available for public inspection documents that its principal foreign bank and the foreign bank holding company (meaning the foreign bank holding company prescribed in Article 52-2-6, paragraph (1) of the Act; hereinafter the same applies in this Article) of which the principal foreign bank is a subsidiary company prepares each business year on the state of business and assets of the principal foreign bank or the foreign bank holding company (meaning explanatory documents for the business year prescribed in Article 21, paragraphs (1) and (2) and Article 52-29, paragraph (1) of the Act, or any documents equivalent thereto, and limited to those written in Japanese or English; hereinafter referred to as "documents for public inspection") within six months after the business year of the principal foreign bank or the foreign bank holding company having the principal foreign bank as a subsidiary company has passed and make them available until they start public inspection of documents for public inspection

for the following business year.

- (2) When the documents for public inspection are written in English, the foreign bank's agent bank must, in addition to the documents, present the documents in Japanese concerning the overview of business, balance sheet, and profit and loss statement of its principal foreign bank and the foreign bank holding company having the principal foreign bank as a subsidiary company, in response to the request of a customer.
- (3) If a foreign bank's agent bank is unable to start making documents for public inspection available for public inspection by the time prescribed in paragraph (1) due to compelling reasons, the foreign bank's agent bank may postpone the start of the public inspection with the prior approval of the Commissioner of the Financial Services Agency (with regard to a foreign bank's agent bank other than a Bank designated by the Commissioner of the Financial Services Agency, the Director of the Local Finance Bureau that has jurisdiction over the locality of the head office of the foreign bank's agent bank (with regard to the locality that is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the head of the Fukuoka Local Finance Branch Bureau))
- (4) When seeking approval under the preceding paragraph, a foreign bank's agent bank must submit a written statement of reasons attached to a written application for approval to the Commissioner of the Financial Services Agency or other competent authorities.
- (5) When an application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the foreign bank's agent bank that filed the application has a compelling reason to postpone the start of the public inspection as under paragraph (1).
- (6) The measure specified by Cabinet Office Order that is provided for in Article 52-2-6, paragraph (2) of the Act is any means of indicating the information that has been recorded in an electronic or magnetic record or the address (including the two-dimensional barcode or any alternative) of the website on which the information recorded in an electronic or magnetic record has been posted, on paper or on a screen.

(Measures to Ensure Sound Operation of Foreign Bank Agency Services)

Article 34-2-33 A foreign bank's agent bank must, pursuant to the provisions of Article 52-2-7 of the Act, take the following measures to ensure sound and proper operation of foreign bank agency services.

- (i) measures to develop a system that enables prompt response to inquiries on the state of the services and assets of the principal foreign bank pertaining to the foreign bank agency services;
- (ii) when it is found necessary for the sound and proper management of foreign

- bank agency services, a measure to change the terms of or cancel the outsourcing contract with the principal foreign bank;
- (iii) with regard to the principal foreign bank's services in which the bank seeks to act as an agent or intermediary, a measure to examine by itself, as necessary, whether the services correspond to the services prescribed in Article 10, paragraphs (1) and (2) of the Act (excluding services for which it acts as an agent or intermediary and the services in which a bank may act as an agent or intermediary pursuant to the provisions of that paragraph (excluding items (viii) and (viii)-2));
 - (iv) measures to ensure the proper management of customer information, such as preventing the principal foreign bank from illegally obtaining customer information from the foreign bank's agent bank;
 - (v) in closing a business office providing foreign bank agency services, measures to ensure that the customers of the business office are not significantly affected, such as measures to smoothly hand over the transactions of customers of the business office to other foreign bank's agent banks or other business offices of the same principal foreign bank.
 - (vi) measures necessary to properly and promptly address customer complaints regarding the principal foreign bank's services associated with the foreign bank agency services.

(Notification on Principal Foreign Bank)

- Article 34-2-34 (1) The case specified by Cabinet Office Order that is provided for in Article 52-2-9, paragraph (1), item (vii) of the Act is when there has been a change in the person that holds a number of shares or an amount of equity accounting for over fifty percent of the issued shares or contribution
- (2) When seeking to file a notification under the provisions of Article 52-2-9, paragraph (1) of the Act, a foreign bank's agent bank must submit to the Commissioner of the Financial Services Agency or other competent authorities a written notification without delay, with a statement of reasons and a document stating information that should serve as a reference attached thereto; provided, however, that the notifications regarding the matter set forth in item (i) of that paragraph may be made collectively as a single notification on a semiannual basis.
 - (3) When issuing public notice and making a posting under Article 52-2-9, paragraph (2) of the Act (limited to the cases in which a notification set forth in paragraph (1), items (iii) to (vi) of that Article), a foreign bank's agent bank is to indicate its policy for processing transactions involved in deposits, etc. with the principal foreign bank and other foreign bank agency services it provides.

(Form of Sign)

Article 34-2-35 The form specified by Cabinet Office Order that is provided for in Article 52-40, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act, is as prescribed in the Appended Form No. 10-2.

(Separated Management)

Article 34-2-36 A foreign bank's agent bank, based on the provisions of Article 52-43 of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act, must manage money or other assets delivered by customers, with regard to its activities as a foreign bank agent, in a condition that is immediately distinguishable as to whether the asset is its own asset or belongs to any principal foreign bank, by separating the places of management or by other methods.

(Particulars to Be Clearly Indicated)

Article 34-2-37 The particulars specified by Cabinet Office Order that are provided for in Article 52-44, paragraph (1), item (iii) of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act, are the following particulars:

- (i) when receiving delivery of money or other assets from a customer with regard to activities as a foreign bank agent, a statement to the effect that the foreign bank's agent bank has been authorized by the principal foreign bank to receive the delivery;
- (ii) when there are two or more principal foreign banks, and when the fees pertaining to activities as a foreign bank agent that the customer is to pay for a contract that the customer seeks to conclude differs from the fee to be paid to another principal foreign bank for the same type of contract as the contract, a statement to that effect;
- (iii) when there are two or more principal foreign banks, and when the foreign bank agent bank acts as an agent or intermediary for the conclusion of the same type of contract as the one the customer intends to conclude through its activity as a foreign bank agent for another principal foreign bank, a statement to that effect;
- (iv) when there are two or more principal foreign banks, the trade name or name of the principal foreign bank that is the other party of the transaction of the customer.

(Provision of Information to Depositor by a Foreign Bank's Agent Bank)

Article 34-2-38 The provisions of Article 13-3 apply mutatis mutandis to the provision of information to depositor, etc. by a foreign bank's agent bank pursuant to the provisions of Article 52-44, paragraph (2) of the Act, as applied

mutatis mutandis pursuant to Article 52-2-10 of the Act.

(Prevention of Misidentification with Contract Concluded by a Foreign Bank's Agent Bank)

Article 34-2-39 When carrying out an activity as a foreign bank agent, a foreign bank's agent bank is to explain to the customer the following particulars:

- (i) that the other party to the contract is not the foreign bank's agent bank itself but the principal foreign bank associated with the relevant foreign bank agent services; and
- (ii) other information found to be of reference for preventing the customer from confusing the contract with a contract concluded by the foreign bank's agent bank.

(Provision of Information Pertaining to the Same Type of Contract for Other Principal Foreign Banks)

Article 34-2-40 A foreign bank's agent bank, if it has clarified the particulars prescribed in Article 34-2-37, item (iii), must respond to the request of a customer and provide the content of the same type of contract for another principal foreign bank and other information to serve as a reference for the customer.

(Training and Other Measures for Employees Engaged in Foreign Bank Agency Services)

Article 34-2-41 For the employees engaged in foreign bank agency services, a foreign bank's agent bank must take such measures as providing guidance in foreign bank agency services and training on compliance with laws (including foreign laws and regulations) concerning foreign bank agency services.

(Closely Related Parties of a Foreign Bank's Agent Bank)

Article 34-2-42 If a foreign bank's agent bank is a bank, the person closely related to the foreign bank's agent bank as specified by Cabinet Office Order that is provided for in Article 52-45, item (iii) of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act means a specified related party of the bank (meaning a specified related party prescribed in Article 13-2 of the Act, but excluding a subsidiary company of a bank that is the foreign bank's agent bank) and, if the foreign bank's agent bank is a foreign bank branch, this means a person that has a special relationship with that foreign bank branch (meaning a person with special relationship as prescribed in Article 13-2 of the Act, as replaced pursuant to the provisions of Article 9 of the Order, but excluding a subsidiary company of a foreign bank to which the foreign bank branch belongs).

(Acts Unlikely to Result in Insufficient Customer Protection)

Article 34-2-43 The act specified by Cabinet Office Order as being unlikely to result in insufficient customer protection that is provided for in Article 52-45, item (iii) of the Act, as applied mutatis mutandis pursuant to Article 52-2-10, means an act that does not constitute a foreign bank's agent bank acting as an agent or intermediary in the conclusion of a contract for the lending of funds or discounting of bills and notes on the condition that the foreign bank's agent will improperly conduct a transaction.

(Prohibited Acts in Foreign Bank Agency Services)

Article 34-2-44 The acts specified by Cabinet Office Order that are provided for in Article 52-45, item (v) of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act, are the following acts:

- (i) wrongfully acting as an agent or intermediary for the customer in the conclusion of a contract involving the services of a principal foreign bank on the condition that the customer effect a transaction with itself or a business operator it designates (excluding the act set forth in Article 52-45, item (iii) of the Act as applied mutatis mutandis in Article 50-2-10 of the Act);
- (ii) wrongfully using its advantageous position in a transaction as a foreign bank's agent bank to put a customer at a disadvantage as concerns a condition or implementation of a transaction;
- (iii) wrongfully having the customer effect a transaction with itself or a business operator it designates on the condition that it act as an agent or intermediary in the conclusion of a contract involving the services of a principal foreign bank;
- (iv) acting as an agent or intermediary in the conclusion of a contract related to an act of the principal foreign bank that violates or may violate a law or regulation, etc. (including foreign laws and regulations, etc.)

(Books and Documents Concerning Foreign Bank Agency Services)

Article 34-2-45 Pursuant to the provisions of Article 52-49 of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act, a foreign bank's agent bank must prepare the books and documents prescribed in the following items (when it does not act as an agent in the principal foreign bank's services, limited to those set forth in item (iii)) for each principal foreign bank and maintaining them for the periods prescribed respectively in those items to clarify the processing and calculations made in the foreign bank agency services:

- (i) general ledger: five years from the date of preparation;
- (ii) foreign bank agency account ledger: ten years from the date of preparation;

(iii) a document describing the intermediation of the services of the principal foreign bank that it provided to customers of foreign bank agency services: five years from the date on which it undertook the intermediation.

(Form of Written Report on Foreign Bank Agency Services)

Article 34-2-46 (1) The written report on foreign bank agency services pursuant to the provisions of Article 52-50, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act, must be prepared pursuant to Appended Form No. 10-2-2 and submitted to the Commissioner of the Financial Services Agency or other competent authorities, within three months after the end of a business year.

(2) If a foreign bank's agent bank unable to submit a written report on foreign bank agency services within the period prescribed in the preceding paragraph due to compelling reasons, it may postpone the submission under the prior approval of the Commissioner of the Financial Services Agency (when the Director the Local Finance Bureau who has jurisdiction over the locality of the head office of the foreign bank's agent bank (the head of the Fukuoka Local Finance Branch Bureau, when the locality is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau) pursuant to the provisions of Article 17-2 of the Order receives the report on foreign bank agency services, the director of the Local Finance Bureau or the head of Fukuoka Local Finance Branch Bureau).

(3) When seeking approval under the preceding paragraph, a foreign bank's agent bank must submit a written statement of reasons attached to the written application for approval to the Commissioner of the Financial Services Agency or other competent authorities.

(4) When an application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the foreign bank's agent bank that filed the application has what is found to be a compelling reason to postpone the submission as under paragraph (2).

Chapter VIII Shareholders

Section 1 General Rules

(Submission of a Written Statement of Holdings in Bank Voting Rights)

Article 34-2-47 (1) A person that is to submit a statement of holdings in bank voting rights (hereinafter referred to as a "statement of holdings in bank voting rights" in this paragraph and Article 34-5) as prescribed in Article 52-2-11, paragraph (1) of the Act pursuant to that paragraph, must prepare the statement of holdings in bank voting rights pursuant to the Appended Form No.

10-2-3, and submit it to the Commissioner of the Financial Services Agency or other competent authorities.

- (2) The cases specified by Cabinet Office Order and the day specified by Cabinet Office Order that are provided for in Article 52-2-11, paragraph (1) of the Act are the cases set forth in each of the following items and the days specified in each of those items in accordance with the relevant category:
- (i) when there is no increase in the number of voting rights held (excluding the case as set forth in item (iii)): the earlier day among the day when five days (Sunday and the number of non-business days as prescribed in Article 15-2 of the Order are not counted; hereinafter the same applies in this item and Article 34-4, paragraph (2), item (i)) have elapsed from the day that a person learns that they are a major holder of voting rights in a bank (meaning a major holder of voting rights in a bank as prescribed in Article 52-2-11, paragraph (1) of the Act; hereinafter the same applies in this Article and Article 34-4, paragraph (2), items (ii) and (iii)), or, the day when five days have elapsed from the 15th day of the month following the month that includes the day when a person became a major holder of voting rights in a bank (if the day is less than one month from the day when a person became a major holder of voting rights in a bank, the day that one month has elapsed from the day when a person becomes a major holder of voting rights in a bank);
 - (ii) when a person that becomes a major holder of voting rights in a bank is a foreign national or foreign corporation (including a person as set forth in Article 3-2, paragraph (1), item (i) of the Act; the same applies in the following item and Article 34-4, paragraph (2), items (ii) and (iii)) (excluding a case as set forth in the following item): the day when one month has elapsed from the day when a person becomes a major holder of voting rights in a bank; or
 - (iii) when a person that becomes a major holder of voting rights in a bank is a foreign national or a foreign corporation and there is no increase in the person's number of voting rights held: the earlier day among the day when one month elapses from the day when the person learns that they are a major holder of voting rights in a bank, or the day when one month elapses from the 15th day of the month following the month that includes the day when the person has become a major holder of voting rights in a bank (if the day is before the day when two months have elapsed from the day when a person became a major holder of voting rights in a bank, the day when two months elapse from the day when a person becomes a major holder of voting rights in a bank).

(Voting Rights Deemed to Be Held by the National Government)

Article 34-3 A person as set forth in each of the following items is deemed to be a corporation as prescribed in Article 15 of the Order with regard to the holding of voting rights as specified in each item:

- (i) a partner bank as prescribed in Article 7, paragraph (1), item (i) of the Supplementary Provisions of the Deposit Insurance Act: voting rights pertaining to shares pertaining to acquisition, etc. based on an agreement as prescribed in Article 22, paragraph (1) of the Supplementary Provisions of that Act; voting rights from shares associated with an issuance, etc. of Shares, etc. as prescribed in Article 4, paragraph (2) of the Act Concerning Emergency Measures for Early Strengthening of Financial Functions (Act No. 143 of 1998; hereinafter referred to as the "Financial Strengthening Act"); voting rights from shares associated with an issuance, etc. of preferred shares or equity as prescribed in Article 4, paragraph (1), item (i) of the Act (prior to amendment) on the former Emergency Measures for Stabilization of Financial Functions (Act No. 5 of 1998), which remains in effect by the provisions of Article 5 of the Supplementary Provisions of the Act Concerning Emergency Measures for the Revitalization of the Financial Functions (Act No. 132 of 1998); and voting rights from shares which are acquisition shares or equity as prescribed in Article 35, paragraph (2), item (vi) of the Act on Special Measures for Strengthening Financial Functions (Act No. 128 of 2004);
- (ii) an agreement claim servicing company as prescribed in Article 74, item (i) of the Agricultural and Fishery Cooperation Savings Insurance Act (Act No. 53 of 1973): voting rights from shares pertaining to the entrustment of purchase of assets pursuant to the provisions of Article 77, paragraph (i) of that Act;
- (iii) a partner bank as prescribed in Article 1-2-3, item (i) of the Supplementary Provisions of the Insurance Business Act: voting rights from shares pertaining to purchase of assets based on an agreement as prescribed in Article 1-2-12, paragraph (1) of the Supplementary Provisions of that Act.

(Submission of Statement of Changes)

Article 34-4 (1) A person that should submit a statement of changes (hereinafter referred to as "statement of changes" in this paragraph and paragraph (3), and the following Article) as prescribed in Article 52-3, paragraph (1) of the Act pursuant to the provisions of that paragraph, must prepare a statement of changes in accordance with the Appended Form No. 10-2-3 and submit it to the Commissioner of the Financial Services Agency or other competent authorities.

(2) The cases specified by Cabinet Office Order and the day specified by Cabinet Office Order that are provided for in Article 52-3, paragraph (1) of the Act are the cases set forth in each of the following items and the days specified in each

of those items for the relevant category:

- (i) when there is no increase or decrease of the holding number of voting rights (limited to the cases in which the percentage of voting rights held (meaning the percentage of voting rights held as prescribed in Article 52-2-11, paragraph (1), item (i) of the Act; hereinafter the same applies in this Article and the following Article) increases or decreases by one percent or more, and excluding cases as set forth in item (iii)): the earlier day among the day when five days has elapsed from the day when a person learns of an increase or decrease by one percent or more of the percentage of the person's voting rights held, or the day when five days have elapsed from the 15th day of the month following the month that includes the day when the percentage of voting rights held increased or decreased by one percent or more;
 - (ii) when a major holder of voting rights in a bank is a foreign national or a foreign corporation (excluding cases as set forth in the following item): the day when one month has elapsed from the day when a particular as set forth in Article 52-2-11, paragraph (1) of the Act changes; and
 - (iii) when a major holder of voting rights in a bank is a foreign national or a foreign corporation and there is no increase or decrease in the number of person's voting rights held (limited to cases in which the percentage of voting rights held increased or decreased by one percent or more): the earlier day among the day when one month elapses from the day when a person learns that the percentage of the person's voting rights held increased or decreased by one percent or more, or the day when one month has elapsed from the 15th day of the month following the month that includes the day when the percentage of voting rights held increased or decreased by one percent or more.
- (3) The case specified by Cabinet Office Order as prescribed in Article 52-3, proviso to paragraph (1) of the Act means the statement of changes prepared due to a decrease by one percent or more in the percentage of voting rights held stating that the percentage of voting rights held as five percent or less, has already been submitted.

(Submission of a Statement of Holdings in Bank Voting Rights Pertaining to Voting Rights Subject to Exceptions)

Article 34-5 (1) The person that should submit a statement of holdings in bank voting rights pursuant to the provisions of Article 52-4, paragraph (1) of the Act, or should submit a statement of changes pursuant to the provisions of paragraph (2) of the Article, must prepare a statement of holdings in bank voting rights or a statement of changes in accordance with the Appended Form10-3 and must submit the notice or the statement to the Commissioner of the Financial Services Agency or other competent authorities.

- (2) The persons as specified by Cabinet Office Order that are provided for in Article 52-4, paragraph (1) of the Act are the following persons:
- (i) a bank, a long-term credit bank, or a financial instruments business operator (limited to a person that carries out securities-related business (excluding type i small amount electronic public offering business prescribed in Article 29-4-2, paragraph (10) of the Financial Instruments and Exchange Act and type ii small amount electronic public offering business prescribed in Article 29-4-3, paragraph (4) of that Act; the same applies in the following item) or an investment management business (meaning an investment management business as prescribed in Article 28, paragraph (4) of that Act; the same applies in the following item)), a trust company (limited to a person that has obtained a license as prescribed in Article 3 or Article 53, paragraph (1) of the Trust Business Act), an insurance company (including a foreign insurance company, etc.), the Norinchukin Bank, the Shoko Chukin Bank Limited, and the Organization for Postal Savings, Postal Life Insurance and Post Office Network;
 - (ii) a person that carries out banking, securities-related business, investment management business, trust business, or insurance business in a foreign state pursuant to laws and regulations of a foreign state, who is other than those as set forth in the preceding item;
 - (iii) a person that is a joint owner with those persons as set forth in the preceding two items (hereinafter referred to as "bank, etc." in this item and paragraph (4)) that are other than bank, etc.
- (3) The number specified by Cabinet Office Order as prescribed in Article 52-4, paragraph (1) of the Act is ten percent.
- (4) The case specified by Cabinet Office Order that is provided for in Article 52-4, paragraph (1) of the Act is when there is a joint holder that is a non-bank in the bank, etc., the percentage of voting rights held by the joint holder that is calculated by deeming that there is no joint holder in the bank, etc that is a bank, etc. exceeds one percent.
- (5) The standard as specified by Cabinet Office Order that are provided for in Article 52-4 paragraph (2), item (ii) of the Act, is that the percentage of voting rights held is deemed to have increased or decreased by two-point-five percent or more from that in the statement of holdings in bank voting rights submitted or to be submitted pursuant to the provisions of paragraph (1) of the Article.
- (6) The case specified by Cabinet Office Order and the day specified by Cabinet Office Order that are provided for in Article 52-4, paragraph (2), item (iv) of the Act means the cases set forth in each of the following items and the days specified in each of those items in accordance with their category:
- (i) if the percentage of voting rights held on the last day of the month following the month that includes the reference date pertaining to a statement of

- changes (meaning the reference date as prescribed in Article 52-4, paragraph (3) of the Act; hereinafter the same applies in this Article) has increased or decreased from the percentage of voting rights held that is stated in the statement of changes by two-point-five percent or more: the 15th day of the month following the month that includes the last day;
- (ii) when the percentage of voting rights held stated in the statement of changes is that on the last day of the month other than the month that includes the reference date, if the percentage of voting rights held on the later reference date has increased or decreased from the percentage of voting rights held that is stated in the statement of changes by one percent or more, or if there was any other change in important particulars that should be stated in the statement of holdings in bank voting rights: the 15th day of the month following the month that includes the later reference date;
 - (iii) when the percentage of voting rights held stated in the statement of changes is that on the last day of the month other than the month that includes the reference date, if the percentage of voting rights held on the last day of the month other than the month that includes the later reference date has increased or decreased from the percentage of voting rights held that is stated in the statement of changes by two-point-five percent or more: the 15th day of the month following the month that includes the last day of the month of the later reference date
 - (iv) if the percentage of voting rights held on the reference date after the base date of the calculation of the percentage of voting rights held that is stated in the statement of changes submitted or should be submitted pursuant to the provisions of Article 52-3, paragraph (1) of the Act, has increased or decreased by one percent or more from the percentage of voting rights held that is stated in the statement of changes, or there was any other change in the important particulars that should be stated in the statement of holdings in bank voting rights: the 15th day of the month following the month that includes the reference date;
 - (v) if the percentage of voting rights held on the last day of the month other than the month of the reference date after the base date of the calculation of the percentage of voting rights held that is stated in the statement of changes submitted or should be submitted pursuant to the provisions of Article 52-3, paragraph (1) of the Act, has increased or decreased by two-point-five percent or more from the percentage of voting rights held that is stated in the statement of changes: the 15th day of the month following the month that includes the last day;
 - (vi) if the percentage of voting rights held on the reference date after the base date of the calculation of the percentage of voting rights held that is stated in the statement of holdings in bank voting rights submitted or should be

- submitted pursuant to the provisions of Article 52-2-11, paragraph (1) of the Act, has increased or decreased by one percent or more from the percentage of voting rights held that is stated in the statement of holdings in bank voting rights, or there was any other change in the important particulars that should be stated in the statement of holdings in bank voting rights: the 15th day of the month following the month that includes the reference date;
- (vii) if the percentage of voting rights held on the last day of the month other than the month of the reference date after the base date of the calculation of the percentage of voting rights held that is stated in the statement of holdings in bank voting rights submitted or should be submitted pursuant to the provisions of Article 52-2-11, paragraph (1) of the Act, has increased or decreased by two-point-five percent or more from the percentage of voting rights held that is stated in the statement of holdings in bank voting rights: the 15th day of the month following the month that includes the last day.
- (7) A person seeking to file a notification of the reference date or to change the reference date must prepare a written notification using Appended Form No. 10-4 and submit this to the Commissioner of the Financial Services Agency or other competent authorities.

Section 2 Special Provisions on a Bank's Major Shareholder

Subsection 1 General Rules

(Application of Authorization When a Person Seeks to Become the Holder of a Number of Voting Rights in a Bank Which Is Equal to or Greater Than the Major Shareholder Threshold)

Article 34-6 (1) When seeking authorization under the provisions of Article 52-9, paragraph (1) of the Act, the company or other corporation that seeks to become the holder of a number of voting rights in a single bank which is equal to or greater than the major shareholder threshold through transactions or acts as set forth in each item of that paragraph must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning the corporation (when a part of the following documents cannot be provided due to the reason that the corporation is a foreign corporation, etc., a document equivalent to the document):
 - (a) articles of incorporation;
 - (b) a certificate of registered information of the corporation;
 - (c) resumes of the directors and auditors (for a company with audit and supervisory committee, the directors; and for a company with nominating

- committee, etc., the directors and executive officers);
- (d) with regard to a company with accounting advisors, resumes of the accounting advisors;
 - (e) a document stating the name of any person that holds voting rights exceeding five percent of the total shareholder or total investor voting rights, the person's domicile or residence, nationality, and occupation (when the person is a corporation or other organization, its name, location of the main business office, and the content of business carried out) and the number of shares held by the person;
 - (f) when transactions or acts as set forth in each item of Article 52-9, paragraph (1) of the Act pertaining to the approval require the resolution at the shareholders meeting or of the board of directors (including organizations equivalent to these), minutes of the shareholders meetings or minutes of board of directors concerning this matter (including a document proving that necessary procedures were taken by organizations equivalent to these);
 - (g) a document stating the location of the main office;
 - (h) a document stating the content of business;
 - (i) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest conditions of business, assets, and profit and loss of the corporation;
 - (j) a document stating the system associated with its holding of voting rights in the bank;
 - (k) a document stating the number of voting rights in the bank that it holds and the number of voting rights in the bank it seeks to acquire or hold after the authorization; and
 - (l) a document stating the name of its subsidiary company, etc., location of the main business office or office, and content of business.
- (iii) a document stating the prospective cash flow associated with its holding of voting rights in the bank for five business years after the authorization and net present value of the forecast (meaning the total value of the amount obtained by discounting each increase and decrease of revenue or expenditures caused directly or indirectly by the holding of the voting rights to current value by applying a money rate for the corresponding period pertaining to funds of acquisition of the voting rights, respectively; the same applies in paragraph (3));
 - (iv) a document stating the result of a stress test (meaning to calculate separately a different value from the net present value on the assumption that, with regard to particulars based on the calculation of net present value, that there were changes of those particulars for a certain period in the past and other changes within a reasonable scope; the same applies in paragraph

- (3)) pertaining to the net present value calculation of the preceding paragraph;
 - (v) the relationships of personnel affairs, funds, technical skills, transactions, etc., which are expected to exist and policies pertaining to the relationships after the authorization with the bank (if the relationships have a possibility of affecting the management of the services of the bank, including a system to secure the sound and appropriate management of the services of the bank; the same applies in paragraph (3)); and
 - (vi) other documents stating information that should serve as a reference in conducting an examination as to whether the criteria set forth in Article 52-10, item (i) of the Act are met.
- (2) If a person that seeks to become a holder of a number of voting rights in a single bank which is equal to or greater than the major shareholder threshold through transactions or acts as set forth in each item of Article 52-9, paragraph (1) of the Act (excluding a person as prescribed in the preceding paragraph), seeks authorization under the provisions of that paragraph, that person must submit a written application for authorization accompanied by documents as set forth in item (i), items (iii) to (v) of the preceding paragraph and the following documents to the Commissioner of the Financial Services Agency:
- (i) a document stating the name, location of the main business office, or domicile or residence, and the business being carried out or occupation of the person;
 - (ii) a document stating the number of voting rights in the bank that it holds and the number of voting rights in the bank that it seeks to acquire or hold after the authorization;
 - (iii) a document stating the name, location of the main business office or offices, and content of the business of a corporation of which the person holds twenty percent or more of the total shareholder or total investor voting rights; and
 - (iv) other documents stating information that should serve as a reference in conducting an examination as to whether the criteria set forth in Article 52-10, item (ii) of the Act are met.
- (3) If a person seeking to incorporate a company or other corporation that will hold a number of voting rights in a single bank that is equal to or greater than the major shareholder threshold, seeks authorization pursuant to the provisions of Article 52-9, paragraph (1) of the Act, it must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) the following documents concerning a company or other corporations to be established based on the authorization (hereinafter referred to as the

"corporation to be established" in this paragraph) (if some the following documents cannot be provided due to the reason that the corporation to be established is a foreign corporation, etc., a document equivalent to the document):

- (a) articles of incorporation;
- (b) resumes of the directors and auditors (for a company with audit and supervisory committee, the directors; and for a company with nominating committee, etc., the directors and executive officers);
- (c) with regard to a company with accounting advisors, resumes of the accounting advisors;
- (d) a document stating the name of any person that will hold voting rights exceeding five percent of the total shareholder or total investor voting rights, that person's domicile or residence, nationality, and occupation (if that person is a corporation or other organization, its name, location of the main business office, and the content of business carried out) and number of shares held by that person;
- (e) if the relevant incorporation requires resolution at the organizational meeting, minutes of the organizational meetings concerning the resolution (if the corporation will be established through a share transfer, merger, or company split, the minutes of the shareholders meetings concerning that or other documents proving that necessary procedures were taken);
- (f) a document stating the location of the main office;
- (g) a document stating the content of business;
- (h) a document providing the amount of stated capital and other conditions of assets after the incorporation;
- (i) a document stating the system associated with its holding of voting rights in the bank;
- (j) a document stating the number of voting rights in the bank that it holds and the number of voting rights in the bank that it seeks to acquire or hold after the authorization; and
- (k) a document stating the name of its subsidiary company, etc., location of the main business office or offices, and content of business;
- (iii) a document stating the prospective cash flow and the prospective net present value associated with its holding of voting rights in the bank for five business years after the incorporation;
- (iv) a document stating the result of a stress test pertaining to the net present value as prescribed in the preceding item;
- (v) the relationships of personnel affairs, funds, technologies, transactions, etc., which are expected to exist and policies pertaining to the relationships after the incorporation with the bank; and
- (vi) other documents stating information that should serve as a reference in

conducting an examination as to whether the criteria set forth in Article 52-10, item (i) of the Act are met.

- (4) When conducting an examination under Article 52-10 of the Act in connection with an application for authorization under the provisions of the preceding three paragraphs, the Commissioner of the Financial Services Agency is to consider the following particulars:
- (i) it is obvious that the purpose for which the person that filed the application for the authorization or a corporation to be established after the authorization (hereinafter referred to as the "applicant, etc." in this paragraph) would acquire or hold voting rights in the bank would not harm the public nature of banks' services, and a system has been developed regarding which it is found that, due to the financial status and income and expenditures of the applicant, etc., the relationship that the applicant, etc. would have with the bank based on the holding of those voting rights, and other such reasons associated with the holding of those voting rights, there is an extremely small possibility of damaging sound and appropriate operation of the services of the bank;
 - (ii) in light of the system, etc. associated with its holding of voting rights in the bank, it is obvious that applicant, etc. will not preclude the bank from carrying out accurate and fair business management, and is a person that has sufficient social credibility.
- (5) The grounds specified by Cabinet Office Order that are provided for in Article 52-9, paragraph (1), item (i) of the Act are the following grounds:
- (i) acquisition of shares by exercise of the security right;
 - (ii) acquisition of shares by acceptance of accord and satisfaction;
 - (iii) increase in the percentage of voting rights held to the total shareholder voting rights in the bank by acquisition of voting rights in the bank from shares in respect of which voting rights cannot be exercised (limited to an acquisition due to occurrence of an event that is not based on the intention of a person that seeks to become a holder of voting rights in the bank);
 - (iv) increase in the percentage of voting rights held to the total shareholder voting rights in the bank by a share transfer conducted by the bank (excluding the case of a request by a person that seeks to become a holder of voting rights in the bank);
 - (v) increase in the percentage of holding voting rights to the total shareholder voting rights in the bank by consolidation or split of shares, or allotment of shares without a contribution by the bank;
 - (vi) increase in the percentage of holding voting rights to the total shareholder voting rights in the bank by changes of content of a right or number of unit shares pertaining to shares due to the articles of incorporation of the bank being changed; and

- (vii) increase in the percentage of voting rights held to the total shareholder voting rights in the bank by acquisition of own shares of the bank.
- (6) The provisions of the preceding paragraph apply mutatis mutandis to the circumstances specified by Cabinet Office Order that are provided for in Article 15-4, item (i) of the Order.

(Preliminary Examination When Seeking to Become a Holder of a Number of Voting Rights in a Bank Which Is Equal to or Greater than the Major Shareholder Threshold)

Article 34-7 If a person that seeks to become a holder of a number of voting rights in a bank which is equal to or greater than the major shareholder threshold, or a person that seeks to incorporate a company or other corporation that holds a number of voting rights in a bank which is equal to or greater than the major shareholder threshold seeks authorization under the provisions of Article 52-9, paragraph (1) of the Act, that person may request a preliminary examination by submitting the documents equivalent to those applicable as provided by paragraphs (1), (2), and (3) of the preceding Article to the Commissioner of the Financial Services Agency.

(Application of Authorization Pertaining to Specified Major Shareholders)

- Article 34-8 (1) When seeking authorization under the provisions of the proviso to that paragraph, a specified major shareholder (meaning a specified major shareholder as prescribed in Article 52-9, paragraph (2) of the Act) must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) the documents as set forth in Article 34-6, paragraph (1), item (i), sub-items (c) to (e), (g) to (j), (l), and items (iii) to (vi) of that paragraph; and
 - (iii) a document stating the number of the holding voting rights in the bank.
- (2) The provisions of Article 34-6, paragraph (4) apply mutatis mutandis to an examination conducted under Article 52-10 of the Act pertaining to an application for authorization pursuant to the provisions of the preceding paragraph.

Subsection 2 Supervision

(Companies in a Unique Relationship With a Bank's Major Shareholder)

- Article 34-9 (1) A company that has a unique relationship with a bank's major shareholder as specified by Cabinet Office Order that is provided for in Article 52-14, paragraph (1) of the Act means:
- (i) a subsidiary company (meaning a subsidiary company as prescribed in

Article 1-5, paragraph (2), item (i)) of the bank's major shareholder (limited to a person that is a company subject to standards for consolidation (meaning a company subject to standards for consolidation as prescribed in Article 3-2, paragraph (1), item (ii) of the Act; the same applies in item (iii)); the same applies in the following item);

- (ii) an affiliated company (meaning an affiliated company as prescribed in Article 1-5, paragraph (2), item (iii)) of the bank's major shareholder; and
- (iii) a company or other corporations in the bank's major shareholder (limited to a person other than a company subject to standards for consolidation) that holds voting rights exceeding fifty percent of total shareholder or investor voting rights.

- (2) The provisions of Article 1-6, paragraph (3) are applied mutatis mutandis to the voting rights held, in the case of item (iii) of the preceding paragraph, by the bank's major shareholder in that item.

Section 3 Special Provisions Concerning a Bank Holding Company

Subsection 1 General Rules

(Application of Authorization When Seeking to Become a Holding Company that Has a Bank as a Subsidiary Company)

Article 34-10 (1) When seeking authorization under the provisions of Article 52-17, paragraph (1) of the Act, a company seeking to become a holding company that has a bank as a subsidiary company must submit a written application for authorization accompanied by the following documents to the Prime Minister via the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning the company:
 - (a) articles of incorporation;
 - (b) a certificate of registered information of the company;
 - (c) resumes of the directors and auditors (for a company with audit and supervisory committee, the directors; and for a company with nominating committee, etc., the directors and executive officers);
 - (d) with regard to a company with accounting advisors, resumes of the accounting advisors;
 - (e) the resume of the financial auditor;
 - (f) a document stating each shareholder's name, domicile or residence, nationality and occupation (when a shareholder is a corporation or other organization, its name, location of the main business office, and the content of business being carried out) and number of shares held by the shareholder;
 - (g) when transactions or acts as set forth in each item of Article 52-17,

- paragraph (1) of the Act to which that authorization pertains require a resolution at the shareholders meeting or of the board of directors, minutes of the shareholders meeting or minutes of the board of directors concerning the resolution;
- (h) a document stating the location of offices;
 - (i) a document stating the content of business;
 - (j) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest conditions of business, assets, and profit and loss of the company;
 - (k) a document showing the system for the business management of a subsidiary company (including a company that will become a subsidiary company; hereinafter the same applies in this paragraph) conducted by the company; and
 - (l) a document showing the extent to which it has secured employees with knowledge and experience concerning banks' services;
- (iii) the following documents concerning a subsidiary company, etc. (meaning a subsidiary company corresponding to any subsidiary company, etc., as prescribed in Article 52-22, main clause of paragraph (1) of the Act, or a subsidiary company, etc., as prescribed in Article 52-25 of the Act; hereinafter the same applies in this Article) of the company:
- (a) a document stating the name and the location of the main business office or office;
 - (b) a document stating the titles and names of the officers (if an officer is a corporation, including the person responsible for performing the duties thereof); and
 - (c) documents set forth in sub-items (i) and (j) of the preceding item;
- (iv) a document stating the prospective income and expenditures, and the consolidated capital adequacy ratio (meaning the ratio arrived at by the formula associated with the criteria for a bank holding company as prescribed in Article 52-25 of the Act to use in order to determine whether the adequacy of equity capital of the bank holding company or of its subsidiary company, etc. is appropriate in light of circumstances such as the assets owned by the bank holding company and its subsidiary companies, etc. (excluding the consolidated leverage ratio provided in Article 34-26, paragraph (1), item (iv), (h)); hereinafter the same applies in this Section excluding Article 34-19-5, paragraph (2), item (ii) and Article 35, paragraph (3)) of the company and its subsidiary company, etc. for three business years after the authorization;
- (v) if, by the company becoming a holding company that has a bank as its subsidiary company, it or its subsidiary company would hold voting rights in a domestic company (meaning a domestic company as prescribed in Article

- 52-24, paragraph (1); hereinafter the same applies in this Section) in a total number that exceeds the maximum threshold for voting rights held (meaning the maximum threshold for voting rights held as prescribed in that paragraph; hereinafter the same applies in this Section), a document stating the name and content of the business of the domestic company; and
- (vi) other documents stating information that should serve as a reference in conducting an examination under Article 52-18, paragraph (1) of the Act.
- (2) When seeking authorization under the provisions of Article 52-17, paragraph (1) of the Act, a person seeking to incorporate a holding company that has a bank as a subsidiary company must submit a written application for authorization accompanied by the following documents to the Prime Minister through the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) the following documents concerning a company to be established after obtaining the authorization (hereinafter referred to as the "company to be established" in this paragraph):
 - (a) articles of incorporation;
 - (b) resumes of the directors and auditors (for a company with audit and supervisory committee, the directors; and for a company with nominating committee, etc., the directors and executive officers);
 - (c) with regard to a company with accounting advisors, resumes of the accounting advisors;
 - (d) the resume of the financial auditor;
 - (e) a document stating the name of each person that will become a shareholder, its domicile or residence, nationality and occupation (when a shareholder is a corporation or other organization, its name, location of the main business office, and the content of business carried out) and number of shares held by the shareholder;
 - (f) when the incorporation requires a resolution at an organizational meeting, minutes of the organizational meeting concerning the resolution (when the company to be established is established by share transfer, merger, or company split, minutes of shareholders meeting concerning that and other documents proving that necessary procedures were taken);
 - (g) a document stating the location of offices;
 - (h) a document stating the content of business;
 - (i) a document from which it is possible to learn the company's amount of stated capital and other such aspects of its post-establishment financial status;
 - (j) a document showing its systems for the business management of a subsidiary company (including a company that will become a subsidiary company; hereinafter the same applies in this paragraph and the following

- paragraph) conducted by the company to be established; and
- (k) a document showing the extent to which it has secured employees with knowledge and experience concerning banks' services;
- (iii) the following documents concerning a subsidiary company, etc. of the company to be established;
- (a) a document stating the name and location of the main business office or office;
 - (b) a document stating the titles and names of the officers (if an officer is a corporation, including the person responsible for performing the duties thereof);
 - (c) a document stating the content of business; and
 - (d) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest conditions of business, assets, and profit and loss of the company;
- (iv) a document stating the prospective revenue and expenditures, and the consolidated capital adequacy ratio of the company to be established and its subsidiary company, etc. for three business years after the incorporation;
- (v) if, due to its incorporation, the company to be established or its subsidiary company would hold voting rights in a domestic company in a total number that exceeds the maximum threshold for voting rights held, a document stating the name and content of the business of the domestic company; and
- (vi) other documents stating information that should serve as a reference in conducting an examination under Article 52-18, paragraph (1) of the Act.
- (3) When conducting an examination under Article 52-18, paragraph (1) of the Act in connection with an application for authorization under the provisions of the preceding two paragraphs, the Prime Minister is to take into account the following particulars:
- (i) the income and expenditures of the company which filed the application or the company to be established based on the authorization (hereinafter referred to as the "applicant, etc." in this paragraph), and its subsidiary companies, etc. are expected to remain satisfactory for three business years after the authorization or incorporation;
 - (ii) the consolidated capital adequacy ratio of the applicant, etc. and its subsidiary companies, etc. is expected to reach an appropriate level in three business years after the authorization or incorporation; and
 - (iii) in light of things such as the extent to which it has secured directors or employees with sufficient knowledge and experience concerning banks' services and the systems associated with the business management of subsidiary companies, the applicant, etc. can reliably and properly manage the business of the bank that is or will be its subsidiary company, and is a person with sufficient social credibility.

- (4) The grounds specified by Cabinet Office Order that are provided for in Article 52-17, paragraph (1), item (i) of the Act are the following grounds:
- (i) acquisition of shares by exercise of the security right;
 - (ii) acquisition of shares by acceptance of accord and satisfaction;
 - (iii) when a financial instruments business operator that carries out securities-related business acquires shares as its business, the implementation of its business;
 - (iv) increase in the percentage of voting rights held to the total shareholder voting rights in the bank due to acquisition of voting rights in the bank from shares in respect of which voting rights cannot be exercised (limited to an acquisition due to occurrence of an event that is not based on the intention of a person that seeks to become a holder of voting rights in the bank);
 - (v) increase in the percentage of voting rights held to the total shareholder voting rights in the bank due to a share transfer conducted by the bank (excluding the cases of the request of a person that seeks to become a holder of voting rights in the bank);
 - (vi) increase in the percentage of voting rights held to the total shareholder voting rights in the bank by consolidation or split of shares, or allotment of shares without a contribution by the bank;
 - (vii) increase in the percentage of voting rights held to the total shareholder voting rights in the bank by changes of content of right or number of unit shares pertaining to shares due to a change of the articles of incorporation of the bank; and
 - (viii) increase in the percentage of voting rights held to the total shareholder voting rights in the bank by acquisition of the own shares of the bank.
- (5) The provisions of the preceding paragraph apply mutatis mutandis to circumstances specified by Cabinet Office Order that are provided for in Article 16-2, item (i) of the Order.
- (6) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to the voting rights as prescribed in paragraph (1), item (v) and paragraph (2), item (v).

(Preliminary Examination for Authorization When Intending to Become a Holding Company that Has a Bank as a Subsidiary Company)

Article 34-11 When seeking authorization under the provisions of Article 52-17, paragraph (1) of the Act, a company seeking to become a holding company that has a bank as a subsidiary company or a person seeking to incorporate a holding company that has a bank as a subsidiary company may request a preliminary examination by submitting documents equivalent to those pursuant to paragraph (1) or paragraph (2) of the preceding Article to the Prime Minister through the Commissioner of the Financial Services Agency.

(Notification Items Pertaining to a Specified Holding Company)

Article 34-12 (1) The particulars specified by Cabinet Office Order that are provided for in Article 52-17, paragraph (2) of the Act are the following particulars:

- (i) the fact that the company became a holding company that has a bank as a subsidiary company;
- (ii) the grounds for, and timing when, the company became a holding company that has a bank as a subsidiary company;
- (iii) the name and content of the business of the company and its subsidiary company; and
- (iv) other particulars that the Commissioner of the Financial Services Agency finds to be necessary.

(2) If a specified holding company (meaning a specified holding company as prescribed in Article 52-17, paragraph (2) of the Act; hereinafter the same applies in this Article and the following Article) seeks to file a notification (when the specified holding company is a foreign holding company that has a bank as a subsidiary company (meaning a foreign holding company that has a bank as a subsidiary company as prescribed in Article 16-4 of the Order; the same applies hereinafter), notification pursuant to the provisions of Article 16-5 of the Order) pursuant to provisions of Article 52-17, paragraph (2) of the Act, must submit the notification accompanied by the following documents to the Commissioner of the Financial Services Agency or other competent authorities:

- (i) articles of incorporation;
- (ii) a certificate of registered information of the company; and
- (iii) the latest balance sheet of the specified holding company and its subsidiary company.

(3) If a specified holding company is a foreign holding company that has a bank as a subsidiary company and that foreign holding company seeks approval for postponement of the limit for notification under the provisions of the proviso of Article 16-5 of the Order, it must submit a written application for approval accompanied by a written statement of reasons to the Commissioner of the Financial Services Agency or other competent authorities.

(4) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the foreign holding company that filed the application has what is found to be a compelling reason to postpone the deadline for notification as under the provisions of the proviso of Article 16-5 of the Order.

(5) When seeking to submit a notification pursuant to the provisions of Article 52-17, paragraph (4) of the Act, a specified holding company must submit a

written notice accompanied by the following documents to the Commissioner of the Financial Services Agency or other competent authorities:

- (i) a written statement of reasons;
- (ii) a document stating the time when the specified holding company became a holding company that does not have a bank as a subsidiary company; and
- (iii) a document stating the measures that the specified holding company undertook in order not to become a holding company that has a bank as a subsidiary company or the grounds that the specified holding company has become a holding company that does not have a bank as a subsidiary company.

(Application of Authorization Pertaining to a Specified Holding Company)

Article 34-13 (1) When seeking authorization pursuant to the provisions of Article 52-17, proviso to paragraph (3) of the Act, a specified holding company must submit a written application for authorization accompanied by the following documents to the Prime Minister through the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons; and
 - (ii) the documents as set forth in Article 34-10, paragraph (1), item (ii), sub-items (c) to (f) and (h) to (l) of the Act, and items (iii) to (vi) of that paragraph.
- (2) The provisions of Article 34-10, paragraph (3) apply mutatis mutandis to an examination under Article 52-18, paragraph (1) of the Act pertaining to the application of authorization pursuant to the provisions of the preceding paragraph.

(Application of Authorization for Concurrent Holding of Positions as a Director of Bank Holding Company)

Article 34-14 (1) When seeking authorization to engage in the ordinary business of another company pursuant to the provisions of Article 52-19, paragraph (1) of the Act, a director engaged in the ordinary business of a bank holding company (with regard to a company with nominating committee, etc., executive officers; with regard to a bank holding company located in a foreign state (meaning a foreign holding company, of which subsidiary company is a bank, and which was established after obtaining an authorization as prescribed in Article 52-17, paragraph (1) of the Act or which has obtained the authorization as prescribed in the proviso of paragraph (3) of that Article; the same applies hereinafter), a director or executive officer engaged in the ordinary business of a bank holding company located in a foreign state, or a person that is assigned to equivalent duties to the above; the same applies in the following paragraph) must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency or

other competent authorities via the bank holding company:

- (i) a written statement of reasons;
 - (ii) a resume;
 - (iii) a document stating the methods of conducting ordinary business at the bank holding company and the other company;
 - (iv) a document stating transactions between the bank holding company and its subsidiary company and the other company, and other relationships; and
 - (v) the other company's articles of incorporation (including documents equivalent to this), the latest business report, balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest conditions of business, assets, and profit and loss.
- (2) When an application of authorization under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authority is to examine whether it is likely to prevent sound and appropriate management of the services of the bank that is a subsidiary company of the bank holding company when the director who engages in ordinary business of a bank holding company who filed the application engages in the ordinary business of the other company.

Subsection 2 Business and Subsidiary Companies

(Content of Business Management of a Bank Holding Company Group by a Bank Holding Company)

Article 34-14-2 (1) The policy specified by Cabinet Office Order as constituting the policy prescribed in Article 52-21, paragraph (4), item (i) of the Act are the following policies:

- (i) policies concerning income and expenditure, capital allocation and adequacy of equity capital regarding the bank holding company group and other policies concerning risk management; and
 - (ii) policies concerning the development of the bank holding company group's crisis management systems in preparation for events such as disasters.
- (2) The system specified by Cabinet Office Order that is provided for in Article 52-21, paragraph (4), item (iii) of the Act means a system to ensure that the directors, executive officers, members in charge of executing business, persons in charge of performing the duties referred to in Article 598, paragraph (1) of the Companies Act, and other persons equivalent to these persons, and employees, all of whom belong to the companies that belong to the bank holding company group, perform their respective duties in the bank holding company in compliance with laws and regulations.
- (3) The activities specified by Cabinet Office Order that are provided for in Article 52-21, paragraph (4), item (iv) of the Act are formulating a

reconstruction plan (meaning a plan for business reconstruction of a bank holding company group that needs to improve the conditions of its business management or assets; hereinafter the same applies in this paragraph) for the bank holding company group (limited to a bank holding company group designated by the Commissioner of the Financial Services Agency as one that needs to formulate a reconstruction plan), and ensuring the proper implementation thereof.

(Services of Companies Belonging to a Group That a Bank Holding Company May Perform)

Article 34-14-3 The services specified by Cabinet Office Order that are provided for in Article 52-21-2, paragraph (1) of the Act are the following services:

- (i) services involved in the management of assets of a bank, long-term credit bank and foreign company engaged in banking, which belong to the bank holding company group;
- (ii) services for conducting negotiations regarding a business transfer or acquisition, merger, company split, share exchange, share transfer or transfer or acquisition of shares, etc., for the companies that belong to the bank holding company group;
- (iii) services for conducting an examination as a precondition for the decision on the granting of credit as required when a bank, long-term credit bank or foreign company engaged in banking seeks to grant credit;
- (iv) services for performing the design, operation or maintenance of a system that functions by using a computer, or the design, development or sale of a computer program (including selling peripheral equipment that is necessary in association with the sale of a software program) or maintenance of such program, for the companies that belong to the bank holding company group;
- (v) services for renting out real property (as a general rule, limited to real property for business use) to the companies that belong to the bank holding company group, or for maintaining, inspecting, or otherwise managing real property or accompanying equipment thereof owned by such companies;
- (vi) services for performing the administrative processes involved in benefits for officers or employees of the companies that belong to the bank holding company group;
- (vii) services for purchasing or managing articles for use in the administrative processes of the companies that belong to the bank holding company group;
- (viii) services for printing or bookbinding of documents, vouchers, or other documents concerning the administrative processes of the companies that belong to the bank holding company group;
- (ix) services for allowing the companies that belong to the bank holding company group to use machinery and other articles;

- (x) services for advertising or promoting the business of the companies that belong to the bank holding company group;
- (xi) services for investigating or providing information as necessary for the services of the companies that belong to the bank holding company group (excluding services for evaluating property that is the object of security for a claim connected to the lending of funds or other granting of credit by the companies that belong to the bank holding company group, for maintaining the property that is the object of the security, or for undertaking other necessary administrative processes related to that property);
- (xii) business of developing products pertaining to the business conducted pursuant to the provisions of Article 10 of the Act;
- (xiii) services for undertaking calculations for the administrative processes of the companies that belong to the bank holding company group;
- (xiv) services for preparing, arranging, storing, sending, or delivering documents, vouchers, or any other documentation regarding administrative processes of the companies that belong to the bank holding company group;
- (xv) services of acting as an agent for administrative processes between the companies that belong to the bank holding company group and their customers;
- (xvi) services for providing education or training to the officers or employees of the companies that belong to the bank holding company group; and
- (xvii) services incidental to services set forth in the preceding items.

(Application for Authorization for Conducting Services Common to Companies Belonging to a Group)

Article 34-14-4 (1) When a bank holding company seeks to obtain an authorization under the provisions of Article 52-21-2, paragraph (2) of the Act, it must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the latest consolidated balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest conditions of business, assets, and profit and loss of the bank holding company and its subsidiary companies, etc.;
- (iii) a document stating an estimation of income and expenditures of the business to which that authorization pertains after obtaining the authorization;
- (iv) a document stating an estimation of income and expenditures and the consolidated capital adequacy ratio of the bank holding company and its subsidiary companies, etc. after obtaining the authorization;

- (v) a document showing the content of the business to which that authorization pertains and the system for executing the business;
 - (vi) a document showing the extent to which it has secured employees with knowledge and experience concerning the business to which that authorization pertains; and
 - (vii) other documents stating information that should serve as a reference in conducting an examination.
- (2) When an application of authorization is filed pursuant to the provisions of the preceding paragraph, the Commissioner of the Financial Services Agency is to examine whether it conforms to the following standards:
- (i) if the bank holding company which filed the application conducts the business to which that authorization pertains, it is expected that the uniform and efficient management of the bank holding company group's services would be promoted;
 - (ii) in light of things such as the systems associated with the business management of its subsidiary companies, the bank holding company which filed the application continues to be capable of carrying out the precise, fair, and efficient business management of the bank holding company group to which the bank holding company belongs, even after it commences the business to which that authorization pertains; and
 - (iii) in light of its personnel structure, the bank holding company which filed the application is capable of conducting the business to which that authorization pertains properly and fairly.

(Scope of Business Pertaining to the Development of a System to Protect Customers' Interests)

Article 34-14-5 The services specified by Cabinet Office Order that are provided for in Article 52-21-3, paragraph (1) of the Act means bank-related services.

(Measures Necessary to Prevent a Customer's Interests from Being Unduly Harmed)

Article 34-14-6 (1) A bank holding company must take the following measures to ensure that a transaction carried out by a bank that is its subsidiary company does not unduly harm the interests of a customer of the bank services conducted by a bank that is its subsidiary company; to ensure that a transaction carried out by a bank agent whose principal bank is a bank that is the relevant bank holding company's subsidiary company does not unduly harm the interests of a customer of the bank services conducted by a bank agent whose principal bank is a bank that is the relevant bank holding company's subsidiary company; and to ensure that a transaction carried out by the parent financial institution, etc. (meaning a parent financial institution,

etc., prescribed in Article 52-21-3, paragraph (2) of the Act; hereinafter the same applies in this Article) or a subsidiary financial institution, etc. of the relevant bank holding company does not unduly harm the interests of a customer of the bank services conducted by a subsidiary financial institution, etc. of the bank holding company:

- (i) development of a system to identify the subject transactions in an appropriate manner;
 - (ii) development of a system to properly ensure the protection of the customer by the following methods or other methods:
 - (a) method for separating the department conducting subject transactions and the department conducting transactions with the customer
 - (b) method for changing the conditions or method of subject transactions or transactions with the customer
 - (c) method for interrupting subject transactions or transactions with the customer
 - (d) method for appropriately disclosing to the customer that there is a risk that the customer's interests will be unduly harmed in connection with a subject transaction;
 - (iii) formulation of the policy of implementation of the measures set forth in the preceding two items and disclosure of their outline by an appropriate method;
 - (iv) preserving the following records:
 - (a) records pertaining to the identification of subject transactions conducted under the system prescribed in item (i)
 - (b) records pertaining to measures to appropriately ensure the protection of customers conducted under the system prescribed in item (ii).
- (2) The record prescribed in item (iv) of the preceding paragraph must be preserved for five years from the date of the creation.
- (3) The term "subject transaction" in paragraph (1) means a transaction that is carried out by a bank which is a subsidiary company of a bank holding company and that brings about the risk of unduly harming the interests of a customer of the bank services it conducts; a transaction that is carried out by bank agent which has a bank that is a subsidiary company of the relevant bank holding company as its principal bank and that brings about the risk of unduly harming the interests of a customer of the bank services it conducts; or a transaction that is carried out by the parent financial institution, etc. or subsidiary financial institution, etc. of the relevant bank holding company and that brings about the risk of unduly harming the interests of a customer of the bank services conducted by a subsidiary financial institution, etc. of the relevant bank holding company.

- (Credit Granted to a Single Person Pertaining to a Bank Holding Company)
- Article 34-15 (1) The provisions of Article 14-4 apply mutatis mutandis to a person that has a unique relationship with a bank holding company as specified by Cabinet Office Order which is provided for in the main clause of Article 52-22, paragraph (1) of the Act.
- (2) The provisions of Article 14-2 apply mutatis mutandis to the calculation method of the amount in which credit is granted and contribution are made (meaning the granting of credit or the making of contribution as prescribed in the main clause of Article 52-22, paragraph (1) of the Act; hereinafter the same applies in this Article) to a single person by a bank holding company or its subsidiary company, etc. (meaning a subsidiary company, etc. prescribed in the main clause of that paragraph; hereinafter the same applies in this Article) and other necessary particulars for applying the provisions of that paragraph. In this case, the term "the bank" is deemed to be replaced with the "the bank holding company."
- (3) The amount of credit to be granted or contribution to be made to a single person of a bank holding company or its subsidiary company, etc., with regard to each of the bank holding company or its subsidiary company, etc., is to be calculated by deducting the amount subject to adjustment pertaining to the single person from the total amount in which credit has been granted or contribution have been made that is calculated in accordance with the example prescribed in the provisions of Article 14-2, paragraph (1) as applied mutatis mutandis pursuant to the preceding paragraph (except for the amount contributed by the bank holding company to the single person as prescribed in Article 14, paragraph (3)).
- (4) The term "amount subject to adjustment" as prescribed in the preceding paragraph means the amount guaranteed by the bank holding company or its subsidiary company, etc. among the amount of funds to be lent by the subsidiary company, etc. or any other amount specified by the Commissioner of the Financial Services Agency.
- (5) The net total amount of equity capital as prescribed in the main clause of Article 52-22, paragraph (1) of the Act is the amount of equity capital calculated in accordance with the standards as prescribed in Article 52-25 of the Act after adding necessary adjustments pursuant to the provisions specified by the Commissioner of the Financial Services Agency.
- (6) If a bank holding company seeks approval for it or its subsidiary company, etc. under the proviso to Article 52-22, paragraph (1) of the Act to grant credit or make a contribution to a single person that exceeds the limit on credit and contribution pertaining to the bank holding company as prescribed in the main clause of the paragraph, it must attach the documents set forth in each item of Article 14-3, paragraph (3) to a written application for approval and submit

them to the Commissioner of the Financial Services Agency or other competent authorities.

- (7) A person that is considered to be substantially the same as a bank holding company or its subsidiary company, etc., that grants credit and makes contribution as provided for in Article 52-22, paragraph (2), item (ii) of the Act, means that bank holding company or that bank holding company's subsidiary company, etc. (meaning a subsidiary company, etc. as prescribed in Article 14-4 as applied mutatis mutandis pursuant to paragraph (1)).

(Scope of Subsidiary Companies of a Bank Holding Company)

Article 34-16 (1) The bank holding company, its subsidiary companies, and other persons specified by Cabinet Office Order as being similar thereto that are provided for in Article 52-23, paragraph (1), item (x) of the Act means:

- (i) the relevant bank holding company's group of bank holding companies (meaning a group which includes a bank or companies set forth in Article 52-23, paragraph (1), item (i) or item (vi) of the Act among a group of two or more subsidiary companies of the bank holding company or a group of the bank holding company and its subsidiary companies; the same applies in the following item);
 - (ii) the bank holding company's group of bank holding companies and the following persons:
 - (a) a person as set forth in Article 17-2, paragraph (4), item (iv);
 - (b) another bank holding company's group of bank holding companies; and
 - (c) a long-term credit bank holding company's group of long-term credit bank holding companies.
- (2) The term a "group of long-term credit bank holding companies" as prescribed in the preceding paragraph, item (ii), sub-item (c) means a group that includes a long-term credit bank or companies set forth in Article 16-4, paragraph (1), item (i) or (vi) of the Long-Term Credit Bank Act among a group of two or more subsidiary companies of a group of long-term credit bank holding companies or a group of the long-term credit bank holding companies and its subsidiary companies, etc.
- (3) The services specified by Cabinet Office Order that are provided for in Article 52-23, paragraph (1), item (x), sub-item (a) of the Act means:
- (i) services for leasing real property (as a general rule, limited to real property for business acquired from or leased to a bank holding company that is a subsidiary company, or its subsidiary company) for another business operator, or for maintaining, inspecting, or otherwise managing real property or incidental equipment to the real property that is owned by another business operator;
 - (ii) services for performing the administrative processes involved in benefits for

- officers or employees of another business operator;
- (iii) services for purchasing or managing articles for use in another business operator's administrative processes;
 - (iv) services for printing or bookbinding of documents, vouchers, or other statements for the administrative processes of another business operator;
 - (v) services for advertising or promoting the business of another business operator;
 - (vi) services for operating, maintaining, inspecting, or otherwise managing automobiles for another business operator;
 - (vii) services for investigating or providing information necessary for the services of another business operator (except for the case corresponding to item (x));
 - (viii) services for maintaining, inspecting, or otherwise managing cash dispensers, etc. of another business operator;
 - (ix) services for preparing or sending postcards or sealed documents that solicit persons to enter into contracts related to the business of another business operator or that explain the contents of the contracts;
 - (x) services for evaluating property that is the object of security for a claim related to the lending of funds or other granting of credit by another business operator, for maintaining the property that is the object of the security, or for undertaking other necessary administrative processes related to that property;
 - (x)-2 services for acting as agency or intermediary in the sale and purchase of the property (excluding real property) that is the object of security on behalf of another person conducting business, if it is necessary for the other business operator to exercise a security right in order to collect on a claim related to the lending of funds or other granting of credit;
 - (xi) services to provide consultations for the lending of funds by another business operator (limited to the lending of the necessary funds to purchase a home or any other lending of funds to consumers), or services to act as an agent for the administrative processes related to lending of funds by another business operator or to undertake any other administrative process that is necessary in relation to lending of funds by another business operator;
 - (xii) services involving foreign exchange transactions, letters of credit, or traveler's checks, or services for undertaking the necessary administrative processes involved in lending, discounting of bills and notes, debt guarantee, or accepting of bills and notes of funds that are directly necessary for import or export or any other overseas transactions carried out by another business operator;
 - (xiii) services for undertaking calculations related to the administrative processes of another business operator;

- (xiv) services for preparing, arranging, storing, sending, or delivering documents, vouchers, or any other documentation related to the administrative processes of another business operator;
- (xv) services for acting as an agent in administrative processes between another business operator and customers of the other business operator;
- (xvi) a staffing services as provided in Article 2, item (iii) of the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers, or employment placement services carried out after obtaining a permission pursuant to the provisions of Article 30, paragraph (1) of the Employment Security Act;
- (xvii) services for undertaking administrative processes involving computers for another business operator (including services for designing or maintaining a system that functions using a computer, or for designing, developing, or selling a software program (including selling peripheral equipment that is necessary in association with the sale of a software program) or for maintaining it);
- (xviii) services for providing education or training to the officers or employees of another business operator;
- (xix) services for transporting cash, checks, bills and notes, or securities of another business operator (except those corresponding to the following item and item (xxi));
- (xx) services for collecting and delivering cash, checks, bills and notes, or certificates to and from a major client of another business operator;
- (xxi) services for accepting and delivering securities in connection with the services of another business operator to and from a major client of that business operator;
- (xxii) services for organizing cash, checks, bills and notes, or securities, confirming their amounts or number, or retaining their custody temporarily on behalf of another business operator;
- (xxiii) services for investing on behalf of an insurance company which is a subsidiary company;
- (xxiv) if it is necessary for a bank, long-term credit bank, or insurance company that is a subsidiary company of the bank holding company of which the person in question is a subsidiary company (hereinafter referred to as a "fellow bank, etc.") to exercise a security right to collect on a claim related to the lending of funds or other granting of credit, services for purchasing the property that is the object of security for the claim at an appropriate price for the fellow bank, etc. and services for possessing the purchased property, managing it, and undertaking any other necessary administrative processes in relation with it;
- (xxv) other services specified by the Commissioner of the Financial Services

- Agency as being equivalent to the services set forth in items (i) to the preceding item; or
- (xxvi) services incidental to the services set forth in each of the preceding items (limited to services performed by a person performing services as set forth in each of those items).
- (4) The company specified by Cabinet Office Order that is provided for in Article 52-23, paragraph (1), item (xi) of the Act means a company as prescribed in Article 17-2, paragraph (6).
- (5) The company specified by Cabinet Office Order as prescribed in Article 52-23, paragraph (1), item (xi)-2 of the Act is the company prescribed in Article 17-2, paragraph (7).
- (6) The requirements specified by Cabinet Office Order as prescribed in Article 52-23, paragraph (1), item (xi)-2 of the Act are that a bank holding company or its subsidiary company acquires voting rights in the company prescribed in Article 17-2, paragraph (7) (excluding one that falls under item (ix) of that paragraph) satisfies all of the requirements set forth in the following items:
- (i) a business plan (meaning a business plan as referred to in Article 52-23, paragraph (1), item (xi)-2 of the Act) has been prepared that includes human-resources or financial assistance by a bank, etc. as prescribed in Article 52-61, paragraph (1) of the Act or any other such assistance for business rehabilitation that is provided by such a bank, etc.; and
 - (ii) one of the following persons has been involved in formulating the business plan referred to in the preceding item:
 - (a) a public agency;
 - (b) a commercial and industrial association or chamber of commerce and industry;
 - (c) any entity equivalent to (a) or (b);
 - (d) an attorney or legal professional corporation;
 - (e) a certified public accountant or audit corporation;
 - (f) a certified public tax accountant or tax accountancy corporation; or
 - (g) a company that carries out the services set forth in Article 17-3, paragraph (2), item (xv) (limited to a company other than a subsidiary company, etc. (meaning a subsidiary company, etc. as prescribed in Article 52-25 of the Act) of the bank holding company)).
- (7) Other than a company as provided in paragraph (4), a company that corresponds to a company as prescribed in paragraph (4) at the time when its voting rights were acquired by a bank holding company or its subsidiary company (including a company that is to become a subsidiary company; hereinafter the same applies in this paragraph) due to grounds other than the acquisition of shares, etc. through the exercise of the security right and the ground set forth in paragraph (1), item (i) of the following Article (if the voting

rights in the company are acquired by the bank holding company or its subsidiary company on two or more occasions: on the latest occasion of the acquisition due to grounds other than the acquisition of shares, etc. through the exercise of the security right and the ground set forth in that item) is also considered as corresponding to a company as specified by Cabinet Office Order, as prescribed in Article 52-23, paragraph (1), item (xi) of the Act which pertains to the bank holding company, unless the voting rights are newly acquired by the bank holding company or its subsidiary company due to grounds other than the acquisition of shares, etc. through the exercise of the security right and the cause set forth in paragraph (1), item (i) of the following Article.

- (8) The provisions of the preceding paragraph apply mutatis mutandis to a company that corresponds to a company prescribed in paragraph (5). In this case, the phrase "Article 52-23, paragraph (1), item (xi)" in the preceding paragraph is deemed to be replaced with "Article 52-23, paragraph (1), item (xi)-2."
- (9) Notwithstanding the provisions of paragraph (4) to the preceding paragraph (excluding paragraph (6)), if a specified subsidiary company (meaning a subsidiary company of a bank holding company that carries out only the business set forth in Article 17-3, paragraph (2), item (xii) and other business incidental thereto; hereinafter the same applies in this paragraph, the following paragraph, and Article 34-23-2, paragraph (2)) does not dispose of the voting rights acquired thereby in a company as prescribed in paragraph (4) or (7) (hereinafter referred to as a "company cultivating a new business field" in this paragraph), or in a company prescribed in paragraph (5) or a company that corresponds to a company specified by Cabinet Office Order referred to in paragraph (7) applied mutatis mutandis pursuant to the preceding paragraph by replacing terms (hereinafter referred to as a "company in the business revitalization process" in this Section and Article 35, paragraph (3), item (ix)), by the base disposition date (meaning: the day on which fifteen years have elapsed from the date of the acquisition of the voting rights in a company cultivating a new business field; the day on which five years have elapsed from the date of the acquisition of the voting rights in a company in the business revitalization process which falls under Article 17-2, paragraph (7), item (ix); or the day on which ten years have elapsed from the date of the acquisition of the voting rights in a company in the business revitalization process other than the company which falls under that item (if the voting rights are voting rights in a company prescribed in that paragraph (limited to one that falls under item (v) or (vi) of that paragraph), and the period during which the company receives the assistance exceeds ten years from the day of the acquisition of the voting rights: the day on which the assistance ends); hereinafter the same

applies in this paragraph), the company cultivating a new business field or company in the business revitalization process (hereinafter referred to as a "company cultivating a new business field, etc." in this paragraph, Article 34-20, paragraph (1), item (ix), and Article 34-23-2, paragraph (3)) is considered as not corresponding to a company specified by Cabinet Office Order as prescribed in Article 52-23, paragraph (1), item (xi) of the Act which pertains to the bank holding company in the case of a company cultivating a new business field, or to a company specified by Cabinet Office Order as prescribed in item (xi)-2 of that paragraph which pertains to the bank holding company in the case of a company in the business revitalization process, respectively, from the day following the base disposition date; provided, however, that this does not apply, if the disposition is performed, and the number of voting rights in the company cultivating a new business field, etc. held by the bank holding company or its subsidiary company falls below the base number of voting rights as of the base disposition date (with regard to the voting rights in a domestic company and voting right in a company in the business revitalization process (limited to one that satisfies the requirements specified in paragraph (6); the same applies in the following paragraph, Article 34-20, paragraph (1), item (ix), Article 34-23-2, paragraph (3), and Article 35, paragraph (3), item (ix)), meaning the number of voting rights obtained by multiplying total shareholder or investor voting rights by fifteen percent; and with regard to the voting rights in a foreign company, meaning the number of voting rights obtained by multiplying total shareholder or investor voting rights by fifty percent; hereinafter the same applies in this paragraph and the following paragraph), and if the specified subsidiary company disposes of a part of the voting rights exceeding the base number of voting rights as of the base disposition date among the voting rights in the company cultivating a new business field, etc. held by the bank holding company or its subsidiary company, during the period from the date of the acquisition to the base disposition date.

- (10) Notwithstanding the provisions of paragraphs (5) and (8), if a bank holding company or its subsidiary company other than a specified subsidiary company does not dispose of the voting rights acquired thereby in a company in the business revitalization process by the base disposition date (meaning the day on which the period specified in the items of Article 17-2, paragraph (12) has elapsed from the date of the acquisition of the voting rights in accordance with the categories of voting rights set forth respectively in those items; hereinafter the same applies in this paragraph), the company in the business revitalization process is considered as not corresponding to a company specified by Cabinet Office Order as prescribed in Article 52-23, paragraph (1), item (xi)-2 of the Act which pertains to the bank holding company from the day following the base disposition date; provided, however, that this does not apply, in the case where

the disposition is performed and the number of voting rights in the company in the business revitalization process held by the bank holding company or its subsidiary company other than a specified subsidiary company falls below the base number of voting rights as of the base disposition date, and the bank holding company or its subsidiary company other than a specified subsidiary company disposes of a part of voting rights exceeding the base number of voting rights as of the base disposition date among the voting rights in the company in the business revitalization process held by the bank holding company or its subsidiary company other than a specified subsidiary company, during the period from the date of the acquisition to the base disposition date.

(11) The company specified by Cabinet Office Order that is provided for in Article 52-23, paragraph (1), item (xi) of the Act means a company engaging exclusively in services as set forth in Article 17-3, paragraph (2), item (xii) and services incidental thereto.

(12) The company specified by Cabinet Office Order that is provided for in Article 52-23, paragraph (1), item (xii) of the Act means as follows; provided, however that if the relevant holding company carries out a business as set forth in each item of Article 17-3, paragraph (1), the business must be that carried out for business that is carried out by a bank, its subsidiary company, or a person as set forth in each item of paragraph (1) pursuant to the standards specified by the Commissioner of the Financial Services Agency:

(i) with regard to a holding company of which subsidiary company is a company specialized in securities, a company specialized in securities intermediation, or a foreign company that carries out securities-related business as prescribed in Article 52-23, paragraph (1), item (vii) of the Act (excluding a foreign company that carries out banking) and company specializing in trust business or a foreign company that carries out trust business as prescribed in item (ix) of that paragraph (excluding a foreign company that carries out banking), a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (xxiv) to (xxxiv)) (limited to cases in which the company does not hold the company as prescribed in Article 16-2, paragraph (1), items (i), (ii), (v), (v)-2, (vii), and (ix) of the Act as its subsidiary company; the same applies hereinafter except in the following item and item (iii));

(ii) with regard to a holding company whose subsidiary company is a company specializing in securities, company specialized in securities intermediation, or a foreign company that carries out securities-related business as prescribed in Article 52-23, paragraph (1), item (vii) of the Act (excluding a foreign company that carries out banking), a holding company that only engages in the business of managing its subsidiary company's business,

- business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (xxiv) to (xxxvii)) (limited to cases in which the company does not hold the company as prescribed in Article 16-2, paragraph (1), items (i), (ii), (v) to (vii), (ix), and (x) of the Act as its subsidiary company);
- (iii) with regard to a holding company whose subsidiary company is a company specializing in trust business or a foreign company that carries out trust business as provided in Article 52-23, paragraph (1), item (ix) of the Act (excluding a foreign company that carries out banking), a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (xix) to (xxxiv)) (limited to cases in which the company does not hold the company as provided in Article 16-2, paragraph (1), items (i), (ii), (iii) to (v)-2, and (vii) to (ix) of the Act as its subsidiary company);
- (iv) with regard to a holding company whose subsidiary company is a company as provided in Article 52-23, paragraph (1), item (i)-2, or items (x) to (xi)-3 of the Act, a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (xix) to (xxxiv));
- (v) with regard to a holding company as prescribed in Article 17-3, paragraph (6) of the Act among the subsidiary companies of a company specializing in securities or a company specializing in securities intermediation that is a subsidiary company of the bank as prescribed in Article 16-2, paragraph (2), item (vi), sub-item (c) of the Act, a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (xxiv) to (xxxvii));
- (vi) with regard to a holding company as prescribed in Article 17-3, paragraph (7) of the Act among subsidiary companies of an insurance company that is a subsidiary company of the bank as prescribed in Article 16-2, paragraph (2), item (vii), sub-item (c) of the Act, a holding company that only engages in the business of managing its subsidiary company's business, business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (xiv) to (xxiii), and (xxxv) to (xxxvii)); or
- (vii) with regard to a holding company as prescribed in Article 17-3, paragraph (8) of the Act among subsidiary companies of a trust bank or a company specializing in trust business, which is a subsidiary company of the bank as prescribed in Article 16-2, paragraph (2), item (viii), sub-item (d) of the Act, a holding company that only engages in the business of managing its

subsidiary company's business, business incidental to this, and business as set forth in each item, paragraphs (1) and (2) of that Article (excluding items (xiv) to (xxxiv)).

- (13) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to voting rights as prescribed in paragraph (6), paragraph (7) (including as applied mutatis mutandis pursuant to paragraph (8) by replacing terms), paragraph (9) and paragraph (10).

(Grounds for Non-Applicability of the Provisions of Article 52-23, Paragraph (1) of the Act)

Article 34-17 (1) The grounds specified by Cabinet Office Order that are provided for in the main clause of Article 52-23, paragraph (2) of the Act are the following grounds:

- (i) acquisition of shares, etc. by acceptance of accord and satisfaction of a bank holding company or its subsidiary company;
 - (ii) acquisition of voting rights from shares or equity held by a bank holding company or its subsidiary company in respect of which voting rights cannot be exercised (limited to acquisition due to the occurrence of an event that is not based on the intention of the bank holding company or its subsidiary company);
 - (iii) conversion of shares of a company for which shares are held by a bank holding company or its subsidiary company (excluding the cases of conversion that are requested by the bank holding company or its subsidiary company);
 - (iv) consolidation, split, allotment of shares without contribution of shares, etc. of a company for which shares, etc. are held by a bank holding company or its subsidiary company;
 - (v) change of content of rights or number of share units pertaining to shares, etc. due to a change of articles of incorporation of a company for which shares, etc. are held by a bank holding company or its subsidiary company;
 - (vi) acquisition of its own shares, etc. of a company for which shares, etc. are held by a bank holding company or its subsidiary company; or
 - (vii) acquisition of shares, etc. by a company set forth in Article 52-23, paragraph (1), item (xi) or item (xi)-2 of the Act that is a subsidiary company of a bank holding company.
- (2) The ground specified by Cabinet Office Order that is provided for in the proviso to Article 52-23, paragraph (2) of the Act is the ground set forth in item (vii) of the preceding paragraph.
- (3) The grounds specified by Cabinet Office Order that are provided for in Article 52-23, paragraph (7) of the Act are the acquisition of shares, etc. by a bank holding company or its subsidiary company through the exercise of a security

right or any of the grounds set forth in paragraph (1), items (i) to (vi).

(Exclusion of Bank, etc. Eligible to Be a Subsidiary Company from Companies Eligible to Be Subsidiary Companies)

Article 34-18 The company specified by Cabinet Office Order that is provided for in Article 52-23, paragraph (6) of the Act means a company that exclusively conducts the following services:

- (i) services set forth in Article 17-3, paragraph (2), items (i) to (xviii)-5;
- (ii) other services as provided by the Commissioner of the Financial Services Agency as being similar to services set forth in the preceding item; or
- (iii) services set forth in Article 17-3, paragraph (2), item (xxxix) that are related to services incidental to the services set forth in the preceding two items.

(Application for Authorization to Make a Bank Eligible to Be a Subsidiary Company a Subsidiary Company)

Article 34-19 (1) When a bank holding company seeks to obtain authorization for making a bank, etc. eligible to be a subsidiary company (meaning a bank, etc. eligible to be a subsidiary company as prescribed in Article 52-23, paragraph (6) of the Act, and excluding a company set forth in paragraph (1), item (xi)-3 of that Article (hereinafter referred to as an "advanced banking service company" in this Section, and Article 35, paragraph (1)); hereinafter the same applies in this Article) its subsidiary company pursuant to the provisions of that paragraph, it must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning the bank holding company:
 - (a) documents showing the systems associated with the business management of the subsidiary company that the bank holding company carries out;
 - (b) documents showing the extent to which it has secured employees with knowledge and experience concerning banks' services;
 - (c) if the bank, etc. eligible to be a subsidiary company would become its subsidiary company due to a share exchange, the following documents:
 1. minutes of shareholders meeting and other documents proving that necessary procedures were taken;
 2. documents stating the details of the share exchange agreement;
 3. documents stating the costs for the share exchange;
- (iii) the following documents concerning the bank holding company and its subsidiary company, etc. (meaning a subsidiary company, etc., as prescribed

in Article 52-25 of the Act; hereinafter the same applies in this item; the following paragraph; paragraph (1), item (iii) of the following Article; Article 34-29, paragraph (1), items (v) and (ix); Article 34-30, paragraph (1), items (v) and (ix); Article 34-31, paragraph (1), items (iv) and (vi); and Article 35, paragraph (3)):

- (a) with regard to the bank holding company and its subsidiary company, etc., the latest consolidated balance sheet, profit and loss statement, and statement of changes in net assets (including documents similar thereto; the same applies in paragraph (1), item (iii), sub-item (a) of the following Article, and Article 34-19-5, paragraph (1), item (iii), sub-item (a)), and other documents providing the latest status of business, assets, and profit and loss in these companies; and
 - (b) documents stating the estimated income and expenditures and consolidated capital adequacy ratio of the bank holding company and its subsidiary company, etc. (including a company that will become a subsidiary company, etc.) after obtaining the authorization;
 - (iv) the following documents concerning the bank, etc. eligible to be a subsidiary company to which that authorization pertains:
 - (a) documents stating the name, the location of its main business office or office;
 - (b) documents stating the content of business;
 - (c) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest status of business, assets, and profit and loss; and
 - (d) documents stating the titles and names of the officers (if an officer is a corporation, including the person responsible for performing the duties thereof).
 - (v) if, by making the bank, etc. eligible to be a subsidiary company to which the authorization pertains its subsidiary company, the bank holding company or its subsidiary companies would come to hold voting rights in a domestic company that, when combined, would exceed the maximum threshold for voting rights, documents stating the name and content of business of the domestic company; and
 - (vi) other documents stating information that should serve as a reference in conducting an examination under the following paragraph.
- (2) When an application for authorization under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency is to examine whether it conforms to the following standards:
- (i) the income and expenditures of the bank holding company that filed the application and its subsidiary companies, etc. are satisfactory at the time of the application and are expected to also remain satisfactory after the bank,

- etc. eligible to be a subsidiary company to which the authorization pertains is made its subsidiary company;
- (ii) the consolidated capital adequacy ratio of the bank holding company that filed the application and its subsidiary companies, etc. (including the bank, etc. eligible to be a subsidiary company to which that authorization pertains) is expected to reach an appropriate level;
 - (iii) the bank holding company that filed the application, in light of things such as its personnel structure and the systems associated with its business management of the subsidiary company, is able to reliably and fairly perform the business management of the bank, etc. eligible to be a subsidiary company to which that authorization pertains; and
 - (iv) the bank, etc. eligible to be a subsidiary company to which the authorization pertains is capable of performing its business properly and fairly.
- (3) When a bank holding company seeks to obtain an approval under Article 52-23, paragraph (4) of the Act for continuing to have a foreign company that is not a company eligible to be a subsidiary company (meaning a company eligible to be a subsidiary company prescribed in paragraph (1) of that Article; hereinafter the same applies in this paragraph) as its subsidiary company, it must attach the following documents to a written application for approval and submit them to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) a document stating the policies on holding the voting rights in the foreign company that is not a company eligible to be a subsidiary company for which approval is sought;
 - (iii) the following documents concerning the foreign company that is not a company eligible to be a subsidiary company for which approval is sought:
 - (a) a document stating the name and the location of its main business office or office;
 - (b) a document stating the content of its business;
 - (c) the latest balance sheet, profit and loss statement, statement of changes in net assets (including documents similar thereto), and other documents that provide the latest conditions of business, assets, and profit and loss; and
 - (d) a document stating the titles and names of the officers (if an officer is a corporation, including the person responsible for performing the duties thereof); and
 - (iv) other documents stating information that should serve as a reference in conducting an examination regarding the approval under the provisions of Article 52-23, paragraph (4) of the Act.
- (4) The provisions of paragraphs (1) and (2) apply *mutatis mutandis* to the

authorization under the provisions of the proviso to Article 52-23, paragraph (7) of the Act (excluding the authorization for allowing a bank holding company or its subsidiary companies, having acquired or come to hold voting rights in an advanced banking service company, which in total exceed the maximum threshold for voting rights, to continue to hold the voting rights that exceed the maximum threshold for voting rights, or to continue to have as a subsidiary company a foreign advanced banking service company that has become a subsidiary company).

- (5) The provisions of paragraph (1) apply mutatis mutandis to an authorization pursuant to the provisions of Article 52-23, paragraph (8) of the Act.
- (6) The provisions of Article 2, paragraph (1) of the Act apply mutatis mutandis to voting rights as prescribed in paragraph (1), item (v) (including as applied mutatis mutandis pursuant to the preceding two paragraphs), paragraph (3), item (ii), and paragraph (4).

(Application for Authorization to Make an Advanced Banking Service Company a Subsidiary Company)

Article 34-19-2 (1) If a bank holding company seeks to obtain authorization for itself or its subsidiary companies to acquire or hold voting rights in an advanced banking service company, which in total exceed the maximum threshold for voting rights (meaning the maximum threshold for voting rights prescribed in Article 52-24, paragraph (1) of the Act; hereinafter the same applies in this Article), or to make a foreign advanced banking service company into a subsidiary company, it must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning the bank holding company:
 - (a) a document showing the extent to which it has secured employees with knowledge and experience concerning banks' services; and
 - (b) if the bank holding company or its subsidiary companies seeks to acquire or hold, through a share exchange, voting rights in an advanced banking service company, which in total exceed the maximum threshold for voting rights, or to make a foreign advanced banking service company into a subsidiary company, the following documents:
 - 1. minutes of shareholders meetings or other documents proving that necessary procedures were taken;
 - 2. a document stating the content of the share exchange contract; and
 - 3. a document stating the costs for the share exchange;
- (iii) the following documents concerning the bank holding company and its subsidiary companies:

- (a) with regard to the bank holding company and its subsidiary companies, the latest consolidated balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest conditions of business, assets, and profit and loss of these companies; and
- (b) a document stating the estimated income and expenditures and the consolidated capital adequacy ratio of the bank holding company and its subsidiary companies (including the company that is to become a subsidiary company, etc.) after obtaining the authorization;
- (iv) the following documents concerning the advanced banking service company to which that authorization pertains:
 - (a) a document stating the name and the location of its main business office or office;
 - (b) a document stating the content of the business and the system for executing the business;
 - (c) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest conditions of business, assets, and profit and loss; and
 - (d) a document stating the titles and names of the officers (if an officer is a corporation, including the person responsible for performing the duties thereof);
- (v) if, by acquiring or holding voting rights in the advanced banking service company to which that authorization pertains, which in total exceed the maximum threshold for voting rights, the bank holding company or its subsidiary companies would hold voting rights in a domestic company, which in total exceed the maximum threshold for voting rights, or making a foreign advanced banking service company into a subsidiary company, a document stating the name and content of business of that domestic company; and
- (vi) other documents stating information that should serve as a reference in conducting an examination under the following paragraph.
- (2) When an application of authorization is filed pursuant to the provisions of the preceding paragraph, the Commissioner of the Financial Services Agency is to examine whether it conforms to the following standards:
 - (i) the income and expenditures of the bank holding company which filed the application and its subsidiary companies, etc. are satisfactory at the time of the application and are also expected to remain satisfactory after the bank holding company or its subsidiary companies acquire or hold voting rights in the advanced banking service company to which that authorization pertains which, in total, exceed the maximum threshold for voting rights, or make a foreign advanced banking service company into a subsidiary company;
 - (ii) even if the whole amount of investment in the advanced banking service company to which the application pertains is lost, the conditions of assets,

- and profits and losses of the bank holding company that filed the application and its subsidiary companies, etc. (excluding the company that is to become a subsidiary company, etc. based on the authorization) are expected to be satisfactory;
- (iii) the advanced banking service company to which the authorization pertains is capable of conducting its business properly and fairly;
 - (iv) if the bank holding company that filed the application or its subsidiary companies acquire or hold voting rights in the advanced banking service company to which that authorization pertains, which in total, exceed the maximum threshold for voting rights, or make a foreign advanced banking service company into a subsidiary company, it is expected to contribute to the advanced banking conducted by the banks which are subsidiary companies of the bank holding company or the enhanced convenience of users of the applicant bank;
 - (v) in light of the status of business of the bank holding company that filed the application, it is found that there is no serious risk that may affect the sound and appropriate management of the services of the banks which are subsidiary companies of the bank holding company even after the bank holding company or its subsidiary companies acquire or hold voting rights in the advanced banking service company to which that authorization pertains, which in total exceed the maximum threshold for voting rights, or make a foreign advanced banking service company into a subsidiary company;
 - (vi) it is found that there is no serious risk of a bank that is the subsidiary company of the bank holding company filing the application to wrongfully use its advantageous position as a bank in a transaction to put its customer at a disadvantage as concerns a condition or implementation of a transaction connected with its services; or it is found that there is no serious risk of the advanced banking service company subject to the relevant authorization to wrongfully use its advantageous position in transactions that involve its services to put its customer at a disadvantage as concerns a condition or implementation of a transaction connected with its services; and
 - (vii) it is found that there is no serious risk that the interests of customers of the services carried out by the banks that are subsidiary companies of the bank holding company that filed the application or by the advanced banking service company subject to the relevant authorization to be unduly harmed in relation to transactions conducted by the banks that are subsidiary companies of that bank holding company or by that advanced banking service company.
- (3) The provisions of the preceding two paragraphs apply mutatis mutandis to the authorization under the provisions of the proviso to Article 52-23, paragraph (7) of the Act (limited to the authorization for allowing a bank

holding company or its subsidiary companies, having acquired or come to hold voting rights in an advanced banking service company, which in total exceed the maximum threshold for voting rights, to continue to hold the voting rights exceeding the maximum threshold for voting rights, or continue to have as a subsidiary company a foreign advanced banking service company that has become a subsidiary company).

- (4) The provisions of paragraph (1) apply mutatis mutandis to the authorization under the provisions of Article 52-23, paragraph (9) of the Act.
- (5) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to the voting rights prescribed in paragraph (1) (including as applied mutatis mutandis pursuant to the preceding two paragraphs), paragraph (2), items (i), (iv) and (v), and paragraph (3).

(Persons Similar to a Bank Holding Company and Its Subsidiary Company)

Article 34-19-3 Persons specified by Cabinet Office Order that are provided for in Article 52-23-2, paragraph (1) item (i), sub-item (a) of the Act are those set forth in the items of Article 34-16, paragraph (1) of the Act.

(Services of Specified Bank Holding Company Subsidiaries)

Article 34-19-4 The services specified by Cabinet Office Order that are provided for in Article 52-23-2, paragraph (2) of the Act are the purchase and sale of products prescribed in Article 10, paragraph (2), item (xiv) of the Act pertaining to financial derivative transactions prescribed in that item.

(Applications for Authorization to Make a Company Eligible to Be a Special Subsidiary Company a Specified Bank Holding Company Subsidiary)

Article 34-19-5 (1) If a bank holding company seeks authorization to make a company eligible to be a special subsidiary company pursuant to the provisions of Article 52-23-2, paragraph (3) of the Act (meaning a company eligible to be a special subsidiary company as prescribed in paragraph (1) of that Article; hereinafter the same applies in this Article) a specified bank holding company subsidiary (meaning a specified bank holding company subsidiary prescribed in paragraph (1) of that Article; hereinafter the same applies in this Article and the following Articles), it must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents pertaining to the bank holding company:
 - (a) a document showing the systems associated with the business management of the specified bank holding company subsidiary that the bank holding company carries out;

- (b) a document showing the extent to which it has secured employees having knowledge and experience in banks' services;
- (c) when making a company eligible to be a special subsidiary company a specified bank holding company subsidiary by means of share exchange, the following documents:
 1. minutes of shareholders meetings and other documents proving that necessary procedures are taken;
 2. a document describing the details of the share exchange contract; and
 3. a document stating the costs of the share exchange;
- (iii) the following documents concerning the bank holding company and its subsidiary company, etc. (meaning the subsidiary company, etc. prescribed in Article 52-25 of the Act; hereinafter the same applies in this item and the following paragraph, item (i)):
 - (a) with regard to the bank holding company and its subsidiary company, etc., the latest consolidated balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide information on the latest conditions of the business, assets, and profit and loss of these companies; and
 - (b) a document giving an estimate of income and expenditures and the consolidated capital adequacy ratio of the bank holding company and its subsidiary company, etc. (including the company to become a subsidiary company, etc.) after obtaining the authorization;
- (iv) the following documents concerning the company eligible to be a special subsidiary company to which the authorization pertains:
 - (a) a document stating the name and the location of its main business office or office;
 - (b) a document stating the details of business;
 - (c) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide information on the latest conditions of business, assets, and profit and loss; and
 - (d) a document stating the titles and names of the officers (if an officer is a corporation, including the persons responsible for performing the duties thereof);
 - (v) any other documents stating information that should serve as a reference in conducting an examination under the following paragraph;
- (2) When an application for authorization under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency is to examine whether it conforms to the following standards:
 - (i) the income and expenditures of the applicant bank holding company and its subsidiary companies, etc. are satisfactory at the time of the application and are also expected to remain satisfactory after the company eligible to be a

- special subsidiary company to which the authorization pertains is made a specified bank holding company subsidiary;
- (ii) the consolidated capital adequacy ratio (meaning the consolidated capital adequacy as prescribed in Article 34-10, paragraph (1), item (iv)) of the applicant bank holding company and its subsidiary companies, etc. (meaning subsidiary companies, etc. as prescribed in that Article), the consolidated capital adequacy ratio (meaning the consolidated capital adequacy ratio as prescribed in Article 17-5, paragraph (1), item (iii), sub-item (b)) of a bank that is a subsidiary company of that bank holding company and its subsidiary companies, etc., and the non-consolidated capital adequacy ratio of the bank (meaning the ratio obtained by the formula of the criteria prescribed in Article 14-2, item (i) of the Act) are all at adequate levels at the time of the application and are expected to remain at adequate levels after the company eligible to be a special subsidiary company to which the authorization pertains is made a specified bank holding company subsidiary.
 - (iii) in light of things such as its personnel structure and the systems associated with its business management of the subsidiary company, the applicant bank holding company is capable of ensuring a proper and fair management of the company eligible to be a special subsidiary company to which the authorization pertains.
 - (iv) the company eligible to be a special subsidiary company to which the authorization pertains is capable of conducting its business properly and fairly.
 - (v) In light of the status of business of the applicant bank holding company, there is no risk that may affect the sound and proper operation of the services of the bank that is a subsidiary company of the bank holding company even after the bank holding company has made the company eligible to be a special subsidiary company to which the authorization pertains a specified bank holding company subsidiary.
- (3) The provisions of the preceding two paragraphs apply mutatis mutandis to an authorization pursuant to the provisions of the proviso to Article 52-23-2, paragraph (5) of the Act.
- (4) The provisions of paragraph (1) apply mutatis mutandis to the authorization pursuant to the provisions of Article 52-23-2, paragraph (6) of the Act.

(Requirements Found to Be Necessary for Ensuring Sound and Proper Operation of the Services of a Bank That Is a Subsidiary Company of a Bank Holding Company)

Article 34-19-6 (1) The requirements specified by Cabinet Office Order that are provided for in Article 52-23-2, paragraph (4) of the Act for the services prescribed in Article 34-19-4 of the Act are as follows:

- (i) the total amount of the commodity held by the specified bank holding company subsidiary as a result of the business prescribed in Article 34-19-4 does not exceed the amount prescribed by the Commissioner of the Financial Services Agency;
 - (ii) the company does not own any facility for storing or transporting the commodity; and
 - (iii) the company does not refine, process, or perform other processing of commodities;
- (2) The price of the commodity prescribed in item (i) of the preceding paragraph is accounted for at market value; provided, however, that if the total price of the commodity exceeds the sum of the prices of acquisition of the commodity (when the decline in the value of the merchandise is deducted as loss in the calculation of profit and loss, the balance of the deduction), the total sum.

(Grounds for Non-Applicability of the Provisions of Article 52-24, paragraph (1) of the Act)

Article 34-20 (1) The grounds specified by Cabinet Office Order that are provided for in Article 52-24, paragraph (2) of the Act are the following grounds:

- (i) acquisition of shares, etc. by exercise of the security right of a bank holding company or its subsidiary company;
- (ii) acquisition of shares, etc. by acceptance of accord and satisfaction of a bank holding company or its subsidiary company;
- (iii) acquisition of shares, etc. by a bank holding company or its subsidiary company, based on a streamlined business improvement plan with a company which it has business dealings (limited to cases in which the acquisition of shares, etc. is executed in order to extinguish a debt of the company to the bank holding company or its subsidiary company, and the cases in which the business management of the company is expected to be improved within a reasonable period of time by the acquisition of shares, etc.);
- (iv) acquisition of voting rights from shares or equity held by a bank holding company or its subsidiary company in respect of which voting rights cannot be exercised (limited to those shares or voting rights acquired due to occurrence of an event that is not based on the intention of the bank holding company or its subsidiary company);
- (v) conversion of shares of a company whose shares are held by a bank holding company or its subsidiary company (excluding cases in which the conversion is executed by request of the bank holding company or its subsidiary company);
- (vi) consolidation, split or allotment of share without contribution of shares, etc.

- of a company for which shares, etc. are held by a bank holding company or its subsidiary company;
- (vii) change of the content of rights or the number of share units pertaining to shares, etc. due to a change in articles of incorporation of a company for which shares, etc. are held by a bank holding company or its subsidiary company;
 - (viii) acquisition of own shares, etc. by a company for which shares, etc. are held by a bank holding company or its subsidiary company;
 - (ix) when seeking to dispose of the voting rights in a company cultivating a new business field, etc. pursuant to the provisions of Article 34-16, paragraph (9) or seeking to dispose of voting rights in a company in the business revitalization process pursuant to the provisions of paragraph (10) of that Article, the voting rights cannot be disposed of because transfer of the voting rights is extremely difficult due to a reason found to be compelling; and
 - (x) with regard to shares that were issued by a company with which a bank holding company or its subsidiary company has business dealings, and acquired based on a streamlined business improvement plan with that company, if an approval by the Commissioner of the Financial Services Agency has been obtained in advance for transfer of the shares (excluding those corresponding to grounds set forth in item (v)) necessary in order to dispose of the shares within a reasonable period of time in accordance with improvement in management of that company, or when there are other reasonable reasons.
- (2) When seeking to obtain an approval stated in item (x) in the preceding paragraph, a written application for approval accompanied by the following documents must be submitted to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) a document stating the trade name and content of business of a domestic company pertaining to the approval;
 - (iii) a document stating the policies concerning the method of disposition of a part of the voting rights in a domestic company pertaining to the approval that voting rights are acquired or held exceeding the maximum threshold for voting rights held; and
 - (iv) other documents stating information that should serve as a reference in conducting an examination under the following paragraph.
- (3) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency is to examine whether there are reasonable grounds for the bank holding company that filed the application to own or hold a number of voting rights exceeding

the maximum threshold for voting rights held, and whether the policies concerning method to dispose of the part of voting rights exceeding the maximum threshold for voting rights held which is to be acquired or possessed is appropriate or not.

(Application for Approval for Holding of Voting Rights Exceeding the Maximum Threshold for Voting Rights Held)

Article 34-21 (1) When seeking approval under the provisions of the proviso to Article 52-24, paragraph (2) of the Act, a bank holding company must submit a written application for approval accompanied by the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
 - (ii) a document stating the trade name and content of business of a domestic company pertaining to the approval;
 - (iii) a document stating the policies concerning the method of disposition of a part of the voting rights in a domestic company pertaining to the approval, for which was acquired or possessed in number exceeding the maximum threshold for voting rights held; and
 - (iv) other documents stating particulars that should be of reference for the examination under the following paragraph.
- (2) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency is to examine whether the bank holding company that filed the application or its subsidiary company has what is found to be a compelling reason to hold voting rights exceeding the maximum threshold for voting rights held.
- (3) The provisions of Article 2, paragraph (11) of the Act apply to the voting rights prescribed in paragraph (1), item (iii).

(Cases in Which Voting Rights Exceeding the Maximum Threshold for Voting Rights Held May Be Held)

Article 34-22 (1) The case specified by Cabinet Office Order that is provided for in Article 52-24, paragraph (4) of the Act means if the relevant bank holding company has made a bank, a long-term credit bank, a company specializing in securities, company specializing in securities intermediation, an insurance company, or a small amount and short-term insurance company into its subsidiary company in accordance with the authorization as prescribed in Article 52-23, paragraph (6) of the Act.

- (2) The case specified by Cabinet Office Order that is provided for in Article 52-24, paragraph (4), item (vi) of the Act means if the bank holding company has made a bank, a long-term credit bank, a company specializing in securities, company specializing in securities intermediation, an insurance company, or a

small amount and short-term insurance company into its subsidiary company due to succession of business based on an absorption-type company split after obtaining the authorization as prescribed in Article 52-35, paragraph (2) of the Act.

- (3) The case specified by Cabinet Office Order that is provided for in Article 52-24, paragraph (4), item (vii) of the Act means if the relevant bank holding company made a bank, a long-term credit bank, a company specializing in securities, company specializing in securities intermediation, an insurance company, or a small amount and short-term insurance company into its subsidiary company due to a business acquisition after obtaining the authorization as prescribed in Article 52-35, paragraph (3) of the Act.

(Subsidiary Company of a Bank Holding Company)

Article 34-23 The company with a unique relationship with a bank holding company as specified by Cabinet Office Order that is provided for in Article 52-25 of the Act is as follows:

- (i) a subsidiary corporation, etc. of the bank holding company (meaning a subsidiary corporation, etc. as prescribed in Article 4-2, paragraph (2) of the Order; the same applies in paragraph (1) of the following Article and Article 35, paragraph (3)); or
- (ii) an affiliated corporation, etc. of the bank holding company (meaning an affiliated corporation, etc. as prescribed in Article 4-2, paragraph (3) of the Order).

(Company Subject to Special Provisions)

Article 34-23-2 (1) The company specified by Cabinet Office Order that is provided for in Article 52-24, paragraph (8) of the Act means a company which falls under either of the following items or a company for which the Regional Economy Vitalization Corporation of Japan was involved in preparing a business reconstruction plan (limited to a company that is not a subsidiary company, etc. of a bank holding company; referred to as a "company in the business revitalization process under special provisions" in the following paragraph):

- (i) a company that has received capital contribution from an investment limited partnership in which a stock company to be established through the implementation of business set forth in Article 22, paragraph (1), item (viii) of the Act on the Regional Economy Vitalization Corporation of Japan is an unlimited liability partner, and that falls under any of the following entities:
 - (a) the bank holding company or its subsidiary company is a partner of the investment limited partnership; or
 - (b) the bank holding company or its subsidiary company makes capital

- contribution to the stock company; or
- (ii) a company established for the purpose of conducting revitalization of business or carrying out business activities that contribute to the revitalization of regional economy such as the creation of a new business with the use of regional characteristics, which implements a business plan formulated through the involvement of any of the following entities:
 - (a) a public agency;
 - (b) a commercial and industrial association or chamber of commerce and industry;
 - (c) any entity equivalent to (a) or (b);
 - (d) an attorney or legal professional corporation;
 - (e) a certified public accountant or audit corporation;
 - (f) a certified public tax accountant or tax accountancy corporation; or
 - (g) a company that carries out the services set forth in Article 17-3, paragraph (2), item (xv) (limited to a company other than a subsidiary company, etc. of the bank holding company (meaning a subsidiary company, etc. as prescribed in Article 52-25 of the Act)).
- (2) Notwithstanding the provisions of the preceding paragraph, if a specified subsidiary company does not dispose of the voting rights acquired thereby in a company in the business revitalization process under special provisions by the base disposition date (meaning the day on which ten years have elapsed from the day of the acquisition of the voting rights; hereinafter the same applies in this paragraph), the company in the business revitalization process under special provisions is considered as not corresponding to a company specified by Cabinet Office Order as prescribed in Article 52-24, paragraph (8) of the Act which pertains to the bank holding company from the day following the base disposition date; provided, however, that this does not apply when the disposition is performed, and the number of voting rights in the company in the business revitalization process under special provisions held by the bank holding company or its subsidiary company falls below the base number of voting rights as of the base disposition date (meaning the number of voting rights obtained by multiplying total shareholder or investor voting rights by fifteen percent; hereinafter the same applies in this paragraph), and if the specified subsidiary company disposes of a part of the voting rights exceeding the base number of voting rights as of the base disposition date out of the voting rights in the company in the business revitalization process under special provisions held by the bank holding company or its subsidiary company, during the period from the date of the acquisition to the base disposition date.
- (3) The company that has a unique relationship with the relevant person as specified by Cabinet Office Order that is provided for in Article 52-24, paragraph (8) of the Act means a subsidiary company, etc. of a company

cultivating a new business field or company in the business revitalization process, and the bank holding company or its subsidiary companies other than one that is a company cultivating new business field or company in the business revitalization process do not hold voting rights in that company that, when combined, exceed the number of voting rights arrived at when the total shareholder or investor voting rights are multiplied by fifteen percent.

- (4) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to the voting rights prescribed in the preceding two paragraphs.

Subsection 3 Accounting

(Business Report Pertaining to a Bank Holding Company)

Article 34-24 (1) An interim business report pursuant to the provisions of Article 52-27, paragraph (1) of the Act must be prepared pursuant to the Appended Form No. 11 on the condition of business and assets for the period from the starting date of the business year to September 30 of the business year by an interim summary statement of business and interim consolidated financial statements separately, and must be submitted to the Commissioner of the Financial Services Agency or other competent authorities within three months after the end of that period (for a bank holding company located in a foreign state, within six months after the end of the period).

(2) A business report pursuant to the provisions of Article 52-27, paragraph (1) of the Act must be prepared pursuant to the Appended Form No. 12 by a summary statement of business and consolidated financial statements separately, and must be submitted to the Commissioner of the Financial Services Agency or other competent authorities within three months after the end of the business year (for a bank holding company located in a foreign state, within six months after the end of the business year).

(3) A bank holding company, if it is unable to submit an interim business report or a business report within the period prescribed in the preceding two paragraphs due to compelling reasons, it may postpone the submission by obtaining an approval from the Commissioner of the Financial Services Agency in advance (when the Director General of the Local Finance Bureau, who has jurisdiction over the locality of the main office of the bank holding company pursuant to the provisions of Article 17-3 of the Order, receives the report (when the locality is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau), the Director General of the Local Finance Bureau, or the Director General of the Fukuoka Local Finance Branch Bureau).

(4) When seeking approval under the provisions of the preceding paragraph, a bank holding company must submit a written application for approval

accompanied by a written statement of reasons to the Commissioner of the Financial Services Agency or other competent authorities

- (5) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the bank holding company that filed that application has what is found to be a compelling reason to postpone submission of an interim business report or business report.

(Public Notice of Balance Sheet Pertaining to a Bank Holding Company)

- Article 34-25 (1) An interim consolidated balance sheet, etc. that is to be prepared pursuant to the provisions of Article 52-28, paragraph (1) of the Act (meaning an interim consolidated balance sheet, etc. as specified in that paragraph; including an electronic or magnetic record prepared pursuant to the provisions of same Article, paragraph (2); the same applies hereinafter in paragraph (4)) must be prepared in accordance with the Appended Form No. 13-1 and a consolidated balance sheet, etc. (meaning a consolidated balance sheet, etc. as specified in paragraph (1) of same Article; including an electronic or magnetic record prepared pursuant to the provisions of paragraph (2) of same Article; hereinafter the same applies in paragraph (4)) must be prepared in accordance with the Appended Form No. 13-2-1.
- (2) When seeking approval for postponement of public notice under the provisions of the proviso to Article 52-28, paragraph (3) of the Act, a bank holding company must submit a written application for approval accompanied by a written statement of reasons to the Commissioner of the Financial Services Agency or other competent authorities
- (3) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the bank holding company that filed the application has what is found to be a compelling reason to postpone issuing public notice as under the provisions of the proviso of Article 52-28, paragraph (3) of the Act.
- (4) The main points of the interim consolidated balance sheet, etc. that a bank holding company is to announce publicly pursuant to the provisions of Article 52-28, paragraph (4) of the Act are to be specified in the Appended Form 13-2, and the main points of the consolidated balance sheet, etc. are to be specified in the Appended Form 13-2-2.
- (5) Measures pursuant to the provisions of Article 52-28, paragraph (5) of the Act are to be undertaken by means of the use of an automatic public transmission server connected to the internet out of the means set forth in Article 19, paragraph (7), item (i), sub-item (b).

(Public Inspection of Explanatory Documents on the Condition of Business and Assets of a Bank Holding Company)

Article 34-26 (1) The particulars specified by Cabinet Office Order that are provided for in the first sentence of Article 52-29, paragraph (1) of the Act means the following particulars (with regard to interim explanatory documents, except the particulars set forth in item (i), sub-items (a), and (d) to (f); item (ii); item (iv), sub-item (f); and item (v)):

- (i) the following particulars on the general condition and organization of a bank holding company:
 - (a) the organization of business management (including the systems associated with the business management of a subsidiary company, etc. of a bank holding company (meaning a subsidiary company, etc. as prescribed in Article 52-25 of the Act (excluding a subsidiary company, etc. that does not significantly impact the content of the explanatory documents prescribed in the first sentence of Article 52-13, paragraph (1) of the Act); hereinafter the same applies in this item));
 - (b) stated capital and total number of issued shares;
 - (c) the following particulars on more than 10 largest shareholders in order of the number of shares held:
 - 1. name (when shareholder is a corporation or other organization, its name);
 - 2. number of shares held by each shareholder; and
 - 3. percentage of shares held by each shareholder in the total number of issued shares;
 - (d) the names and titles of the directors and auditors (for a company with audit and supervisory committee, the directors; and for a company with nominating committee, etc., the directors and executive officers);
 - (e) with regard to a company with accounting advisors, the names of the accounting advisors; and
 - (f) the name of the financial auditor;
- (ii) the following particulars on the general condition of the bank holding company and its subsidiary company, etc.:
 - (a) the content of the main business and the structure of the organization of the bank holding company and its subsidiary companies, etc.;
 - (b) the following particulars on a subsidiary company, etc. of the bank holding company:
 - 1. name;
 - 2. the location of its main business office or office;
 - 3. stated capital or contribution in capital;
 - 4. content of business;
 - 5. date of incorporation;

6. the percentage of the total shareholder or total investor voting rights that the voting rights a bank holding company holds in a subsidiary company, etc. account for; and
 7. the percentage of the total shareholder or total investor voting rights that the voting rights in a single subsidiary company, etc. which are held by the other subsidiary companies, etc. of a bank holding company account for;
- (iii) particulars on the main business of a bank holding company and its subsidiary company, etc. listed as follows:
- (a) general condition of business in the latest interim period of the business year or business year; and
 - (b) particulars on indicators of the condition of the main business in the latest three interim periods of consolidated fiscal year and two consolidated fiscal years, or, in the latest five consolidated fiscal years listed as follows:
 1. ordinary income or any amount equivalent thereto;
 2. ordinary profit or ordinary loss, or any amount equivalent thereto;
 3. interim net income attributable to the shareholders of the parent company or interim net loss attributable to the shareholders of the parent company, or net income for the period attributable to the shareholders of the parent company or net loss for the period attributable to the shareholders of the parent company;
 4. comprehensive income;
 5. amount of net assets;
 6. amount of total assets; and
 7. consolidated capital adequacy ratio;
- (iv) the following particulars on the financial status of a bank holding company and its subsidiary company, etc. in the latest two interim periods of consolidated fiscal year or two consolidated fiscal years:
- (a) interim consolidated balance sheet or consolidated balance sheet, interim consolidated profit and loss statement or consolidated profit and loss statement, and interim consolidated statement of changes in net assets or consolidated statement of changes in net assets (including documents similar thereto; the same applies in sub-item (g));
 - (b) amount of loans which correspond to the following and its total amount:
 1. loans corresponding to loans to bankrupt borrowers;
 2. loans corresponding to overdue loans;
 3. loans corresponding to loans overdue for three months or more;
 4. loans corresponding to restructured loans;
 - (c) the particulars specified separately by the Commissioner of the Financial Services Agency on the condition of adequacy of equity capital;

- (d) the particulars specified separately by the Commissioner of the Financial Services Agency on the condition of soundness in management (excluding the particulars set forth in (c));
- (e) segment information prescribed in Article 15-2, paragraph (1) of the Regulation on Consolidated Financial Statements or information equivalent thereto;
- (f) when documents prepared pursuant to the provisions of Article 52-28, paragraph (1) of the Act (including an electronic or magnetic record prepared pursuant to the provisions of paragraph (2) of the Article) are audited by financial auditors pursuant to the provisions of Article 396, paragraph (1) of the Companies Act, that fact;
- (g) when a bank holding company obtains an audit certification of a certified public accountant or auditing firm based on Article 193-2 of the Financial Instruments and Exchange Act for an interim consolidated balance sheet or consolidated balance sheet, interim consolidated profit and loss statement or consolidated profit and loss statement, and interim consolidated statement of changes in net assets or consolidated statement of changes in net assets, that fact; or
- (h) if an external audit has been conducted concerning the calculation of consolidated capital adequacy ratio and the consolidated leverage ratio (meaning the ratio arrived at by the formula associated with the criteria for a bank holding company as prescribed in Article 52-25 of the Act to use in order to determine whether the adequacy of equity capital of the bank holding company or of its subsidiary company, etc. is appropriate in light of circumstances such as the assets owned by the bank holding company and its subsidiary companies, etc. (excluding the consolidated leverage ratio)), that fact;
- (v) the particulars of remuneration, etc. (meaning remuneration, bonuses or any other type of economic benefit payable from a bank holding company or its subsidiary company, etc. as consideration of performance of duties or bonuses prescribed in Article 11 of the Labor Standards Act), which are specified separately by the Commissioner of the Financial Services Agency as particulars that have a significant impact on the conditions of business operation or assets of a bank holding company or its subsidiary company, etc.;
- (vi) if, on the last day of a business period (in interim explanatory documents, on the last day of the interim business period), an event or circumstances that cast serious doubt on the premise that the bank holding company will continue its business activities in the future or any other event that has a significant effect on the management of the bank holding company (hereinafter referred to as a "significant event, etc." in this item), a

statement to that effect and the details of such events, the results of the analysis and study on the significant event, etc. as well as the specific measures to be taken to eliminate or improve the significant event, etc.; and (vii) in the case of a corporation, etc. subject to special business accounting standards, etc., the standards of corporate accounting it adopts.

- (2) Notwithstanding the provisions of the preceding paragraph, a bank holding company located in a foreign state must preserve documents (including those written in any language other than Japanese) stating particulars on the condition of business and assets of the bank holding company located in a foreign state at a business office of a bank that is a subsidiary company of the bank holding company located in a foreign state (excluding an unmanned business office, and a business office located in a foreign state; the same applies in the following paragraph) and make them available for public inspection.
- (3) When the documents specified in the preceding paragraph are written in a language other than Japanese, a bank holding company located in a foreign state, in addition to the documents stating general conditions of business of the bank holding company located in a foreign state, interim balance sheet or balance sheet, and interim profit and loss statement or profit and loss statement, must prepare documents stated in Japanese, maintain such documents in an office of a bank that is a subsidiary company of the bank holding company located in a foreign state, and make such documents available for public inspection.
- (4) A business office as specified by Cabinet Office Order that is provided for in the first sentence of Article 52-29, paragraph (1) of the Act means one of the following offices:
 - (i) an unmanned business office of a bank that is a subsidiary company of a bank holding company; or
 - (ii) a business office located in a foreign state of a bank that is a subsidiary company of a bank holding company.

Article 34-27 (1) A bank holding company must make available for public inspection the documents prepared pursuant to the provisions of Article 52-28, paragraph (1) and Article 52-29, paragraph (1) of the Act (for a bank holding company located in a foreign state, the documents prescribed in paragraphs (2) and (3) of the preceding Article) (including an electronic or magnetic record prepared pursuant to the provisions of Article 52-28, paragraph (2) and Article 52-29, paragraph (2) of the Act; hereinafter referred to as "documents for public inspection" in this paragraph and the following paragraph) no later than four months after the end of an interim period of business year and business year of the bank holding company (for a bank holding company located in a

foreign state, no later than six months after the end of an interim period of business year and business year) and keep the documents available for public inspection until the time that the bank holding company commences to make available documents on the interim period of business year or business year following the interim period of business year and business year for public inspection.

- (2) If a bank holding company is unable to commence making available for public inspection the documents for public inspection by the date specified in the preceding paragraph due to an compelling reason, the bank holding company may postpone the commencement of the public inspection by obtaining an approval of the Commissioner of the Financial Services Agency in advance (in the case of a bank holding company other than a bank holding company designated by the Commissioner of the Financial Services Agency, the Director General of the Local Finance Bureau that has jurisdiction over the locality of the principal office of the bank holding company (when the locality is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau)).
- (3) When seeking approval under the provisions of the preceding paragraph, a bank holding company must submit a written statement of reasons attached to a written application for approval to the Commissioner of the Financial Services Agency or other competent authorities.
- (4) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the bank holding company that filed the application has what is found to be a compelling reason to postpone the commencement date of the public inspection as under the provisions of paragraph (1).
- (5) The measure specified by Cabinet Office Order that is provided for in Article 52-29, paragraph (3) of the Act means one that is taken to show the information that has been recorded in an electronic or magnetic record on a sheet of paper or to display it on a screen.

Article 34-27-2 A bank holding company must endeavor to disclose, for each quarter of the business year, particulars of special importance (including particulars specified separately by the Commissioner of the Financial Services Agency) out of the particulars which are to be of reference for depositors and other customers of a bank that is a subsidiary company of the bank holding company as prescribed in Article 52-29, paragraph (5) of the Act to learn the condition of business and assets of the bank holding company and its subsidiary company, etc.

(Information to Be Entered in a Business Report of a Bank Holding Company)
Article 34-28 (1) A business report pursuant to the provisions of Article 52-30 of the Act must be prepared in accordance with the Appended Form No. 14.
(2) The annexed detailed statement as prescribed in the provisions of Article 52-30 of the Act must be prepared in accordance with the Appended Form No. 15.

(Corporation Whose Management Is Controlled by a Bank Holding Company)
Article 34-28-2 The corporation specified by Cabinet Office Order that is provided for in Article 52-31, paragraph (2) of the Act is a subsidiary corporation, etc. of the relevant bank holding company, etc. (this excludes a subsidiary company of the bank holding company).

Subsection 4 Mergers, Company Splits, and Business Transfers and Acquisitions

(Written Application for Approval for Merger Pertaining to a Bank Holding Company)
Article 34-29 (1) When seeking authorization for merger under Article 52-35, paragraph (1) of the Act, a bank holding company must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) minutes of shareholders meetings and other documents proving that necessary proceedings were taken;
- (iii) documents stating the content of the merger agreement;
- (iv) documents stating the costs of the merger;
- (v) with regard to the bank holding company and its subsidiary company, etc., their latest consolidated balance sheet, profit and loss statement, statement of changes in net assets, and other documents providing the latest conditions of business, assets and profit and loss;
- (vi) if there is any shareholder that has made a demand under Article 784-2, Article 796-2, or Article 805-2 of the Companies Act, a document stating the progress of the procedures pertaining to the demand;
- (vi)-2 if there is any creditor that has given a public notice or other notices (when a public notice is given by means of a daily newspaper publishing the particulars of current events or an electronic public notice in addition to by means of an official gazette pursuant to the provisions of Article 789, paragraph (3); Article 799, paragraph (3); or Article 810, paragraph (3) of the Companies Act, the public notice by these means) pursuant to the provisions of Article 789, paragraph (2); Article 799, paragraph (2); or Article 810, paragraph (2) of the Companies Act, or has made an objection, a document

- proving that the debt was paid to the creditor, reasonable security was provided to the creditor, or reasonable assets was entrusted for the purpose of payment to the creditor, or that there is no risk of loss to the creditor if the merger is implemented;
- (vii) if a company disappearing in the merger or a company that would consolidate its shares is a company that issues share certificates, a document proving that public notice has been given pursuant to the provisions of the main clause of Article 219, paragraph (1) of the Companies Act, or a document proving that share certificates have not been issued pertaining to all of the shares;
 - (vii)-2 if a company disappearing in the merger has issued share options, a document proving that public notice was given pursuant to the provisions of Article 293, paragraph (1) of the Companies Act, or a document proving that share option certificates as prescribed in that paragraph have not been issued;
 - (viii) a document proving that notification was submitted pursuant to the provisions of Article 15, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade;
 - (ix) articles of incorporation, resumes of the directors and auditors (for a company with audit and supervisory committee, the directors; and for a company with nominating committee, etc., the directors and executive officers), a document stating the location of offices of the bank holding company surviving the merger, and documents stating the prospective income and expenditures and consolidated capital adequacy ratio of the bank holding company and its subsidiary company, etc. after the merger;
 - (ix)-2 if the bank holding company that survives the merger or the bank holding company established in the merger would be a company with accounting advisors, the resumes of the accounting advisors of that bank holding company;
 - (ix)-3 the resume of the financial auditor of the bank holding company that survives the merger or the bank established in the merger;
 - (x) if any of the parties to the merger is not a bank holding company, the articles of incorporation, the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents providing the latest conditions of business, assets, and profit and loss of any party that is not a bank holding company;
 - (xi) a document showing the systems associated with the business management of a subsidiary company that the bank holding company that survives the merger will carry out;
 - (xii) a document showing the extent to which it has secured employees with knowledge and experience concerning banks' services;

- (xiii) if the bank holding company that survives the merger would make a company eligible to be a subsidiary company (meaning a company eligible to be a subsidiary company as prescribed in Article 52-23, paragraph (1) of the Act, and excluding an advanced banking service company; hereinafter the same applies in this item, paragraph (1), item (xiv) of the following Article, and Article 34-31, paragraph (1), item (x)) into its subsidiary company, the documents set forth in Article 34-19, paragraph (1), item (iv) concerning the company eligible to be a subsidiary company;
 - (xiii)-2 if, due to the merger, the bank that survives the merger or the bank holding company established in the merger would hold voting rights in an advanced banking service company, which in total exceed the maximum threshold for voting rights, or make a foreign advanced banking service company into a subsidiary company, a document set forth in Article 34-19-2, paragraph (1), item (iv) regarding the company;
 - (xiv) if, due to the merger, the bank holding company that survives the merger or its subsidiary companies would come to hold voting rights in a domestic company that, when combined, would exceed the maximum threshold for voting rights held, a document stating the name and content of business of the domestic company; and
 - (xv) other documents stating information that should serve as a reference in conducting an examination under Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) of the Act.
- (2) The provisions of Article 34-10, paragraph (3) apply mutatis mutandis to an examination conducted under Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) of the Act pertaining to an application for authorization pursuant to the provisions of the preceding paragraph.
- (3) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to voting rights as prescribed in paragraph (1), items (xiii)-2 and (xiv).

(Written Application for Approval of a Company Split Pertaining to a Bank Holding Company)

- Article 34-30 (1) When seeking approval for a company split under the provisions of Article 52-35, paragraph (2) of the Act, a bank holding company must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) minutes of shareholders meetings and other documents proving that necessary proceedings were followed;
 - (iii) a document stating the content of the incorporation-type company split plan or absorption-type company split agreement;

- (iv) a document stating the costs of the company split;
- (v) the latest consolidated balance sheet, profit and loss statement, statement of changes in net assets of the bank holding company and its subsidiary company, etc., and other documents providing the latest conditions of business, assets, and profit and loss of these companies;
- (vi) if there is any shareholder that has made a demand under Article 784-2, Article 796-2, or Article 805-2 of the Companies Act, a document stating the progress of the procedures pertaining to the demand;
- (vi)-2 if there is any creditor that has given public notice or other notice (when a public notice is made by means of daily newspaper publishing the particulars of current events or an electronic public notice, in addition to by means of an official gazette pursuant to the provisions of Article 789, paragraph (3); Article 799, paragraph (3); or Article 810, paragraph (3) the Companies Act, the public notice by these means (when a separate notice is not required pursuant to the provisions of Article 789, paragraph (3) or Article 810, paragraph (3) of that Act, the public notice and other notice)) pursuant to the provisions of Article 789, paragraph (2); Article 799, paragraph (2); or Article 810, paragraph (2) of the Companies Act, or has made an objection, a document proving that the debt was paid to the creditor, reasonable security was provided to the creditor, or reasonable assets were entrusted for the purpose of payment to the creditor, or there is no risk of loss to the creditor if the company split is implemented;
- (vii) if a share certificate-issuing company would consolidate shares, a document proving that public notice has been given pursuant to the provisions of the main clause of Article 219, paragraph (1) of the Companies Act, or a document proving that share certificates have not been issued with regard to all of the shares;
- (vii)-2 if the splitting company has issued share options and it is prescribed in Article 758, item (v) or Article 763, paragraph (1), item (x) of the Companies Act, a document proving that public notice has been given pursuant to the provisions of Article 293, paragraph (1) of that Act and a document proving that share options as prescribed in the paragraph have not been issued;
- (viii) if a notification is required pursuant to the provisions of Article 15-2, paragraph (2) or (3) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, a document proving that the notification has been submitted;
- (ix) the articles of incorporation, resumes of the directors and auditors (for a company with audit and supervisory committee, the directors; and for a company with nominating committee, etc., the directors and executive officers), and a document stating the location of offices of the bank holding company after the company split, and a document stating the prospective

- income and expenditures and consolidated capital adequacy ratio of the bank holding company and its subsidiary company, etc.;
- (ix)-2 if the bank holding company after the company split would be a company with accounting advisors, the resumes of the accounting advisors of that bank holding company;
 - (ix)-3 the resume of the financial auditor of the bank holding company after the company split;
 - (x) if any of the parties to a company split is not a bank holding company, the former articles of incorporation, the latest balance sheet, profit and loss statement, statement of changes in net assets and other documents providing the latest conditions of business, assets, and profit and loss of any party that is not a bank holding company;
 - (xi) a document showing the systems associated with the business management of a subsidiary company that the bank holding company carries out;
 - (xii) a document showing the extent to which it has secured employees with knowledge and experience concerning banks' services;
 - (xiii) if as a result of the company split, a subsidiary company of the bank holding company ceases to be its subsidiary company, a document stating the name of the subsidiary company;
 - (xiv) if the company split makes a company eligible to be a subsidiary company into a subsidiary company of the relevant person, the documents set forth in Article 34-19, paragraph (1), item (iv) concerning the company eligible to be a subsidiary company;
 - (xiv)-2 if the company split results in the relevant person to hold voting rights in an advanced banking service company which in total, exceed the maximum threshold for voting rights, or makes a foreign advanced banking service company into a subsidiary company, a document set forth in Article 34-19-2, paragraph (1), item (iv) regarding the company;
 - (xv) if the company split results in the bank holding company or its subsidiary company to hold voting rights in a domestic company that, when combined, would exceed the maximum threshold for voting rights held, a document stating the name and content of business of the domestic company; and
 - (xvi) other documents giving particulars that should be of reference for an examination conducted under Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) of the Act.
- (2) The provisions of Article 34-10, paragraph (3) apply mutatis mutandis to an examination conducted under Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) pertaining to an application of an approval pursuant to the provisions of the preceding paragraph.
- (3) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis

to voting rights as prescribed in paragraph (1), items and (xiv)-2 and (xv).

(Amount of Assets)

Article 34-30-2 (1) The amount specified by Cabinet Office Order as an amount of debts as prescribed in Article 16-2-4, paragraph (1), item (ii), sub-item (a) of the Order is the amount obtained by deducting the amount set forth in item (ii) from the amount set forth in item (i):

- (i) the amount arrived at when the amount that would have been required to be placed on the accounting books for shares, etc. as referred to in Article 795, paragraph (2), item (ii) of the Companies Act (limited to corporate bonds (excluding a corporate bond that was held by a bank holding company immediately before an absorption-type company split)) is deducted from the amount that would have been required to be declared in the liabilities section of the bank holding company's balance sheet if a balance sheet were to have been prepared immediately after the absorption-type company split;
- (ii) the amount that would have been required to be declared in the liabilities section of the bank holding company's balance sheet if a balance sheet were to have been prepared immediately before the absorption-type company split.

(2) The amount specified by Cabinet Office Order as an amount of assets as prescribed in Article 16-2-4, paragraph (1), item (ii), sub-item (a) of the Order is the amount obtained by deducting the amount set forth in item (ii) from the amount set forth in item (i):

- (i) the amount that would have been required to be declared in the assets section of the bank holding company's balance sheet if a balance sheet were to have been prepared immediately after an absorption-type company split;
- (ii) the amount arrived at when the book value of money, etc. as prescribed in Article 795, paragraph (2), item (ii) of the Companies Act (including corporate bonds held by the bank holding company immediately before the absorption-type company split among shares, etc. as prescribed in that item) is deducted from the amount that would have been required to be declared in the assets section of the bank holding company's balance sheet if a balance sheet were to have been prepared immediately before the absorption-type company split.

(3) Notwithstanding the provisions of the preceding paragraph, if the bank holding company is a company subject to restriction of consolidated dividends, and the splitting company in an absorption-type company split (meaning a splitting company in an absorption-type company split as prescribed in Article 758, item (i) of the Companies Act) is a subsidiary company of that bank holding company, the amount specified by Cabinet Office Order as an amount of assets as prescribed in Article 16-2-4, paragraph (1), item (ii), sub-item (a) of the Order is the larger amount of the following:

- (i) the amount obtained by deducting the amount set forth in paragraph (1), item (ii) from the amount set forth in item (i) of that paragraph;
- (ii) the amount obtained by deducting the amount set forth in item (ii) of the preceding paragraph from the amount set forth in item (i) of the preceding paragraph.

(Written Application for Authorization of Business Transfer Pertaining to a Bank Holding Company)

Article 34-31 (1) When seeking to obtain an authorization for a business transfer or acquisition under the provisions of Article 52-35, paragraph (3) of the Act (hereinafter referred to as a "business transfer, etc." in this Article), a bank holding company must submit a written application for authorization accompanied by the following documents to the Commissioner of the Financial Services Agency or other competent authorities:

- (i) a written statement of reasons;
- (ii) minutes of shareholders meetings and other documents proving that necessary proceedings were taken;
- (iii) documents stating the content of the contract for the business transfer, etc.;
- (iv) the latest consolidated balance sheet, profit and loss statement, and statement of changes in net assets for the bank holding company and its subsidiary companies, etc., and other documents providing the latest conditions of business, assets, and profit and loss of the companies;
- (v) if notification is required pursuant to the provisions of Article 16, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, a document proving that the notification was submitted;
- (vi) documents stating the prospective income and expenditures, and consolidated capital adequacy ratio of the bank holding company and its subsidiary company, etc., after the business transfer, etc.;
- (vii) a document stating the systems associated with the business management of a subsidiary company that the bank holding company will carry out;
- (viii) a document showing the extent to which it has secured employees with knowledge and experience concerning banks' services;
- (ix) if as a result of the business transfer, a subsidiary company of the bank holding company ceases to be its subsidiary company, documents stating the name of the subsidiary company;
- (x) if the business acquisition would make a company eligible to be a subsidiary company into the subsidiary company of the relevant person, the documents set forth in Article 34-19, paragraph (1), item (iv) concerning the company eligible to be a subsidiary company;

- (x)-2 if the business transfer results in the relevant person to hold voting rights in an advanced banking service company which, in total exceed the maximum threshold for voting rights held, or make a foreign advanced banking service company into a subsidiary company, a document set forth in Article 34-19-2, paragraph (1), item (iv) regarding the company;
 - (xi) if the business acquisition results in the bank holding company or its subsidiary company to hold voting rights in a domestic company that, when combined, would exceed the maximum threshold for voting rights held, documents stating the name and content of business of the domestic company; and
 - (xii) other documents stating information that should serve as a reference in conducting an examination under Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) of the Act.
- (2) The provisions of Article 34-10, paragraph (3) apply mutatis mutandis to the examination conducted under Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) pertaining to an application for an approval pursuant to the provisions of the preceding paragraph.
- (3) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to voting rights as prescribed in paragraph (1), items (x)-2 and (xi).

Chapter VIII-2 Bank Agency Services
Section 1 General Rules

(Information to Be Stated in a Written Application for Permission for Bank Agency Services)

Article 34-32 (1) The particulars specified by Cabinet Office Order that are provided for in Article 52-37, paragraph (1), item (vi) of the Act are the following particulars:

- (i) when a bank agent is an individual, the following particulars:
 - (a) if that individual is involved in the ordinary business of another corporation, the other corporation's trade name or name, the location of its main business office or office, and its type of business;
 - (b) the trade name or name, the location of its main business office or office, name of the representative person, and the type of business of the following corporations, etc. (meaning a company, partnership or other equivalent business entities (including a business entity in a foreign state equivalent to those and excluding a business entity that has no business office, office or other facilities equivalent thereto in Japan), hereinafter the same applies in this Article) with which the individual is associated:
 1. a business entity, etc. in which the individual holds voting rights

accounting for over fifty percent of the total shareholder or investor voting rights;

2. a subsidiary corporation, etc. (excluding a foreign corporation or other organizations that have no business office, office or other facilities equivalent thereto in Japan; the same applies in the following item (b)) of a corporation, etc. as set forth in 1;
 - (ii) if a bank agent is a corporation, the following particulars:
 - (a) if an officer of that corporation is involved in ordinary business or carries out the business of another corporation, the name of that officer, the corporation's trade name, the location of its principal business office or office, and its types of business;
 - (b) the trade name or name, principal business office or office location, name of the representative person or corporation, and type of business for the following corporations, etc. associated with the corporation in question:
 1. its subsidiary corporation, etc.;
 2. its parent corporation, etc. (excluding a foreign corporation or other organizations that have no business office, office or other facilities equivalent thereto in Japan)
 3. any other subsidiary corporation, etc. of its parent corporation, etc. (excluding an entity as prescribed in 1);
 - (iii) if services are further entrusted to a bank agent by a principal bank agent (meaning an entrusting bank agent as prescribed in Article 52-28, paragraph (2) of the Act, the same applies hereinafter), the trade name or business name and the location of its main business office or office of the entrusting bank agent;
 - (iv) if further entrusting bank agency services, the trade name or name and the location of its main business office or office of a secondary bank agent to which they are further entrusted (meaning a secondary bank agent as prescribed in Article 52-58, paragraph (2) of the Act; the same applies hereinafter).
- (2) Notwithstanding the provisions of the preceding paragraph, the particulars specified by Cabinet Office Order that are provided for in Article 52-37, paragraph (1), item (vi) of the Act, for which a bank, etc. is to give notice pursuant to the provisions of Article 52-61, paragraph (3), etc. of the Act as prescribed in paragraph (1) of that Article, are the particulars set forth in items (iii) and (iv) of the preceding paragraph.
- (3) The provisions of Article 1-6, paragraph (3) are applied mutatis mutandis to the voting rights held, in the case of paragraph (1), item (i), sub-item (b), 1, by the applicant prescribed in Article 52-37, paragraph (1) of the Act.

(Content and Method of Services of Bank Agency Services)

Article 34-33 (1) The particulars specified by Cabinet Office Order that are provided for in Article 52-37, paragraph (2), item (ii) of the Act are the following particulars:

- (i) the type of contract as prescribed in each item of Article 2, paragraph (14) of the Act that a bank agent handles (including type of deposit, type of borrower, and use of funds borrowed);
- (ii) whether the relevant person acts as an agent or as an intermediary for each type of contract as prescribed in each item of Article 2, paragraph (14) of the Act that a bank agent handles (if it acts as both agent and intermediary, a statement to that effect);
- (iii) the implementation system of bank agency services.

(2) The implementation system of bank agency services as prescribed in item (iii) of the preceding paragraph, is to include, in addition to a system to prevent acts as prescribed in each item of Article 52-45 of the Act and other acts which may harm proper and reliable operation of bank agency services, a system as set forth in each of the following item in accordance with the categories in each item:

- (i) when a bank agent is authorized to receive delivery of cash or other assets from a customer concerning activities as a bank agent (meaning activities as a bank agent as prescribed in Article 52-43 of the Act; the same applies hereinafter): a system in order to separate and manage the assets from its own assets;
- (ii) when a bank agent operates bank agency services by using a computer connected with electronic telecommunications lines: a system to prevent a customer from misidentifying the bank agent for another party;
- (iii) when concurrent business (meaning a business other than bank agency services and business incidental to bank agency services; the same applies hereinafter) is carried out: a system to properly handle information of customers acquired in relation to activities as a bank agent.

(Written Applications for Permission and Other Documents Attached Thereto)

Article 34-34 The documents specified by Cabinet Office Order that are provided for in Article 52-37, paragraph (2), item (iii) of the Act means the following documents:

- (i) if a bank agent is an individual, a resume and an abstract of a certificate of residence (if the individual is a foreign national and resides in Japan, a copy of the residence card prescribed in Article 19-3 of the Immigration Control and Refugee Recognition Act (Cabinet Order No. 319 of 1951), a copy of the special permanent resident certificate prescribed in Article 7, paragraph (1) of the Special Act on the Immigration Control of, Inter Alia, Those Who Have Lost Japanese Nationality Pursuant to the Treaty of Peace with Japan (Act

- No. 71 of 1991), or an abstract of the certificate of residence; the same applies hereinafter except in Article 34-68, paragraph (3), item (iii)) or alternative documents, and documents in which the person pledges that they do not fall under any of the provisions of any of sub-items (a) to (h) of Article 34-37, item (iv);
- (i)-2 if the name used before marriage of an applicant (meaning the applicant prescribed in Article 52-37, paragraph (1) of the Act; hereinafter the same applies in this item and item (ii)-2) that is an individual is stated together with the applicant's current name in a written application (meaning the written application referred to in that paragraph; the same applies in item (ii)-2), and the abstract of the certificate of residence or any alternative document as referred to in the preceding item does not certify the applicant's name used before marriage: a document proving the name used before marriage;
 - (ii) if a bank agent is a corporation, a resume (if an officer is a corporation, including documents stating its history) of each officer (if an officer is a corporation, including the person responsible for performing the duties thereof; hereinafter the same applies in this item, Article 34-37 and Article 34-48, paragraph (1)), abstracts of certificates of residence of officers (if an officer is a corporation, including a certificate of registered information of the officer) (limited to officers working in a business office or other offices in Japan) or alternative documents, documents in which it pledges that it does not to fall under any of the provisions of Article 34-37, item (v), sub-items (a) to (d) and a document in which an officer pledges that they do not to fall under any of the provisions of item (iv), sub-items (a) to (h) of that Article;
 - (ii)-2 if the name used before marriage of an officer of an applicant that is a corporation is stated together with the officer's current name in a written application, and the abstract of the certificate of residence or any alternative document as referred to in the preceding item does not certify the officer's name used before marriage: a document proving the name before marriage;
 - (iii) when carrying out bank agency services as entrusted by a principal bank, the draft of the outsourcing contract of the business concerning bank agency services with the principal bank;
 - (iv) when carrying out bank agency services as further entrusted by an entrusting bank agent, the draft of the outsourcing contract of the business concerning bank agency services with the entrusting bank agent, and a document in which the principal bank pledges that the entrusting bank agent has obtained the authorization of the principal bank;
 - (v) documents stating the situation of securing persons with abilities concerning bank agency services and the situation of placement of those persons (including documents proving that those persons are competent in

- bank agency services);
- (vi) if a bank agent is an individual, a written evidence concerning assets prepared pursuant to the Appended Form No. 16 for the business year preceding the business year that includes the date of application for permission (the business year for an individual is from January 1 to December 31 of the same year; the same applies hereinafter)
 - (vii) if a bank agent is a corporation, the balance sheet pertaining to the business year preceding the business year that includes the date of application for permission or alternative documents; provided, however, that if a bank agent is a corporation that was established in the business year that includes the date of application for permission, the balance sheet at the time of incorporation of the corporation or alternative documents;
 - (viii) if a bank agent is a company with financial auditors (meaning a company with financial auditors as prescribed in Article 2, item (xi) of the Companies Act; the same applies in Article 34-64-4, item (i), sub-item (f)), documents stating the content of a financial audit report as prescribed in Article 396, paragraph (1) of that Act pertaining to the business year preceding the business year that includes the date of application for permission;
 - (ix) documents stating the prospective condition of income and expenditures, and assets, in the three business years after the commencement of bank agency services;
 - (x) if a principal bank (if the relevant person is further entrusted by an entrusting bank agent, including the entrusting bank agent) collects a guarantee by a guarantor, documents proving the guarantee and documents concerning the guarantor as prescribed in items (vi) and (vii);
 - (xi) if a bank agent engages in another business, documents stating the content and means of the concurrent business;
 - (xii) the internal rules, etc. concerning management of the bank agency services;
 - (xiii) a pictorial drawing of the surrounding area of the business office or offices where bank agency services are carried out and its layout (including the situation of security cameras placed and situation of security, etc.) and documents stating the name of the business office and the business office of a principal bank, which directs business management of the bank agency services which are carried out at the business office; and
 - (xiv) documents stating information that should serve as a reference in conducting an examination under Article 52-38, paragraph (1), beyond what is provided for in each of the preceding items.

(Information to Be Entered Into a Draft of an Outsourcing contract)

Article 34-35 (1) The information to be stated in a draft of an outsourcing

contract as prescribed in the preceding three paragraphs are the following:

- (i) the particulars on the establishment, closure or relocation of a business office or office where bank agency services are carried out;
 - (ii) the particulars on the content of bank agency services (including identification whether this involves agency or intermediation; the same applies hereinafter);
 - (iii) the particulars on business days and business hours of the bank agency services;
 - (iv) provisions prohibiting the following acts of a bank agent:
 - (a) the acts of divulging trade secrets of a principal bank or information on the creditworthiness of its clients to a person other than the principal bank or the client, or making use thereof for a person other than principal bank or the client;
 - (b) the acts as set forth in each item of Article 52-45 of the Act;
 - (v) standards for handling cash and securities, etc. and the particulars on the responsibilities of the bank agent pertaining thereto;
 - (vi) the particulars on further entrustment of bank agency services;
 - (vii) the particulars on supervision, audit, and collection of reports by the principal bank;
 - (viii) the particulars on the period, renewal, and cancellation of contracts;
 - (ix) the particulars on the display at the storefront regarding content of the bank agency services and business days and business hours of the bank agency services;
 - (x) other particulars found to be necessary.
- (2) The provisions of the preceding paragraph apply mutatis mutandis to the particulars which are to be stated in the draft of an outsourcing contract of business pertaining to bank agency services between an entrusting bank agent and secondary bank agent as prescribed in item (iv) of the preceding Article. In this case, the term "bank agent" in item (iv) and (v) of that paragraph is deemed to be replaced with "secondary bank agent"; the term "further entrustment" in item (vi) of that paragraph is deemed to be replaced with "prohibition of further entrustment", and the term "a principal bank" in item (vii) of that paragraph is deemed to be replaced with "an principal bank and an entrusting bank agent."

(Financial Basis)

Article 34-36 (1) The standards specified by Cabinet Office Order that are provided for in Article 52-38, paragraph (1), item (i) of the Act are that the amount calculated by deducting the total amount of liabilities from the total amount of assets recorded on the written evidence concerning the assets as prescribed in Article 34-34, item (vi), the balance sheet as prescribed in item

(vii) of that Article, or documents equivalent thereto (which is referred to as the "amount of net assets" in the following paragraph) is equal to or greater than the amount as set forth in each of the following items, in accordance with the category as set forth in each of those items:

- (i) an individual: three million yen;
- (ii) a corporation: five million yen.

(2) The following persons are deemed to possess the financial basis as prescribed in Article 52-38, paragraph (1), item (i) of the Act:

- (i) a person that is an individual (limited to an individual whose amount of net assets is not a negative value), whose principal bank (if that individual carries out bank agency services as further entrusted by an entrusted bank agent, including that entrusted bank agent) collects a guarantee by a guarantor (limited to a person whose amount of net assets is equal to or greater than the amount as prescribed in each item of the preceding paragraph) concerning damages pertaining to bank agency services, and other persons that are found to possess a financial basis which is equal to or greater than the standards as prescribed in the preceding item;
- (ii) a local government.

(Examination of Permission for Bank Agency Services)

Article 34-37 When an application for permission as prescribed in Article 52-36, paragraph (1) of the Act is filed, and when conducting an examination under Article 52-38, paragraph (1) of the Act, the Commissioner of the Financial Services Agency or other competent authorities is to take account of the following particulars:

- (i) the applicant is an individual or a corporation (excluding a foreign corporation that does not have an office in Japan);
- (ii) the applicant falls under the provisions of paragraph (1) or (2) of the preceding Article, and it is expected that it will fall under the provisions of paragraph (1) or (2) of that Article during the three business years after the commencement of bank agency services;
- (iii) in light of its situation of securing persons with abilities for bank agency services and its systems, etc. concerning business management of bank agency services, the applicant is found to correspond to the following requirements and possess sufficient abilities for performing the business:
 - (a) when the applicant is an individual (excluding a person that engages in bank agency services in two or more offices), the applicant has sufficient knowledge of bank agency services that the applicant carries out; provided, however, that when engaging in the special activities as a bank agent (meaning acting as an agent or intermediary in the conclusion of a contract whose the content is the acceptance of current deposits, or acts as set forth

in Article 2, paragraph (14), item (ii) of the Act (excluding acts pertaining to a loan agreement that a principal bank concludes with security of deposit, etc. or national government bonds, and acts pertaining to a regular loan agreement pertaining to funds for the use of other than business, which acts that are not involved in the examination pertaining to conclusion of the agreement); the same applies in sub-items (a) and (b)), the applicant is the person set forth in 1 or 2 in accordance with the categories of content of special activities as a bank agent set forth therein:

1. acting as an agent or intermediary in the conclusion of a contract whose content is the acceptance of current deposits: a person that has engaged in current deposit services or fund lending services or is found to possess abilities equal or better thereto, and is found to be capable of performing current deposit services correctly; or
2. the acts set forth in Article 2, paragraph (14), item (ii) of the Act: a person that has engaged in fund lending services or is found to possess abilities equal or better thereto, and is found to be capable of performing those services correctly;

(b) when the applicant is a corporation (including an individual who engages in bank agency services at two or more offices), the applicant assigns a responsible person (limited to a person that has sufficient knowledge of bank agency services) for business in order to secure compliance with laws and regulations, etc. pertaining to bank agency services that the corporation engages in at each business office or office where the business of the bank agency services is conducted (if a business office or office other than the main business office or office (hereinafter referred to as a "secondary business office, etc." in (b)) has in place a division to control the business of the bank agency services to be conducted at another secondary business office, etc., a responsible person is assigned at each secondary business office, etc. with such a division), and assigns a supervising manager (limited to a person that has sufficient knowledge of bank agency services) for instructing the responsible person and for supervising the securing of compliance with laws and regulations, etc. to the main business office or office (excluding the case in which the bank agency services are not carried out in a secondary business office, etc.); provided, however, that if the applicant carries out special activities as a bank agent, at least one of the responsible persons or supervising managers is to be the person set forth in 1 or 2 in accordance with the following categories of content of special activities as a bank agent set forth therein:

1. acting as an agent or intermediary in the conclusion of a contract whose content is the acceptance of current deposits: a person that has engaged in current deposit services or fund lending services or is found

- to possess abilities equal or better thereto, and is found to be capable of performing current deposit services correctly; or
2. the acts set forth in Article 2, paragraph (14), item (ii) of the Act: a person that has engaged in current deposit services or fund lending services or is found to possess abilities equal or better thereto, and is found to be capable of performing those services correctly;
- (c) when the applicant performs acts as prescribed in Article 2, paragraph (14), items (i) and (iii) of the Act, the necessary systems of business operations are developed in accordance with the category of bank agency services, such as processing services by means of on-line processing or other appropriate methods;
- (d) management that conform to laws and regulations, etc. is found to be assured, such as that the applicant determines internal rules, etc. on bank agency services and inspects business management based on the rules;
- (e) it is not found that the personnel structure, capital structure, or organization, etc. of the applicant is likely to hinder carrying out of bank agency services precisely, fairly, and efficiently;
- (iv) when the applicant is an individual, the applicant does not fall under any of the following cases:
- (a) a person that is unable to adequately carry out the cognition, decision making, and communication necessary for properly engaging in bank agency services due to mental impairment;
 - (b) a person subject to an order commencing bankruptcy proceedings that has not been discharged from bankruptcy, or a person that is treated in the same manner as that under the foreign laws and regulations;
 - (c) a person that has been sentenced to imprisonment without work or severer punishment (including equivalent punishment thereto under foreign laws and regulations) and five years have not elapsed since the date when the sentence was completed or the execution of the sentence is ceased;
 - (d) when corresponding to any of the following, a person that was a director, executive officer, accounting advisor, auditor, financial auditor, administration officer, inspector, or any person equivalent thereto, or a representative person in Japan (meaning a representative person in Japan as prescribed in Article 47, paragraph (2) of the Act; the same applies in 1) within 30 days before the date of the revocation (in the cases of a refusal of renewal, the date when the refusal of renewal is disposed; the same applies in sub-item (f) and in the following item, sub-item (a)) and five years have not elapsed since the date of the revocation:
 1. when a license as prescribed in Article 4, paragraph (1) of the Act is revoked pursuant to the provisions of Article 27 or Article 28 of the

- Act; when an authorization as prescribed in Article 52-9, paragraph (1) or the proviso to paragraph (2) of that Article is revoked pursuant to the provisions of Article 52-15, paragraph (1) of the Act; when an authorization as prescribed in Article 52-17, paragraph (1) or the proviso to paragraph (3) of that Article is revoked pursuant to the provisions of Article 52-34, paragraph (1) of the Act; or when a permission as prescribed in Article 52-36, paragraph (1) of the Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act;
2. when a license as prescribed in Article 4, paragraph (1) of the Long Term Credit Bank Act is revoked pursuant to the provisions of Article 27 or Article 28 of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long Term Credit Bank Act; when an authorization as prescribed in Article 16-2-2, paragraph (1) or the proviso to paragraph (2) of that Article of the Long Term Credit Bank Act is revoked pursuant to the provisions of Article 52-15, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long Term Credit Bank Act; when an authorization as prescribed in Article 16-2-4, paragraph (1) or the proviso of paragraph (3) of that Article of the Long Term Credit Bank Act is revoked pursuant to the provisions of Article 52-34, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 17 of s the Long Term Credit Bank Act; or when a permission as prescribed in Article 16-5, paragraph (1) of the Long Term Credit Bank Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long Term Credit Bank Act;
 3. when a license as prescribed in Article 4 of the Shinkin Bank Act is revoked pursuant to the provisions of Article 27 or Article 28 of the Act, as applied mutatis mutandis pursuant to Article 89, paragraph (1) of the Shinkin Bank Act, or when a permission as prescribed in Article 85-2, paragraph (1) of the Shinkin Bank Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 89, paragraph (5) of the Shinkin Bank Act;
 4. when a license as prescribed in Article 6 of the Labor Bank Act is revoked pursuant to the provisions of Article 95 of the Labor Bank Act, or when a permission as prescribed in Article 89-3, paragraph (1) of the Labor Bank Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 94, paragraph (3) of the Labor Bank Act;
 5. when dissolution is ordered pursuant to the provisions of Article 27 or

Article 28 of the Act, as applied mutatis mutandis pursuant to Article 106, paragraph (2) of the Small and Medium-Sized Enterprise Cooperatives Act or Article 6, paragraph (1) of the Act on Financial Business by a Cooperative, or when a permission as prescribed in Article 6-3, paragraph (1) of the Act on Financial Business by a Cooperative is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 6-5, paragraph (1) of the Act on Financial Business by a Cooperative;

6. when a permission as prescribed by Article 92-2, paragraph (1) of the Agricultural Cooperatives Act is revoked under the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 92-4, paragraph (1) of the Agricultural Cooperatives Act, or when an agricultural cooperative or a federation of agricultural cooperatives is ordered dissolution pursuant to the provisions of Article 95-2 of the Agricultural Cooperatives Act;
7. when a permission as prescribed in Article 121-2, paragraph (1) of the Fishery Cooperative Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 121-4, paragraph (1) of the Fishery Cooperative Act, or when a fisheries cooperative or a federation of fishery processing cooperatives is ordered dissolution pursuant to the provisions of Article 124-2 of Fishery Cooperative Act;
8. when a permission as prescribed in Article 95-2, paragraph (1) of the Norinchukin Bank Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 95-4, paragraph (1) of the Norinchukin Bank Act, or when dissolution is ordered pursuant to the provisions of Article 86 of the Norinchukin Bank Act;
9. when a renewal of registration as prescribed in Article 3, paragraph (1) of the Money Lending Business Act (Act No. 32 of 1983) cancelled pursuant to Article 6, paragraph (1) of that Act, or when a registration as prescribed in Article 3, paragraph (1) of that Act is revoked pursuant to the provisions of Article 37, paragraph (1) of that Act;
10. when a license, permission, authorization, or registration that is equivalent to a license, permission, authorization or registration (including other administrative dispositions equivalent to the license, permission, authorization, or registration; hereinafter the same applies in this item) as prescribed in the preceding items (i) to (ix) that are provided in a foreign state pursuant to the provisions of laws of regulations of the foreign state which are equivalent to the Act, the

Long Term Credit Bank Act, the Shinkin Bank Act the Labor Bank Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Business by a Cooperative, the Agricultural Cooperatives Act, the Fishery Cooperative Act, the Norinchukin Bank Act, or the Money Lending Business Act is revoked, or a renewal of the license, permission, authorization or registration is refused;

- (e) when an authorization as prescribed in Article 52-9, paragraph (1) or the proviso to paragraph (2) of that Article of the Act is revoked pursuant to the provisions of Article 52-15, paragraph (1) of the Act; when permission as prescribed in Article 52-36, paragraph (1) of the Act, permission as prescribed in Article 16-5, paragraph (1) of the Long Term Credit Bank Act, permission as prescribed in Article 85-2, paragraph (1) of the Shinkin Bank Act, permission as prescribed in Article 89-3, paragraph (1) of the Labor Bank Act, permission as prescribed in Article 6-3, paragraph (1) of the Act on Financial Business by a Cooperative, permission as prescribed in Article 92-2, paragraph (1) of the Agricultural Cooperatives Act, permission as prescribed in Article 121-2, paragraph (1) of the Fishery Cooperative Act, or permission as prescribed in Article 95-2, paragraph (1) of the Norinchukin Bank Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act (including cases as applied mutatis mutandis pursuant to Article 17 of the Long Term Credit Bank Act; Article 89, paragraph (5) of the Shinkin Bank Act; Article 94, paragraph (3) of the Labor Bank Act; Article 6-5, paragraph (1) of the Act on Financial Business by a Cooperative; Article 92-4, paragraph (1) of the Agricultural Cooperatives Act; Article 121-4, paragraph (1) of the Fishery Cooperative Act; or Article 95-4, paragraph (1) of the Norinchukin Bank Act); when an authorization as prescribed in Article 16-2-2, paragraph (1) or proviso of paragraph (2) of that Article of the Long Term Credit Bank Act is revoked pursuant to the provisions of Article 52-15, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long Term Credit Bank Act; or when renewal of registration as prescribed in Article 3, paragraph (1) the Money Lending Business Act is refused pursuant to the provisions of Article 6, paragraph (1) of that Act or is revoked pursuant to the provisions of Article 37, paragraph (1) of that Act, a person for whom five years have not elapsed since the date of the revocation;
- (f) when an authorization, permission or registration which is of a type equivalent to those prescribed in Article 52-9, paragraph (1) or the proviso to paragraph (2) of that Article, or Article 52-36, paragraph (1) of the Act, or Article 3, paragraph (1) of the Money Lending Business Act and which are obtained in a foreign state pursuant to the provisions of laws and regulations of the foreign state equivalent to the Act is revoked or renewal

of the authorization, permission or registration is refused, a person for whom five years have not elapsed since the date of the revocation;

(g) a person that corresponds to any of the following and for whom five years have not elapsed since the date of the disposition:

1. a director, executive officer, accounting advisor, auditor, financial auditor or representative person in Japan, whose dismissal was ordered pursuant to the provisions of Article 27 of the Act or Article 52-34, paragraph (1) of the Act, or an officer whose dismissal was ordered pursuant to the provisions of Article 52-56, paragraph (2) of the Act;
2. a director, executive officer, accounting advisor, accounting auditor or financial auditor, whose dismissal was ordered pursuant to the provisions of Article 27 of the Act or Article 52-34, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long Term Credit Bank Act, or an officer whose dismissal was ordered pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long Term Credit Bank Act;
3. an administration officer, inspector or financial auditor whose dismissal was ordered pursuant to the provisions of Article 27 of the Act, as applied mutatis mutandis pursuant to Article 89, paragraph (1) of the Shinkin Bank Act, or an officer whose dismissal was ordered pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 89, paragraph (5) of the Shinkin Bank Act;
4. an administration officer, inspector or financial auditor whose dismissal was ordered pursuant to the provisions of Article 95, paragraph (1) of the Labor Bank Act, or an officer whose dismissal was ordered pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 94, paragraph (3) of the Labor Bank Act;
5. an administration officer, inspector or financial auditor whose dismissal was ordered pursuant to the provisions of Article 27 of the Act, as applied mutatis mutandis pursuant to Article 6, paragraph (1) of the Act on Financial Business by a Cooperative, or an officer whose dismissal was ordered pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 6-5, paragraph (1) of the Act on Financial Business by a Cooperative;
6. an officer whose dismissal was ordered pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis

- pursuant to Article 92-4, paragraph (1) of the Agricultural Cooperatives Act, or an officer who was ordered to be reelected pursuant to the provisions of Article 95, paragraph (2) of the Agricultural Cooperatives Act;
7. an officer whose dismissal was ordered pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 121-4, paragraph (1) of the Fishery Cooperative Act, or an officer who was ordered to be reelected pursuant to the provisions of Article 124, paragraph (2) of the Fishery Cooperative Act;
 8. an officer whose dismissal was ordered pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 95-4, paragraph (1) of the Norinchukin Bank Act, or an administration officer, management supervisory committee member, auditor or accounting auditor whose dismissal was ordered pursuant to the provisions of Article 86 of the Norinchukin Bank Act;
 9. an officer whose dismissal was ordered pursuant to the provisions of Article 24-6-4, paragraph (2) of the Money Lending Business Act;
 10. a director, executive officer, accounting advisor, auditor, accounting auditor or equivalent person thereto whose dismissal was ordered pursuant to the provisions of foreign laws and regulations which are equivalent to the Act, the Long Term Credit Bank Act, the Shinkin Bank Act, the Labor Bank Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Business by a Cooperative, the Agricultural Cooperatives Act, the Fishery Cooperative Act, the Norinchukin Bank Act, or the Money Lending Business Act;
- (h) a person that violates a provisions of the Act, the Long Term Credit Bank Act, the Shinkin Bank Act the Labor Bank Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Business by a Cooperative, the Agricultural Cooperatives Act, the Fishery Cooperative Act, the Norinchukin Bank Act, the Money Lending Business Act, the Act Regulating the Receipt of Contributions, the Receipt of Deposits, and Interest Rates (Act No. 195 of 1954), or foreign laws and regulations equivalent thereto, has been sentenced to a fine (including equivalent punishment thereto under foreign laws and regulations), and for whom five years have not elapsed since the date when the sentence is completed or the effectuation of the sentence is ceased;
- (v) if the applicant is a corporation, that the applicant does not correspond to any of the following cases:
- (a) if the applicant corresponds to any of the preceding (d), 1 to 10, a corporation for which five years have not elapsed since the date of the

- revocation;
- (b) a corporation that violates the provisions as prescribed in the preceding (h) or foreign laws and regulations equivalent thereto, which is sentenced to a fine (including equivalent punishment thereto under foreign laws and regulations), and for which five years have not elapsed since the date when the sentence is completed or the execution of the sentence is ceased;
 - (c) a corporation whose officers include a person that is unable to adequately carry out the cognition, decision making, and communication necessary for properly performing their duties related to bank agency services due to mental impairment;
 - (d) a corporation whose officers include a person falling under any of (b) to (h) of the preceding item;
- (vi) when the content of its main concurrent business is other than the lending of funds, discounting of bills and notes, guarantee of debt, accepting of bills and notes, or any other business of granting credit, that the concurrent business does not correspond to any of the following cases:
- (a) the content of its concurrent business is contrary to laws and regulations;
 - (b) the content of its concurrent business is likely to damage the social credibility as a bank agent;
 - (c) the content of bank agency services is found to have possibilities to conduct transactions in which interests of principal bank and bank agent conflict, in light of the fact that the content is actions as an agent or intermediary for the conclusion of a contract whose content is the lending of funds or discounting of bills and notes for the use of business (excluding a service pertaining to a contract with security of deposits, etc. or national government bonds that a principal bank received, and services that does not involve examination pertaining to conclusion of the contact of standardized loan products (meaning loan products for which the possibility and conditions of the loan have been determined only by mechanical processing of financial data concerning the consumers seeking funds; the same applies in sub-item (b) of the following item) (limited to products whose loan amount does not exceed ten million yen)), and other transactions with a customer in the course of concurrent business (excluding the cases in which an applicant is an insurance company or other persons as specified by the Commissioner of the Financial Services Agency);
 - (d) it is found that there is a likelihood of an act that results in insufficient protection of customers related to bank agency services due to the wrongful use of the advantageous position in a transaction based on its concurrent business to be conducted; and
 - (e) in light of the content of bank agency services, it is found that carrying

out concurrent business is likely to result in insufficient protection of customers and hinder performance of sound and appropriate services of the principal bank.

- (vii) if the content of its main concurrent business is the lending of funds, discounting of bills and notes, guarantee of debt, accepting of bills and notes, or any other business of granting credit, that the concurrent business does not correspond to any of sub-items (a) to (e) of the preceding item, and excluding the case in which it is found that there is no possibility of transactions that could result in a conflict of interests between the principal bank and the bank agent in the course of the business, the content and method of the act as prescribed in Article 2, paragraph (14), item (ii) of the Act conducted as bank agency services (excluding acts pertaining to a contract with security of deposits, etc. or national government bonds that a principal bank received) correspond to all of the following requirements:
- (a) the act concerns a loan agreement that is concluded with the goods or articles to be purchased with the loan funds as security (excluding acts for funds to be used for business);
 - (b) the act is not involved in examination pertaining to the conclusion of the contract for standardized loan products; and
 - (c) when acting as an agent or intermediary for the conclusion of a contract whose content is the lending of funds or discounting of bills and notes pertaining to bank agency services, for a customer to whom credit is granted in the course of the concurrent business, the bank agent is required to inform the principal bank of the outstanding credit granted and any other important particulars relating to the concurrent business that may affect the principal bank's judgment on the conclusion of a contract, after obtaining prior consent in writing from the customer.

(Preliminary Examination of Permission for Bank Agency Services)

Article 34-38 A person that intends to obtain a permission for bank agency services pursuant to the provisions of Article 52-36, paragraph (1) of the Act, may request a preliminary examination by submitting documents equivalent to the provisions provided in Article 52-37 of the Act to the Commissioner of the Financial Services Agency or other competent authorities.

(When Notification of Change Is Not Required)

Article 34-38-2 The cases specified by Cabinet Office Order that are provided for in Article 52-39, paragraph (1) of the Act are as follows:

- (i) a case in which the locality of a business office or office is changed for compelling reasons such as extension or reconstruction (but only if it is clear that the business office or office will be moved back to the locality before the

- change); and
- (ii) a case in which the locality of the business office or office subject to the change of the locality as prescribed in the preceding item is moved back to the locality before the change.

(Notification of Change)

Article 34-39 A bank agent that submits a notification pursuant to the provisions of Article 52-39, paragraphs (1) and (2) of the Act, must submit to the Commissioner of the Financial Services Agency or other competent authorities, in accordance with the categories set forth in the left-hand column of the Appended Table 2, a written notice stating the particulars specified in the middle column of the Table, accompanied by documents as specified in the right-hand column of the Table,

(Form of Sign)

Article 34-40 The form specified by Cabinet Office Order that is provided for in Article 52-40, paragraph (1) of the Act is as prescribed in the Appended Form No. 17.

Section 2 Services

(Application for Approval of Concurrent Business)

Article 34-41 (1) When seeking approval for concurrent business under the provisions of Article 52-42, paragraph (1) of the Act, a bank agent must submit a written application for approval accompanied by the following documents to the Commissioner of the Financial Services Agency or other competent authorities:

- (i) a written statement of reasons;
 - (ii) a document stating the content of the concurrent business and its methods;
and
 - (iii) any other document stating information that should serve as a reference.
- (2) The document set forth in item (ii) of the preceding paragraph must clarify that no risk that would hinder the proper and reliable performance of the bank agency services has been found.
- (3) When an application of approval under the provisions of paragraph (1) is filed, the Commissioner of the Financial Services Agency or other competent authorities may refuse to provide an approval only if the applicant corresponds to any particular as set forth in Article 34-37, item (vi) or if the applicant does not fall under item (vii) of that Article.

(Segregated Management)

Article 34-42 A bank agent, based on the provisions of Article 52-43 of the Act, must manage money or other assets delivered by customers, with regard to its activities as a bank agent, in a condition that is immediately distinguishable as to whether the asset is its own asset or belongs to any principal bank, by separating the places of management or by other methods.

(Matters to Be Clarified)

Article 34-43 (1) The particulars specified by Cabinet Office Order that are provided for in Article 52-44, paragraph (1), item (iii) of the Act are the following particulars:

(i) when receiving the delivery of money or other assets from a customer with regard to acts as a bank agent, the bank agent is authorized by the principal bank to receive the delivery;

(ii) when there are two or more principal banks, and when the fees pertaining to acts as a bank agent that the customer is to pay for a contract that the customer seeks to conclude and the fee to be paid to another principal bank for the same type of contract as the contract are different, to that effect;

(iii) when there are two or more principal banks, and when the bank agent acts as an agent or intermediary for the conclusion of the same type of contract that a customer seeks to conclude as a contract pertaining to the acts as a bank agent for another principal bank, to that effect;

(iv) when there are two or more principal banks, the trade name or name of the principal bank that is the other party of the transaction with the customer.

(2) A principal bank as prescribed in each item of the preceding paragraph (excluding item (i)), is to include, when the bank agent is an agent of a long term credit bank as prescribed in Article 16-5, paragraph (3) of the Long Term Credit Bank Act, the principal long-term credit bank; when the bank agent is an agent of a Shinkin Bank as prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act, the principal Shinkin Bank as prescribed in that paragraph; when the bank agent is an agent of a labor bank as prescribed in Article 89-3, paragraph (3) of the Labor Bank Act, the principal labor bank as prescribed in that paragraph; when the bank agent is a credit cooperative as prescribed in Article 6-3, paragraph (3) of the Act on Financial Business by a Cooperative, the principal credit cooperative as prescribed in that paragraph; when the bank agent is a specific credit business agent as prescribed in Article 92-2, paragraph (3) of the Agricultural Co-operatives Act, the principal cooperative as prescribed in that paragraph; when the bank agent is a specific credit business agent as prescribed in Article 121-2, paragraph (3) of the Fishery Cooperative Act, the principal cooperative as prescribed in that paragraph or when the bank agent is an agent of Norinchukin Bank as prescribed in Article 95-2, paragraph (3) of the Norinchukin Bank Act, the Norinchukin Bank; when

the bank agent is an agricultural cooperative engaging in agency services for business with authorization under Article 42, paragraph (3) of the Act on Enhancement and Restructuring of Credit Business Conducted by The Norinchukin Bank and Specified Agricultural and Fishery Cooperatives, etc. (Act No. 118 of 1996), the Norinchukin Bank or the credit federations of agricultural cooperatives prescribed in Article 2, paragraph (1), item (ii) of that Act, which has obtained authorization referred to in Article 42, paragraph (3) of that Act.

(Provision of Information to Depositors by a Bank Agent)

Article 34-44 The provisions of Article 13-3 apply mutatis mutandis to the provision of information to depositor, etc. provided by a bank agent pursuant to the provisions of Article 52-44, paragraph (2) of the Act.

(Prevention of Misidentification with a Deposit)

Article 34-45 (1) The provisions of Article 13-5, paragraphs (1), (2), and (4) apply mutatis mutandis when the bank agent (excluding a bank, etc., as prescribed in Article 52-61, paragraph (1) of the Act) sells financial instruments (meaning the sale of financial instruments as prescribed in Article 2, paragraph (1) of the Act on Sales, etc. of Financial Instruments (Act No. 101 of 2000); excluding acts as set forth in items (i) and (ii) of that paragraph) or acting as an agent or intermediary.

(2) A bank agent must display indication that it performs acts as a bank agent, at the counter of the business office or an office that carries out acts as a bank agent in a manner easily seen by customers .

(3) The provisions of paragraph (1) do not apply to a counter at which the person does not act as a bank agent.

(4) A bank agent must take measures to prevent a customer from mistaking a counter of its business office or office at which the person does not act as a bank agent for a counter at which the person does act as a bank agent.

(Provision of Information on the Same Type of Contract as Another Principal Bank)

Article 34-46 (1) A bank agent, if it has clarified the particulars prescribed in Article 34-43, paragraph (1), item (iii), must respond to the request of a customer and provide the content of the same type of contract for another principal bank and other information that serve as a reference for the customer.

(2) The provisions of Article 34-43, paragraph (2) apply mutatis mutandis to a case prescribed in the preceding paragraph.

(Handling of Information on Individual Customers)

Article 34-47 The provisions of Article 13-6-5 to Article 13-6-7 apply mutatis mutandis to a bank agent.

(Consent by a Document Pertaining to the Use of Customer Information)

Article 34-48 (1) A bank agent must take measures in order to ensure that non-public financial information (meaning information concerning a deposit, etc., a exchange transaction, or a loan concerning a customer which an officer or employee obtains in the course of duties and other information which is not publicly disclosed concerning a financial transaction or the assets of a customer (excluding information as prescribed in Article 13-6-6, as applied mutatis mutandis pursuant to the preceding Article and special non-public information as prescribed in Article 13-6-7, as applied mutatis mutandis pursuant to the preceding Article)) concerning a customer handled in the course of bank agency services is not used for concurrent business (excluding business for soliciting insurance; the same applies in the following paragraph) without obtaining the customer's prior consent in writing or other appropriate methods.

(2) A bank agent must take measures in order to ensure that non-public information (meaning information which is obtained in the course of its concurrent business and not publicly disclosed (excluding information as prescribed in Article 13-6-6, as applied mutatis mutandis pursuant to the preceding Article and special non-public information as prescribed in Article 13-6-7, as applied mutatis mutandis to the preceding Article); the same applies in the following paragraph) concerning a customer handled for concurrent business is not used for bank agency services and incidental business to bank agency services without obtaining the customer's prior consent in writing or other appropriate methods.

(3) A bank agent must take measures in order to ensure that non-public information concerning a customer handled in the course of concurrent business is not provided to a principal bank without obtaining the customer's consent in writing or other appropriate methods.

(Internal Rules on Bank Agency Services)

Article 34-49 A bank agent must establish internal rules on measures for ensuring explanations to a customer of important particulars based on the customer's knowledge, experience, financial status, and the purpose of the transaction and other measures for ensuring sound and appropriate business management that corresponds to the content and method of its bank agency services (including the explanation of financial instruments, transactions, and their risks and measures taken by the principal bank of the bank agent as prescribed in Article 12-3, paragraph (1) of the Act by delivery of documents or other appropriate method and measures to prevent crime), as well as develop a

sufficient system so that business will be managed based on the training for employees and other internal rules, etc.

(Closely Related Persons of a Bank Agent)

Article 34-50 A person closely related to a bank agent as specified by Cabinet Office Order that is provided for in Article 52-45, item (iii) of the Act means a specified related party of a principal bank of the bank agent (meaning a specified related party as prescribed in Article 13-2 of the Act and excluding a subsidiary company of the bank agent).

(Acts Unlikely to Result in Insufficient Protection of Customers)

Article 34-51 The act specified by Cabinet Office Order as being unlikely to result in insufficient protection of customers that is provided for in Article 52-45, item (iii) of the Act means an act not constituting a bank agent to wrongfully act as an agent or intermediary in the conclusion of a contract for lending funds or discounting bills and notes on the condition that the customer conducts the transaction.

(Matters without Risk of Hindering Performance of the Sound and Proper Services of a Principal Bank)

Article 34-52 The act specified by Cabinet Office Order as unlikely to hinder the sound and appropriate performance of the services of the principal bank that is provided for in Article 52-45, item (iv) means the act involved in a transaction or act for which the principal bank has obtained the approval under the proviso to Article 13-2 of the Act.

(Prohibited Acts Pertaining to Bank Agency Services)

Article 34-53 The conduct specified by Cabinet Office Order that is provided for in Article 52-45, item (v) of the Act are as follows:

- (i) an act of not conveying to a customer, in accordance with the content of its bank agency services and business methods, an important particular in light of that customer's knowledge, experience, financial status, or purpose for conducting a transaction, or of conveying something to the customer that is likely to lead to a misunderstanding;
- (ii) to wrongfully act as an agent or intermediary in the conclusion of a contract as prescribed in any of the items of Article 2, paragraph (14) of the Act on the condition that the customer conducts a transaction with the bank agent or a business operator it designates (excluding an act set forth in Article 52-45, item (iii) of the Act);
- (iii) to wrongfully use its advantageous position in a transaction as a bank agent's to put a customer at a disadvantage concerning a condition or

- implementation of a transaction;
- (iv) to wrongfully have the customer conduct a transaction with itself or a business operator it designates on the condition that it act as an agent or intermediary in the conclusion of a contract as prescribed in each item of Article 2, paragraph (14) of the Act;
- (v) to improperly use its advantageous position in a transaction in its concurrent business to put a customer at a disadvantage concerning a condition or implementation of a transaction involving bank agency services; and
- (vi) an act of not conveying to the principal bank an important particular that affects its judgment regarding the conclusion of a contract related to the relevant person's activities as a bank agent, or of conveying something that is false regarding this.

(Acts Similar to Advertisement)

Article 34-53-2 The acts as specified by Cabinet Office Order that are provided for in each item of Article 37 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, means providing information that has the same content to many persons by postal mail, correspondence delivery, using a facsimile device, sending electronic mail, distributing fliers or pamphlets, or by other means (excluding the following means):

- (i) distributing a document that is prepared based on laws and regulations or a disposition of an administrative government agency in accordance with laws and regulations;
- (ii) distributing materials on analysis and evaluation of an individual companies that are not used for the solicitation of conclusion of a contract for specified deposit, etc.;
- (iii) means of providing persons with gifts or other goods that only show all the following information (limited to goods for which the information set forth in sub-items (b) to (d) are shown clearly and properly) (if any of this information is not indicated on a gift or other goods, this includes means of providing such a gifts or other goods together as a single unit with any other goods that is indicating that information):
 - (a) name of the financial instrument (including an alias);
 - (b) trade name, name or alias of these objects of a bank agent that provides the same content of information to many persons by a method as prescribed in this item;
 - (c) information as set forth in Article 16-6-2, paragraph (2), item (i) of the Order (limited to information conveyed using characters and numerals of a size that is not significantly different from the largest size of characters

and numerals that convey information other than the information in question); and

(d) an indication to thoroughly read the content of any of the following documents:

1. a document as prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act (hereinafter referred to as "documents to be delivered prior to the concluding the contract" from this Article to Article 34-53-17-2);
2. a document on foreign currency deposit, etc. as prescribed in Article 34-53-10, paragraph (1), item (i); and
3. a contract change document as prescribed in Article 34-53-10, paragraph (1), item (iii), sub-item (b).

(Indication Method of Advertisement on the Content of Services as Agent or Intermediary in Concluding a Contract for Specified Deposits)

Article 34-53-3 (1) A bank agent, in the case of advertising the content of services as an agent or intermediary in concluding a contract for specified deposit, etc. or performing an act (which is referred to as "advertisement, etc." in the following paragraph) as prescribed in the preceding Article, must indicate clearly and accurately the particulars set forth in each item of Article 37, paragraph (1) (excluding item (ii)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act.

(2) If a bank agent runs an advertisement, etc. on the content of its services as an agent or intermediary in concluding a contract for specified deposit, etc., any characters or numerals that convey the information set forth in Article 16-6-2, paragraph (1), item (ii) of the Order are to be indicated in a size that is not significantly different from the largest size of characters and numerals that convey information other than the information in question.

(3) If a bank agent runs an advertisement, etc. on the content of its services as an agent or intermediary in concluding contracts for specified deposit, etc. by broadcasting it using the broadcasting equipment of a basic broadcaster or by any of the methods set forth in the items of Article 34-53-6, paragraph (1) (excluding audio broadcasting), notwithstanding the provisions of the preceding paragraph, any characters or numerals that convey the information set forth in Article 16-6-2, paragraph (2), item (i) of the Order are to be indicated in a size that is not significantly different from the largest size of characters and numerals that convey information other than the information in question.

(Particulars on Compensation to Be Paid by a Customer)

Article 34-53-4 The particulars specified by Cabinet Office Order that are provided for in Article 16-6-2, paragraph (1), item (i) of the Order are the outline of the amount by category of the fees, etc. or their maximum limits, or the way these are calculated (including the percentage of the amount of principal pertaining to the contract for specified deposit, etc.; hereinafter the same applies in this Article), regardless of whether this is referred to as a fee, consideration, or expenses, or any other term, and the outline of the total of those amounts or maximum limits, or the way these are calculated; provided, however, that if these items cannot be indicated, to that effect and the reasons therefor.

(Important Particulars That Impact Customers' Judgment)

Article 34-53-5 The particulars specified by Cabinet Office Order that are provided for in Article 16-6-2, paragraph (1), item (iii) of the Order are the following particulars:

- (i) an indication that, if the right that the referenced principal bank of the bank agent holds to extend the deposit period of a specified deposit, etc. is exercised, the customer risks being put at a disadvantage by the money rate of the specified deposit, etc. falling below the money market rate;
- (ii) any other fact on important particulars regarding the contract for specified deposit, etc. that is disadvantageous for the customer.

(Means Equivalent to Having Something to Be Broadcast Using the Broadcasting Equipment of a Basic Broadcaster)

Article 34-53-6 (1) The methods specified by Cabinet Office Order that are provided for in Article 16-6-2, paragraph (2) of the Order are as follows:

- (i) means of broadcasting the matter using the broadcasting equipment of a basic broadcaster:
- (ii) making the content of information recorded in a file that has been prepared on a computer used by a bank agent or a person that is entrusted with services involving advertisement, etc. conducted by the bank agent (limited to information that has the same content as the particulars provided by broadcasting the matter using the broadcasting equipment of a basic broadcaster or by a means set forth in the preceding item) available for inspection to customers through a telecommunications line;
- (iii) a means of indicating to the public regularly or continuously for a fixed period inside or outside a building by having it installed or indicated on a signboard, standing signboard, placard and label, advertising tower, advertising board, building, or other structures, etc. or by any equivalent means.

- (2) The particulars specified by Cabinet Office Order that are provided for in Article 16-6-2, paragraph (2), item (ii) of the Order are the particulars set forth in Article 34-53-2, item (iii), sub-item (d).

(Particulars for Which Exaggerated Advertisement is Prohibited)

Article 34-53-7 The particulars specified by Cabinet Office Order that are provided for in Article 37, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2, are the following particulars:

- (i) the particulars on cancellation of a contract for specified deposit, etc.;
- (ii) the particulars on sharing burden of all or part of loss or guarantee of profit pertaining to a contract for specified deposit, etc.;
- (iii) the particulars of liquidated damages (including a penalty) pertaining to a contract for specified deposit, etc.; and
- (iv) the particulars on the amount of a fee, etc. to be paid by a customer concerning a contract for specified deposit, etc. or its calculation method, payment method, or timing, and the payee.

(Method of Filling In the Document to be Delivered Prior to the Conclusion of a Contract)

Article 34-53-8 (1) In a document to be delivered prior to the conclusion of a contract, the particulars set forth in each item of Article 37-3, paragraph (1) (excluding items (ii) and (vi)) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, must be entered clearly and properly by using characters and numerals in a size of eight points or larger as defined by Japanese Industrial Standard Z 8305.

(2) Notwithstanding the provisions of the preceding paragraph, in a document to be delivered prior to the conclusion of a contract, the following particulars are to be entered clearly and properly by using printed characters and numerals in a size of 12 points or larger as defined by Japanese Industrial Standard Z 8305, and are to be entered after the particulars prescribed in the following paragraph:

- (i) an overview of the particulars set forth in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, and the particulars set forth in item (v) of that paragraph and Article 34-53-12, item (xi); and
- (ii) the particulars set forth in Article 34-53-12, item (xii).

(3) A bank agent, in a document to be delivered prior to the conclusion of a contract, is to enter out of the particulars set forth in Article 34-53-12, item (i), and the particulars set forth in each item of Article 37-3, paragraph (1) (excluding items (ii) and (vi)) of the Financial Instruments and Exchange Act,

as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, particulars that are of particular importance in their impact on customers' judgment, in plain language, using characters and numerals of size 12 points or larger as defined by Japanese Industrial Standard Z 8305 at the beginning of the document to be delivered prior to the conclusion of a contract.

(Method of Provision of Information)

Article 34-53-9 Provision of information as prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, is to be carried out by delivery of the document to be delivered prior to the conclusion of a contract.

(When Delivery of a Document to be Delivered Prior to the Conclusion of a Contract Is Not Required)

Article 34-53-10 (1) The cases specified by Cabinet Office Order that are provided for in the proviso to Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act are as follows:

- (i) if, within one year before the conclusion of a contract for specified deposit, etc. pertaining to a foreign currency deposit, etc., a document in which the particulars set forth in Article 37-3, paragraph (1), items (i), and (iii) to (v) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 52-45-2 of the Act and the particulars set forth in Article 34-53-12, items (i), (xi), (xvii), and (xviii) are stated with regard to the contract for specified deposit, etc. by a method equivalent to the method prescribed in Article 34-53-8 (hereinafter referred to as a "document on foreign currency deposit, etc." in this Article to Article 34-53-17-2) has been delivered to the customer (limited to the cases in which the customer expressed the intention of not requiring the delivery of the document to be delivered prior to the conclusion of a contract);
- (ii) if, within one year before the conclusion of a contract for specified deposit, etc., a document to be delivered prior to the conclusion of a contract pertaining to a contract for specified deposit, etc. that has the same content as the contract for specified deposit, etc. has been delivered to the customer (including the cases in which a document to be delivered prior to the conclusion of a contract has not been delivered regarding the contract for specified deposit, etc. that has the same content pursuant to the provisions of the preceding item);
- (iii) if the relevant person acts as an agent or intermediary in the conclusion of a contract for specified deposit, etc. for changing part of the terms of the contract for specified deposit, etc. already concluded, the cases set forth in

the following sub-items:

- (a) when there is nothing to be changed in the particulars stated in the document to be delivered prior to the conclusion of a contract for the contract for specified deposit, etc. already concluded along with the change to be made; and
 - (b) if there are changes to be made in the particulars stated in the document to be delivered prior to the conclusion of a contract for a contract for specified deposit, etc. already concluded along with the change to be made, when a document in which the change is stated (referred to as a "contract change document" in the following paragraph and Article 34-53-17-2, item (ii)) is delivered to the customer; and
 - (iv) if a principal bank of the bank agent has delivered a document that is provided for in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 13-4 of the Act, with regard to the conclusion of a single contract for specified deposit, etc., pursuant to the provisions of the main clause of that paragraph.
- (2) The provisions of Article 14-11-25, paragraph (2) apply mutatis mutandis to delivery of a document on foreign currency deposit, etc. pursuant to the provisions of item (i) of the preceding paragraph and delivery of a contract change document pursuant to the provisions of item (iii), sub-item (b) of that paragraph.
- (3) If a contract for specified deposit, etc. pertaining to a foreign currency deposit, etc. is concluded within one year from the date when a document on foreign currency deposit, etc. is delivered (including the date when a document on foreign currency deposit, etc. is deemed to be delivered pursuant to the provisions of this paragraph) (limited to the cases in which the customer expressed the intention of not requiring delivery of a document to be delivered prior to the conclusion of a contract), it is deemed that a document on foreign currency deposit, etc. is delivered on the date of the conclusion, and the provisions of paragraph (1), item (i) are applied.
- (4) If, within one year from the date when a document to be delivered prior to the conclusion of a contract is delivered (if a document to be delivered prior to the conclusion of a contract is not delivered with regard to a contract for specified deposit, etc. pursuant to the provisions of paragraph (1), item (i), including the date of conclusion of the contract for specified deposit, etc. and the date when a document to be delivered prior to the conclusion of a contract is deemed to be delivered pursuant to the provisions of this paragraph), a contract for specified deposit, etc. that has the same content as that of the contract for specified deposit, etc. pertaining to the document to be delivered prior to the conclusion of a contract is concluded, the document to be delivered prior to the conclusion of a contract is deemed to be delivered on the date of the conclusion, and

provisions of paragraph (1), item (ii) are applied.

(Particulars on Compensation to Be Paid by a Customer)

Article 34-53-11 The particulars specified by Cabinet Office Order that are provided for in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, are the amounts by category of fee, etc. that the customer is to pay for a contract for specified deposit, etc., regardless of whether this is referred to as a fee, consideration, expenses, or any other term, or their maximum limits, or the way these are calculated (including the percentage of the amount of principal pertaining to the contract for specified deposit, etc.; hereinafter the same applies in this Article) and the total of those amounts or maximum limits, or the way these are calculated; provided, however, that when these cannot be stated, to that effect and the reasons therefor.

(Information to Be Stated in a Document to be Delivered Prior to the Conclusion of a Contract)

Article 34-53-12 The particulars specified by Cabinet Office Order that are provided for in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, are the following particulars:

- (i) an indication that the content of the document to be delivered prior to the conclusion of a contract should be thoroughly read;
- (ii) name of the financial instrument (including an alias);
- (iii) the distinction of whether it is subject to payment of insurance money as prescribed in Article 53 of the Deposit Insurance Act;
- (iv) scope of the persons subject to acceptance;
- (v) period of deposit (including an indication of whether the deposit will be automatically renewed or not);
- (vi) minimum amount of deposit, unit of deposit, and any other item concerning the deposit;
- (vii) method of repayment;
- (viii) method of setting interest rates, its payment method, its calculation method, and any other item concerning interest;
- (ix) the particulars on any special agreement that may be added;
- (x) handling of the termination of the contract during the period of deposit (including the calculation methods of interest and fees);
- (xi) the following particulars, if there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, as

- regards the contract for specified deposit, etc. into which the customer will enter:
- (a) the indicator in question; and
 - (b) the reasons for there being a risk of inflicting a loss due to fluctuations in that indicator;
- (xii) an indication that, if the right that the referenced principal bank of the bank agent holds to extend the deposit period of a specified deposit, etc. is exercised, the customer risks being put at a disadvantage by the money rate of the specified deposit, etc. falling below the money market rate;
- (xiii) in the case of handling a financial instrument that does not guarantee the repayment of the full amount at expiry of the amount paid for the combination of the following items and for the specified deposit, etc. at the time of initial deposit, an explanation stating that the deposited amount is not guaranteed to be repaid in the full amount at expiry and any other detailed explanations on the commodity:
- (a) a market derivative transaction or foreign market derivative transaction (excluding a transaction corresponding to securities-related derivative transactions);
 - (b) a financial derivative transaction as prescribed in Article 10, paragraph (2), item (xiv) of the Act;
 - (c) a forward foreign exchange transaction;
 - (d) a securities-related derivative transaction (excluding a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act and a similar transaction in a foreign financial instruments market to that as set forth in that item); and;
 - (e) a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or a similar transaction in a foreign financial instruments market to that as set forth in that item (limited to a national government bond certificate, etc. and securities set forth in paragraph (1), item (xvii) of that Article pertaining to those that have characteristics as prescribed in item (i) of that paragraph);
- (xiv) when the way of establishing an indicator to be the standard for setting a money rate of a floating rate deposit and money rate are specified, the particulars of the standards, the method, and the money rate;
- (xv) a summary of the taxation concerning the contract for specified deposit, etc.;
- (xvi) a method to contact the principal bank of the bank agent by the customer;
- (xvii) the existence of a recognized investor protection association in which the principal bank of the bank agent is a subject business operator (when the principal bank of the bank agent is a subject business operation, its name); and

(xviii) the particulars prescribed in the following (a) or (b) in accordance with the categories of cases set forth respectively therein:

(a) cases where a designated dispute resolution organization exists: the trade name or name of the designated dispute resolution organization, which is the other party to the basic contract for the implementation of dispute resolution procedures, prescribed in Article 12-3, paragraph (1), item (i) of the Act, that the principal bank of the bank agent takes a measure of concluding;

(b) cases where designated dispute resolution organization does not exist: the content of the measures for handling complaints and the dispute resolution measures taken by the principal bank of the bank agent prescribed in Article 12-3, paragraph (1), item (ii) of the Act.

(xix) other information found to be of reference for depositing a specified deposit, etc.

(Provision by Use of Information and Communications Technology)

Article 34-53-13 (1) The means specified by Cabinet Office Order that are provided for in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 37-3, paragraph (2) of that Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act (including as applied mutatis mutandis pursuant to Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-45-2 of the Act; hereinafter the same applies in this Article) are the following:

(i) any of the following means of employing an electronic data processing system:

(a) a means of transmitting information that is required to be stated in a document (hereinafter referred to as "required information" in this Article) over a telecommunications line that connects a computer used by a bank agent (including a person that prepares a file on a computer under its administration based on a contract with a bank agent which provides persons with the particulars prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 37-3, paragraph (2) of that Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, and makes that file available for use by the persons to which the bank agent provides those particulars (hereinafter each such person is referred to as a "customer" in this Article) or by that bank agent; hereinafter the same applies in this Article) and the computer used by a customer, etc. (meaning a customer or a person that prepares a customer file (meaning a file made available exclusively for use by a customer) on a computer under its administration based on a contract

- with the customer; hereinafter the same applies in this Article) and to be recorded in a customer file that has been prepared on the computer used by the customers, etc. (for consent indicating that a person is willing, or a notice indicating that a person is not willing, to be provided with information by the means prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, meaning a means of recording that fact in a file that has been prepared on a computer used by a bank agent which provides persons with the particulars prescribed in that paragraph);
- (b) a means of using a telecommunications line to make the required information that has been recorded into a file which has been prepared on a computer used by a bank agent available for a customer to inspect and of recording that required information in the customer file for that customer that has been prepared on a computer used by the customer, etc. (for consent indicating that a person is willing, or a notice indicating that a person is not willing, to be provided with information by the means prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 37-3, paragraph (2) of that Act, as applied mutatis mutandis in Article 52-45-2 of the Act, meaning a means of recording that fact in a file that has been prepared on a computer used by the bank agent);
 - (c) a means of making the required information recorded into a customer file which has been prepared on a computer used by a bank agent available for a customer to inspect using a telecommunications line; or
 - (d) a means of making available for a customer to inspect, the required information that has been recorded in an inspection file (meaning a file that has been prepared on a computer used by a bank agent into which required information is recorded to enable them to be made available for multiple customers to inspect simultaneously; hereinafter the same applies in this Article) using a telecommunications line.
- (ii) a means of delivering to the relevant persons a record of the required information that has been recorded into a file created using a magnetic disk, CD-ROM, or other objects with an equivalent means of reliably storing fixed sets of data.
- (2) The means set forth in the items of the preceding paragraph must conform to the following standards:
- (i) it enables the customer to create a document by outputting what has been recorded in the customer file or inspection file;
 - (ii) if using a means as set forth in item (i), sub-item (a), (c), or (d) of the preceding paragraph (excluding a means of recording the required information in a customer file that has been prepared on a computer used by

- the customer), the relevant person notifies the customer that the required information will be or has been recorded in the customer file or inspection file; provided, however, that this does not apply if it has confirmed that the customer has inspected the required information;
- (iii) the means set forth in item (i), sub-item (c) and (d) of the preceding paragraph, should be means that the relevant person cannot delete or modify the following information for five years after the final date on which a transaction set forth in the required information is carried out (if a complaint involving that required information is filed by the day on which that period ends, the relevant information cannot be deleted or modified until the date on which that period ends or the date on which that complaint is resolved, whichever occurs later); provided, however, that if the relevant person delivers in writing, the required information that it has made available for inspection; if the relevant person obtains the customer's consent (meaning consent by a means prescribed in Article 16-6-3 of the Order) and provides the relevant information by a means set forth in item (i), sub-item (a) or (b) of the preceding paragraph or item (ii); or if the customer instructs the relevant person to delete the required information; the person may delete that required information:
- (a) the required information recorded in the customer file, for the means as set forth in item (i), sub-item (c) of the preceding paragraph; or
- (b) the required information recorded in the inspection file, for the means as set forth in item (i), sub-item (d) of the preceding paragraph;
- (iv) if the relevant person uses the means as set forth in item (i), sub-item (d) of the preceding paragraph, that the means conform to the following standards:
- (a) to record in the customer file, the information that a customer needs to have in order to inspect the inspection file; and
- (b) to maintain the state in which it is possible to connect the customer file that has the information that a customer needs to have in order to inspect the inspection file recorded pursuant to sub-item (a), and the inspection file itself using a telecommunications line until the end of the period prescribed in the preceding item; provided, however, that this does not apply if a customer that has been given access to those files has notified the relevant person that it is not necessary to maintain them in a state that allows the customer to connect to them.
- (3) The term "electronic data processing system" as used in paragraph (1), item (i) means an electronic data processing system that uses a telecommunications line to connect the computer used by the bank agent and the computer on which the customer file has been prepared that is used by the customer, etc. or the bank agent.

(Type and Content of Electronic or Magnetic Means)

Article 34-53-14 The type and content of the means that the relevant person is required to indicate pursuant to the provisions of Article 16-6-3, paragraph (1) of the Order means the following particulars:

- (i) out of the means set forth in the items of paragraph (1) of the preceding Article, those that the bank agent will use; and
- (ii) the formalities used to record data to the file.

(Information to Be Stated in a Document to be Delivered upon the Conclusion of a Contract)

Article 34-53-15 The following particulars must be stated in a document to be prepared when a contract for specified deposit, etc. is concluded, as the document prescribed in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 (the document is referred to as a " document to be delivered upon the conclusion of a contract " in the following Article):

- (i) trade name of the principal bank of the bank agent;
- (ii) amount of deposit (when the principal amount is indicated in a foreign currency, the amount of principal indicated in the foreign currency);
- (iii) distinction of whether it is subject to payment of insurance money as prescribed in Article 53 of the Deposit Insurance Act;
- (iv) date of deposit and expiry (including an indication whether the deposit will be automatically renewed or not);
- (v) method of repayment;
- (vi) method of setting the interest rate, its payment method, its calculation method, and other items concerning interest;
- (vii) handling of the termination of the contract during the period of deposit (including the calculation methods of interest and fees);
- (viii) the date the contract for specified deposit, etc. is concluded;
- (ix) the particulars on fee, etc. pertaining to the contract for specified deposit, etc.;
- (x) name of the customer; and
- (xi) a method to contact the principal bank of the bank agent by the customer.

(When Delivery of a Document to be Delivered upon the Conclusion of a Contract Is Not Required)

Article 34-53-16 (1) The cases specified by Cabinet Office Order that are provided for in the proviso to Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act as regards a document to be delivered upon the

conclusion of a contract are as follows:

- (i) if, within one year before the conclusion of a contract for specified deposit, etc. pertaining to a foreign currency deposit, etc., a document on foreign currency deposit, etc. has been delivered to the customer (limited to the cases in which the customer expressed the intention of not requiring the delivery of the document to be delivered upon the conclusion of a contract);
 - (ii) if, within one year before the conclusion of a contract for specified deposit, etc., a document to be delivered upon the conclusion of a contract pertaining to a contract for specified deposit, etc. that has the same content as that of the contract for specified deposit, etc. has been delivered to the customer (including the cases in which a document to be delivered upon the conclusion of a contract has not been delivered regarding the contract for specified deposit, etc. that has the same content pursuant to the provisions of the preceding item); and
 - (iii) in the cases where a contract for specified deposit, etc. to change part of the terms of the contract for specified deposit, etc. already concluded has been concluded, the cases set forth in the following sub-items:
 - (a) when there is nothing to be changed in the particulars stated in the document to be delivered upon the conclusion of a contract for the contract for specified deposit, etc. already concluded, along with the change to be made;
 - (b) if there are changes to be made in the particulars stated in the document to be delivered upon the conclusion of a contract for a contract for specified deposit, etc. already concluded, along with the change to be made, when a document in which the changes are stated has been delivered to the customer; and
 - (iv) if a principal bank of the bank agent has delivered a document that is provided for in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 13-4 of the Act, with regard to the conclusion of a single contract for specified deposit, etc., pursuant to the provisions of the main clause of that paragraph.
- (2) The provisions of Article 14-11-29, paragraph (2) apply mutatis mutandis to the delivery of documents pursuant to the provisions of item (iii), sub-item (b) of the preceding paragraph.
- (3) If a contract for specified deposit, etc. pertaining to a foreign currency deposit, etc. is concluded within one year from the date when a document of foreign currency deposit, etc. is delivered (including the date when a document of foreign currency deposit, etc. is deemed to be delivered pursuant to the provisions of this paragraph) (limited to the cases in which the customer expressed the intention of not requiring delivery of a document to be delivered upon the conclusion of a contract), it is deemed that a document on foreign

currency deposit, etc. is delivered on the date of the conclusion, and the provisions of paragraph (1), item (i) are applied.

- (4) If, within one year from the date when a document to be delivered upon the conclusion of a contract is delivered (if a document to be delivered upon the conclusion of a contract is not delivered with regard to a contract for specified deposit, etc. pursuant to the provisions of paragraph (1), item (i), including the date of conclusion of the contract for specified deposit, etc. and the date when a document to be delivered upon the conclusion of a contract is deemed to be delivered pursuant to the provisions of this paragraph), a contract for specified deposit, etc. that has the same content as that of the contract for specified deposit, etc. pertaining to the document to be delivered upon the conclusion of a contract is concluded, the document to be delivered upon the conclusion of a contract is deemed to be delivered on the date of the conclusion, and provisions of paragraph (1), item (ii) are applied.

(Significance of Registration of a Credit Rating Agency and Other Particulars)

Article 34-53-17 (1) The particulars specified by Cabinet Office Order that are provided for in Article 38, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, are the following particulars:

- (i) the significance of registration pursuant to Article 66-27 of the Financial Instruments and Exchange Act;
 - (ii) with regard to a person that assigned a credit rating, the particulars set forth in the following sub-items:
 - (a) trade name or name;
 - (b) if the person is a corporation (including an organization that is not a corporation and appoints a representative or an administrator), the name of its officers (for an organization that is not a corporation and appoints a representative or an administrator, such representative or administrator);
 - (c) names and locations of the head office and other main business offices or offices;
 - (iii) the overview of the policy and method that the person that assigned the credit rating uses to assign the credit rating;
 - (iv) the premise, significance, and limitations of credit rating.
- (2) Notwithstanding the provisions of the preceding paragraph, with regard to credit ratings assigned by a specified associated corporation, particulars specified by Cabinet Office Order that are provided for in Article 38, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act are the following particulars:
- (i) the significance of registration pursuant to Article 66-27 of the Financial Instruments and Exchange Act;

- (ii) trade name, name and registration number of credit rating agency whose associated corporation is designated as the specified associated corporation by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 116-3, paragraph (2) of the Cabinet Office Order on Financial Instruments Business;
- (iii) the name used by the specified associated corporation that indicate the credit rating business;
- (iv) the overview of the policy and method that the specified associated corporation that assigned the credit rating uses to assign the credit rating or the way of obtaining information on the overview from credit rating agency specified in item (ii);
- (v) the premise, significance, and limitations of credit rating.

(Prohibited Acts)

Article 34-53-17-2 The acts specified by Cabinet Office Order that are provided for in Article 38, item (ix) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, are as follows:

- (i) acts as set forth in each item of Article 34-53;
- (ii) with regard to delivery of the following documents, acting as an agent or intermediary in the conclusion of a contract for specified deposit, etc. without explaining to the customer (excluding a professional investor (excluding a person that is found to be a customer other than a professional investor pursuant to Article 34-2, paragraph (5) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, and including a person that is found to be a professional investor pursuant to Article 34-3, paragraph (4) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act), as applied mutatis mutandis pursuant to Article 52-45-2 of the Act); hereinafter the same applies in this item) in advance, the particulars set forth in Article 37-3, paragraph (1), items (iii) to (v) and item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis to Article 52-45-2 of the Act (when a contract change document is delivered, the particulars that are stated in the contract change document and are pertaining to the particulars set forth in items (iii) to (v) and item (vii) of that paragraph) by a necessary method and level in order to facilitate the customer's understanding in light of the customer's knowledge, experience, financial status, and the purpose of concluding the specified deposit, etc. contract:
 - (a) document to be delivered prior to the conclusion of a contract;
 - (b) document on foreign currency deposit, etc.; and

- (c) contract change document;
- (iii) with regard to solicitation for conclusion of a contract for specified deposit, etc., an act of making a false indication, or an act of making a indication that may cause misunderstanding of a important particular;
- (iv) with regard to a contract for specified deposit, etc., an act of promising the provision of special profit to a customer or a person specified by the customer, or to provide special profit to a customer or a third person (including an act of forcing a third person to promise the provision of special profit or to provide special profit);
- (v) with regard to conclusion or termination of a contract for specified deposit, etc., an act to solicit by telephone or visit at a time when a customer (limited to an individual) finds it annoying.

(Specified Activities as a Bank Agent)

Article 34-54 The deposits specified by Cabinet Office Order that are provided for in Article 52-46, paragraph (1) of the Act means current deposits.

(Application for Approval of Non-Business Days for Specified Bank Agents)

Article 34-54-2 (1) When a specified bank agent (meaning a specified bank agent as prescribed in Article 52-46, paragraph (1) of the Act; the same applies hereinafter) seeks to obtain an approval for non-business days under Article 16-7, paragraph (2), item (ii) of the Order, the specified bank agent is to attach the following documents to a written application for approval and submit them to the Commissioner of the Financial Services Agency or other competent authorities:

- (i) a written statement of reasons; and
 - (ii) a document stating the method of posting a notice under Article 16-7, paragraph (3) of the Order.
- (2) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether it conforms to the following standards:
- (i) that it is not likely to cause problems with a system that uses telecommunication lines to processes domestic funds transfer transactions between financial institutions; and
 - (ii) that it does not greatly inconvenience the customers of the business office or office to which the application pertains.
- (3) If a specified bank agent obtains an approval for non-business days under Article 16-7, paragraph (2), item (ii) of the Order, the specified bank agent is to display the following particulars at the storefront of the business office or office to which the approval pertains:

- (i) the period during which the non-business days other than the days set forth in the items of Article 16-7, paragraph (1) of the Order will be in effect (but only if it has set such a period); and
- (ii) the name, location, telephone number, and other such contact information of the business office or office that is closest to the relevant business office or office, or of the business office of the principal bank of the specified bank agent.

(Business Hours of a Specified Bank Agent)

Article 34-55 (1) The business hours of a specified bank agent are from 9:00 a.m. to 3:00 p.m.

- (2) The business hours prescribed in the preceding paragraph may be extended due to the convenience of business.
- (3) If a specified bank agent's business office or office corresponds to all of the following cases (excluding cases corresponding to the preceding paragraph), the specified bank agency may change business hours with regard to the business office or office:
 - (i) if it needs to set different business hours from the business hours as prescribed in paragraph (1) due to special circumstances in the locality of the business office or office or of the locality where it has been established, or due to other circumstances; and
 - (ii) if the change of the business hours does not significantly harm the convenience of customers of the business office or office.
- (4) If a specified bank agent changes the business hours pursuant to the provisions of the preceding paragraph, it is to display the following particulars in the storefront of the relevant business office or office:
 - (i) the period during which the business hours after the change will be in effect (but only if it has set such a period); and
 - (ii) the name, location, telephone number, and other such contact information of the business office or office that is closest to the relevant business office or office, or of the business office of the principal bank of the specified bank agent.
- (5) The provisions of paragraph (1), paragraph (3) and the preceding paragraph do not apply to the business hours of a business office or an office (including a facility other than a facility where specified acts as a bank agent are performed for a business office or office where specified activities as a bank agent are performed) that does not perform specified activities as a bank agent of a specified bank agent (meaning a specified activities as a bank agent as prescribed in Article 52-46, paragraph (1) of the Act; hereinafter the same applies in this paragraph and the following Article).
- (6) A bank agent is to display its non-business days and business hours in a place

that is easy to see for the public at each business office or other offices engaging in bank agency services.

(Notification of Temporary Closure of a Specified Bank Agent)

Article 34-56 (1) A specified bank agent that submits a written notice pursuant to Article 52-47, paragraph (1) of the Act must submit a notification stating the particulars set forth in each following item to the Commissioner of the Financial Services Agency or other competent authorities:

- (i) name and location of a business office or office that suspends all or part of business pertaining to specified activities as a bank agent (which is referred to as "business" in item (iv));
- (ii) reasons of suspension;
- (iii) suspension period;
- (iv) scheduled restart date of business or restart date of business; and
- (v) the method of displaying the notice pursuant to the provisions of Article 52-47, paragraph (1) of the Act.

(2) The case specified by Cabinet Office Order that is provided for in Article 52-47, paragraph (1) of the Act means:

- (i) when a principal bank is ordered to suspend all or part of business pursuant to the provisions of Article 26, paragraph (1), Article 27, or Article 52-34, paragraph (1) or (4) of the Act;
- (ii) if, on a non-business day of a specified bank agent as prescribed in Article 52-46, paragraph (1) of the Act, all or part of business by a cash dispenser, etc. is suspended on the non-business day at a business office or other offices of a specified bank agent that carries out all or part of business pertaining to specified activities as a bank agent;
- (iii) when, at an unmanned business office or other offices that carry out business pertaining to specified activities as a bank agent of a specified bank agent, all or a part of its business is suspended (excluding a case that corresponds to the preceding item);
- (iv) if all or part of business at a business office or office is suspended due to the risk that carrying out business at that business office or office will seriously endanger the life or body of an officer, employee, or user because of a typhoon, earthquake, or any other such abnormal meteorological phenomena, hydrological phenomena, or terrestrial phenomena; and
- (v) when all or part of business pertaining to specified activities as a bank agent is ordered to suspend, pursuant to the provisions of Article 52-56, paragraph (1) of the Act.

(3) The case specified by Cabinet Office Order that is provided for in Article 52-47, paragraph (2) of the Act means any of the following cases:

- (i) if a specified bank agent temporarily suspends all or part of its business at

an unmanned business office or office that carries out business related to its specified activities as a bank agent;

(ii) if item (iv) of the preceding paragraph applies; or

(iii) if the suspension period is one business day or less and business is reliably expected to be resumed promptly.

(Display of Business Discontinuation of a Principal Bank)

Article 34-57 A bank agent, in the case of displaying a notice pursuant to the provisions of Article 52-48 of the Act, is to display the content that has been informed by the principal bank and the policies for handling the deposit, etc. at the principal bank, and other transactions pertaining to the bank agency services carried out by the bank agent.

Section 3 Accounting

(Books and Documents Concerning Bank Agency Services)

Article 34-58 A bank agent, pursuant to the provisions of Article 52-49 of the Act, must prepare books and documents as prescribed in each following item (when not acting as agency in the conclusion of contract as prescribed in each item of Article 2, paragraph (14) of the Act, limited to those as prescribed in item (iii)) for each principal bank, and preserve them for the period prescribed in the each item, in order to clarify the dispositions and calculations of a bank agency services:

(i) general ledger: five years from the date of preparation;

(ii) bank agency account ledger: ten years from the date of preparation;

(iii) a document that recorded the content of intermediation act for the conclusion of a contract as prescribed in any item of Article 2, paragraph (14) of the Act conducted for a customer for bank agency services: five years from the date the intermediary act is conducted.

(Form of a Written Report on Bank Agency Services)

Article 34-59 (1) A written report concerning bank agency services pursuant to the provisions of Article 52-50, paragraph (1) of the Act must be prepared pursuant to the Appended Form No. 18 when a bank agent is an individual, and pursuant to the Appended Form No. 19 when a bank agent is a corporation, respectively, and must be submitted to the Commissioner of the Financial Services Agency or other competent authorities, accompanied by a written evidence concerning assets and a document stating the condition of income and expenditures prepared pursuant to the Appended Form No. 16 in the case of an individual, and a balance sheet and profit and loss statement or documents in lieu of those documents, in the case of a corporation, within three months after

the end of the business year.

- (2) A bank agent, if it is unable to submit a written report concerning bank agency services within the period prescribed in the preceding paragraph due to a compelling reason, it may postpone the submission after obtaining prior approval from the Commissioner of the Financial Services Agency (when the Director General of the Local Finance Bureau who has jurisdiction over the locality of the principal business office or offices of the bank agent pursuant to the provisions of Article 17-4 of the Order (when the locality is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau) accepts reports concerning the bank agency services, the Director General of the Local Finance Bureau or Fukuoka Local Finance Branch Bureau).
- (3) When seeking approval under the provisions of the preceding paragraph, a bank agent must submit a written application for approval accompanied by a written statement of reasons to the Commissioner of the Financial Services Agency or other competent authorities.
- (4) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the bank agent that filed the application has what is found to be a compelling reason to postpone the submission of a report as under the provisions of paragraph (2).
- (5) The Commissioner of the Financial Services Agency or other competent authorities are to preserve a part of the written report on bank agency services pertaining to the business year of the bank agent immediately prior to when an approval was provided, excluding particulars which are likely to harm the confidentiality of a customer or those likely to impose unreasonable disadvantages in carrying out the business of a bank agent, that is necessary for the protection of customers, at the Financial Services Agency (when the Director General of the Local Finance Bureau (when the locality is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau) has jurisdiction over the locality of the principal business office or offices of the bank agent pursuant to the provisions of Article 17-4 of the Order that receives the reports, the Local Finance Bureau or Fukuoka Local Finance Branch Bureau for which the jurisdictional district includes the locality of the principal business office or offices of the bank agent) and make it available for public inspection.

(Inspection of Explanatory Documents of a Principal Bank)

Article 34-60 (1) A bank agent must commence to make available to the public, the documents that its principal bank prepares pursuant to the provisions of

Article 20, paragraphs (1) and (2) and Article 21, paragraphs (1) and (2) (when the principal bank is a foreign bank branch, including documents as prescribed in Article 19-2, paragraphs (3) and (4)), or the documents that a bank holding company that has the principal bank as its subsidiary company prepares pursuant to the provisions of Article 52-28 and Article 52-29, paragraph (1) (when the bank holding company that has the principal bank as its subsidiary company is a bank holding company located in a foreign state, documents as prescribed in Article 34-26, paragraphs (2) and (3)) (including electronic or magnetic records prepared pursuant to the provisions of Article 20, paragraph (3); Article 21, paragraph (3); Article 52-28, paragraph (2); and Article 52-29, paragraph (2) of the Act; hereinafter referred to as "inspection documents" in this paragraph and the following paragraph) for inspection within four months (if the principal bank is a foreign bank branch, or if a bank holding company that has the principal bank as its subsidiary company is a bank holding company located in a foreign state, within six months after the end of a business year) after each business year of the principal bank or a bank holding company that has the principal bank as its subsidiary company, and keep the documents available for public inspection until the commencement of inspection of each document subject to inspection pertaining to the business year following the business year.

- (2) A bank agent, if it cannot commence to make a document subject to inspection available for inspection before the end of the period as prescribed in the preceding paragraph due to a compelling reason, it may obtain prior approval of the Commissioner of the Financial Services Agency (with regard to a bank agent other than a bank agent designated by the Commissioner of the Financial Services Agency, the Director General of the Local Finance Bureau who has jurisdiction over the locality of the principal business office or offices of the bank agent (with regard to the locality within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau)) and postpone the commencement of the inspection.
- (3) When seeking approval under the provisions of the preceding paragraph, a bank agent must submit a written application for approval accompanied by a written statement of reasons to the Commissioner of the Financial Services Agency or other competent authorities.
- (4) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the bank agent that filed the application has a compelling reason to postpone the commencement of the inspection as under the provisions of paragraph (1).
- (5) The measure specified by Cabinet Office Order that is provided for in Article

52-51, paragraph (2) of the Act is to be means of showing the information that has been recorded in an electronic or magnetic record or the address (or on a two-dimensional barcode or any other such thing used in lieu of this) of the website on which the information recorded in an electronic or magnetic record has been posted, on a sheet of paper or to display it on a screen.

Section 4 Supervision

(Notification of Business Discontinuation)

Article 34-61 A person that submits a notification pursuant to the provisions of Article 52-52 of the Act, in accordance with the categories set forth in the left-hand column of the Appended Table 3, must submit a written notice stating the particulars provided in the middle column of the same table, and attach the documents as prescribed in the right-hand column of the same table to the Commissioner of the Financial Services Agency or other competent authorities.

(Application of Approval Pertaining to the Validity of Permission)

Article 34-62 (1) If a person that has obtained a permission as prescribed in Article 52-36, paragraph (1) of the Act seeks to obtain an approval pursuant to the provisions of Article 52-57, item (iii) of the Act, the person must submit a written application for approval accompanied by a written statement of reasons to the Commissioner of the Financial Services Agency or other competent authorities.

(2) When an application for approval under the provisions of the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether it conforms to the following standards:

- (i) there is what is found to be a compelling reason for not being able to commence bank agency services within six months from the date the permission as prescribed in Article 52-36, paragraph (1) of the Act is obtained;
- (ii) it is expected that the bank agency services can be commenced within a reasonable period;
- (iii) at the time of granting the permission , it is expected that there are to be no important changes in the particulars on which the examination has been based by the time that the bank agency services are expected to commence.

Section 5 Principal Banks

(Measures to Ensure Appropriateness of the Bank Agency Services by a Principal Bank)

Article 34-63 (1) A principal bank must take the following measures in order to ensure sound and appropriate business management in the bank agency services of a bank agent:

- (i) measures on operational guidance of bank agency services, conducting training to have the bank agent and employees of its bank agency services comply with laws and regulations, etc. on bank agency services;
 - (ii) measures for conducting necessary and appropriate supervision, etc. of the bank agent, such as inspecting whether the bank agent is carrying out bank agency services appropriately by confirming the implementation status of the bank agency services by the bank agent periodically or as necessary, etc. and having the bank agent make improvements if necessary;
 - (iii) if it is found to be necessary to do so in order to ensure sound and appropriate business management of the bank agency services, measures to change the content or terminate the outsourcing contract with the bank agent or further outsourcing contract between an entrusting bank agent and a secondary bank agent;
 - (iv) with regard to the acts that a bank agent performs and are as prescribed in the provisions of Article 2, paragraph (14), item (ii) of the Act, measures for the bank agent itself to conduct an examination if necessary;
 - (v) measures to ensure appropriate management of customer information, such as not to permit the bank agent to wrongfully acquire information on a customer from the principal bank;
 - (vi) measures for having the bank agent display the trade name of the principal bank, characters indicating it as the agent of the bank, and the trade name or name of the bank agent at the storefront of offices;
 - (vii) measures to prevent crime on business pertaining to bank agency services at the business office or other offices of the bank agent;
 - (viii) with regard to the closure of a business office or office that carries out bank agency services of a bank agent, measures to avoid considerably affecting the customers of the business office or other offices, such as the smooth succession of transactions pertaining to the customers of the business office or other offices by a business office of the principal bank, another financial institution, or other bank agent, etc. without any problems;
 - (ix) measures necessary for the appropriate and prompt disposition of customer complaints pertaining to bank agency services of the bank agent.
- (2) The provisions of the preceding paragraph (excluding items (iv) and (viii)) apply mutatis mutandis to measures that a principal bank agent must take in order to ensure sound and appropriate business management of a secondary bank agent. In this case, the term "bank agent" in the provisions of that paragraph is deemed to be replaced with "a secondary bank agent", and the term "bank agency services" is deemed to be replaced with "bank agency

services carried out based on further entrustment"

(Information to Be Stated in Registry of a Bank Agent)

Article 34-64 (1) A principal bank must state the following particulars on a bank agent pertaining to the principal bank in a registry as prescribed in Article 52-60, paragraph (1) of the Act (hereinafter referred to as a "registry" in this Article):

(i) the trade name or name of the bank agent;

(ii) if the bank agent is a corporation, the name of its representative;

(iii) the content of bank agency services;

(iv) the name and location of the business office or office that carries out bank agency services; and

(v) the date that the permission as prescribed in Article 52-36, paragraph (1) of the Act was obtained.

(2) Beyond as set forth in each item of the preceding paragraph, if a bank agent associated with the relevant principal bank falls under a category set forth in one of the following items, the particulars set forth in the relevant item must be stated in the registry:

(i) an entrusting bank agent: the particulars set forth in each item of the preceding paragraph pertaining to a secondary bank agent that is further entrusted with services by the entrusting bank agent;

(ii) a secondary bank agent: the particulars set forth in each item of the preceding paragraph pertaining to the secondary bank agent that has been further entrusted with services.

(3) The business offices specified by Cabinet Office Order that are provided for in Article 52-60, paragraph (1) of the Act are any of the following business offices:

(i) an unmanned business office of a principal bank; and

(ii) a business office located in a foreign state of a principal bank.

Chapter VIII-3 Electronic Payment Services

Section 1 General Rules

(Information to Be Stated in a Written Application for Registration of Electronic Payment Services)

Article 34-64-2 (1) The particulars specified by Cabinet Office Order that are provided for in Article 52-61-3, paragraph (1), item (vi) of the Act are the following particulars; provided, however, that the particulars set forth in item (iv) are required to be included only if the registration applicant (meaning the registration applicant prescribed in that paragraph; hereinafter the same applies in this Article and Article 34-64-4) performs the acts set forth in Article 2, paragraph (17), item (i) of the Act (excluding the acts set forth in Article 1-3-

3):

- (i) the location and contact information of the business office or office that handles complaints or inquiries from users of the electronic payment service provider (but only if the corporation or individual has such a business office or office in Japan, for a registration applicant that is a foreign corporation or an individual domiciled in a foreign state);
 - (ii) the name of the certified association of electronic payment service providers of which the registration applicant is a member;
 - (iii) if the registration applicant entrusts part of the business of electronic payment services, the details of the entrusted business, and the trade name, name, and address of the outsourced contractor; and
 - (iv) if the registration applicant conducts other businesses, the business type.
- (2) If a bank, etc. (meaning a bank, agricultural cooperative, federation of agricultural cooperatives, fishery cooperative, federation of fishery cooperatives, fishery processing cooperative, federation of fishery processing cooperatives, credit cooperative, federation of credit cooperatives that conducts the business set forth in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act, Shinkin Bank, federation of Shinkin Banks, labor bank, the Rokinren Bank, the Norinchukin Bank, or the Shoko Chukin Bank Limited; the same applies in Article 34-64-4 and Article 35, paragraph (5)) is the registration applicant, the particulars set forth in items (i) through (iv) of the preceding paragraph need not to be stated in the written application for registration (meaning a written application for registration as prescribed in Article 52-61-3, paragraph (1) of the Act; the same applies in Article 34-64-4).

(Details and Method of Services Related to Electronic Payment Services)

Article 34-64-3 (1) The particulars specified by Cabinet Office Order that are provided for in Article 52-61-3, paragraph (2), item (iii) of the Act are as follows:

- (i) which of the acts related to electronic payment services that constitute acts set forth in the items of Article 2, paragraph (17) of the Act (excluding the acts set forth in Article 1-3-3) the electronic payment service provider performs (if the electronic payment service provider performs all of the acts set forth in the items of that paragraph (excluding the acts set forth in Article 1-3-3), a statement to that effect);
 - (ii) an outline of the services related to electronic payment services to be handled; and
 - (iii) the systems for carrying out electronic payment services.
- (2) The systems for carrying out electronic payment services as prescribed in item (iii) of the preceding paragraph include the following particulars:

- (i) the system for ensuring the proper handling and safe control of the information on users that the electronic payment service provider has acquired in relation to the electronic payment services;
- (ii) the system for ensuring the appropriate execution of the business of electronic payment services (if the electronic payment service provider intends to perform only the acts set forth in Article 2, paragraph (17), item (ii) of the Act, this is limited to the business of ensuring the proper handling and safe control of the information on users that the electronic payment service provider has acquired in relation to the electronic payment services) if the electronic payment service provider entrusts the business to a third party; and
- (iii) the name and job title of the person responsible for the management of electronic payment services.

(Other Documents to Be Attached to Written Applications for Registration)

Article 34-64-4 The documents specified by Cabinet Office Order that are provided for in Article 52-61-3, paragraph (2), item (iv) of the Act are the following documents (in the case of documents certified by public agencies, limited to those issued within three months prior to the date of application); provided, however, that this does not apply if a bank, etc. applies for the registration referred to in Article 52-61-2 of the Act:

- (i) if the registration applicant is a corporation, the following documents:
 - (a) a resume of each officer (meaning an officer as prescribed in Article 52-61-3, paragraph (1), item (ii) of the Act, and if an officer is a corporation, this includes a person responsible for performing the duties thereof; hereinafter the same applies in this item) (if an officer is a corporation, this includes documents stating its history);
 - (b) extracts of resident records of officers (if an officer is a corporation, this includes a certificate of registered matters of the officer) or documents in lieu thereof;
 - (c) if the name used before marriage of an officer is stated together with the officer's current name in a written application, and the document set forth in (b) does not certify the officer's name used before marriage, a document proving the name before marriage;
 - (d) a document in which an officer pledges that they do not fall under any of the provisions of Article 52-61-5, paragraph (1), item (ii), sub-item (b), 1 through 6 of the Act;
 - (e) the balance sheet for the business year preceding the business year that includes the date of application for registration or documents in lieu thereof; provided, however, that if the registration applicant is a corporation that was established in the business year that includes the

- date of application for registration, this means the balance sheet at the time of incorporation of the corporation or documents in lieu thereof; and
- (f) if the registration applicant is a company with financial auditors, documents stating the contents of a financial audit report as prescribed in Article 396, paragraph (1) of the Companies Act for the business year preceding the business year that includes the date of application for registration;
- (ii) if the registration applicant is an individual, the following documents:
- (a) a resume of the registration applicant;
 - (b) an abstract of the certificate of residence of the registration applicant (if the registration applicant is an individual domiciled in a foreign state, this includes the registration applicant's agent in Japan; the same applies in (c) (if the agent in Japan is a corporation, this includes a certificate of registered matters of the agent in Japan) or documents in lieu thereof;
 - (c) if the name used before marriage of the registration applicant is stated together with the registration applicant's current name in the written application, and the document set forth in (b) does not certify the registration applicant's name used before marriage, a document proving the name before marriage; and
 - (d) a written evidence of the assets prepared pursuant to Appended Form No. 20 for the business year preceding the business year that includes the date of application for registration.

(Public Inspection of Register of Electronic Payment Service Providers)

Article 34-64-5 The Commissioner of the Financial Services Agency or other competent authorities are to keep the register of electronic payment service providers that is associated with an electronic payment service provider the commissioner has registered at the Local Finance Bureau having jurisdiction over the locality of the principal business office or office (or the main business office or office in Japan, for a foreign corporation or an individual domiciled in a foreign state; hereinafter referred to as "main business office, etc." in Article 37, paragraph (8)) of that electronic payment service provider (if the locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, at the Fukuoka Local Finance Branch Bureau; if the electronic payment service provider has no business office or office in Japan, at the Kanto Finance Bureau), and make it available for public inspection.

(Financial Basis)

Article 34-64-6 The criteria specified by Cabinet Office Order that are provided for in Article 52-61-5, paragraph (1), item (i), sub-item (a) of the Act are that the amount of net assets (meaning the amount calculated by deducting the

total amount of liabilities from the total amount of assets recorded on the balance sheet as prescribed in Article 34-64-4, item (i), sub-item (e) or documents in lieu thereof or the written evidence of the assets as prescribed in item (ii), sub-item (d) of that Article) is not a negative value.

(Person Who Is Unable to Properly Perform Their Duties Related to Electronic Payment Services Due to Mental or Physical Disorder)

Article 34-64-6-2 (1) The person specified by Cabinet Office Order that is provided for in Article 52-61-5, paragraph (1), item (ii), sub-item (b), 1. of the Act is a person that is unable to adequately carry out the cognition, decision making, and communication necessary for properly performing their duties related to the electronic payment services due to mental impairment.

(2) The person specified by Cabinet Office Order that is provided for in Article 52-61-5, paragraph (1), item (iii), sub-item (b) of the Act is a person that is unable to adequately carry out the cognition, decision making, and communication necessary for properly engaging in the electronic payment services due to mental impairment.

(When Notification of Change Is Not Required)

Article 34-64-7 (1) The case specified by Cabinet Office Order that is provided for in Article 52-61-6, paragraph (1) of the Act is as follows:

(i) a case in which the location of a business office or office is changed for compelling reasons such as extension or reconstruction (but only if it is clear that the business office or office will be moved back to the location before the change);

(ii) a case in which the location of the business office or office subject to the change of the location as prescribed in the preceding item is moved back to the location before the change; and

(iii) the particular set forth in Article 34-64-2, paragraph (1), item (iv) is changed.

(2) An electronic payment service provider that submits a notification pursuant to the provisions of Article 52-61-6, paragraph (1) of the Act, must submit to the Commissioner of the Financial Services Agency or other competent authorities, in accordance with the categories set forth in the left-hand column of Appended Table 4, a written notice stating the particulars specified in the middle column of the Table, accompanied by documents as specified in the right-hand column of the Table.

(3) When an electronic payment service provider seeks to submit a notification of change pursuant to the provisions of Article 52-61-6, paragraph (3) of the Act, it must attach a written statement of reasons and other documents stating the particulars set forth in Article 34-64-2, paragraph (1), item (iv) (but only if the

electronic payment service provider commences performing the acts set forth in Article 2, paragraph (17), item (i) of the Act (excluding the acts set forth in Article 1-3-3)) to the written notification and submit them to the Commissioner of the Financial Services Agency or other competent authorities.

(Notification of Business Discontinuation)

Article 34-64-8 A person that submits a notification pursuant to the provisions of Article 52-61-7, paragraph (1) of the Act is to submit a written notice stating the following particulars to the Commissioner of the Financial Services Agency or other competent authorities:

- (i) the trade name or name;
- (ii) the date of registration and registration number;
- (iii) the grounds for notification;
- (iv) the date on which the electronic payment service provider came to fall under any of the items of Article 52-61-7, paragraph (1) of the Act;
- (v) if the electronic payment service provider has discontinued the electronic payment services, the reason therefor; and
- (vi) if the electronic payment service provider has had all of the electronic payment services succeeded to due to a company split or has transferred all of the electronic payment services, the method of succession or transfer of the services and the successor or transferee.

Section 2 Services

(Explanation to Users)

Article 34-64-9 (1) The case specified by Cabinet Office Order that is provided for in Article 52-61-8, paragraph (1) of the Act means the case in which an electronic payment service provider performs the acts set forth in the items of Article 2, paragraph (17) of the Act (excluding the acts set forth in Article 1-3-3) with a user continuously, and there is no change to any of the particulars set forth in the items of Article 52-61-8, paragraph (1) of the Act after the electronic payment service provider performed the relevant act with the relevant user immediately before the performance.

(2) When performing an act set forth in each item of Article 2, paragraph (17) of the Act (excluding the acts set forth in Article 1-3-3), an electronic payment service must clarify the particulars set forth in the items of Article 52-61-8, paragraph (1) of the Act to users by an appropriate method, such as making them available for public inspection via the internet; provided, however, that if an electronic payment service provider performs an act set forth in each item of Article 2, paragraph (17) of the Act (excluding the acts set forth in Article 1-3-3) upon re-entrustment from an entrusted electronic payment service provider

(including entrustment at two or more degrees of separation from the original entrustment; the same applies in the following Article, Article 34-64-11, and Article 34-64-16), the electronic payment service provider may clarify the relevant particulars through the entrusted electronic payment service provider or the bank referred to in the relevant item of that paragraph.

- (3) The principal electronic payment service provider referred to in the preceding paragraph means a person that falls under any of the following cases:
- (i) a person that, having been entrusted (including entrustment at two or more degrees of separation from the original entrustment) by a depositor, is provided with information on an instruction as provided in Article 2, paragraph (17), item (i) of the Act, and entrusts (including entrustment at two or more degrees of separation from the original entrustment) an electronic payment service provider with providing information on that instruction to a bank as referred to in that item; or
 - (ii) a person that, having been entrusted (including entrustment at two or more degrees of separation from the original entrustment) by a depositor, etc. as provided in Article 2, paragraph (17), item (ii) of the Act, entrusts (including entrustment at two or more degrees of separation from the original entrustment) an electronic payment service provider with acquiring the information prescribed in that item from the bank referred to in that item, for the purpose of providing that information to that depositor, etc. (this includes providing that information through another person and provision of information created by processing that information).
- (4) The particulars specified by Cabinet Office Order that are provided for in Article 52-61-8, paragraph (1), item (v) of the Act are the following particulars:
- (i) the registration number;
 - (ii) the amount or the maximum amount of the fees, consideration, or expenses to be paid by the user or the calculation method thereof;
 - (iii) if the electronic payment service provider performs the acts set forth in Article 2, paragraph (17), item (i) of the Act (excluding the acts set forth in Article 1-3-3), and sets the maximum amount of exchange transactions related to the instruction prescribed in that item, that maximum amount;
 - (iv) if the electronic payment service provider performs the acts set forth in the items of Article 2, paragraph (17) of the Act (excluding the acts set forth in Article 1-3-3) with a user continuously, the contract period and the handling in the case of cancellation of the contract before maturity (including the calculation method of fees, consideration or expenses);
 - (v) if the electronic payment service provider performs the acts set forth in the items of Article 2, paragraph (17) of the Act (excluding the acts set forth in Article 1-3-3) by acquiring a user's identification code or other such information from that user, a statement to that effect; and

(vi) other information found to be of reference for the electronic payment services carried out by the electronic payment service providers.

(Providing Users with Information to Prevent Them from Misunderstanding Electronic Payment Services for Services Carried Out by Banks)

Article 34-64-10 Before performing the acts set forth in the items of Article 2, paragraph (17) of the Act (excluding the acts set forth in Article 1-3-3) with a user of electronic payment services, an electronic payment service provider must explain to the user that the services of an electronic payment service provider is not carried out by a bank, by an appropriate method such as displaying this explanation on the screen of the electronic device used by that user via the internet; provided, however, that if an electronic payment service provider performs the acts set forth in the items of Article 2, paragraph (17) of the Act (excluding the acts set forth in Article 1-3-3) after having been entrusted by an entrusting electronic payment service provider (meaning an entrusting electronic payment service provider as prescribed in paragraph (3) of the preceding Article; the same applies hereinafter), the electronic payment service provider may display that explanation through the principal electronic payment service provider or the bank referred to in the items of that paragraph.

(Notice on Results of Exchange Transactions)

Article 34-64-11 If an electronic payment service provider performs the acts set forth in Article 2, paragraph (17), item (i) of the Act (excluding the acts set forth in Article 1-3-3), the electronic payment service provider must, without delay, notify the depositor that has entrusted the relevant act of the result of the exchange transaction, which was conducted by a bank based on that act, for transferring funds in the account opened by the depositor at that bank; provided, however, that an electronic payment service provider may make that notification through the bank referred to in that item or an entrusting electronic payment service provider (but, for an entrusting electronic payment service provider, only if an electronic payment service provider performs the acts set forth in that item (excluding the acts set forth in Article 1-3-3) upon entrustment from a entrusting electronic payment service provider).

(Measures to Manage the Security of Information Associated with Electronic Payment Services)

Article 34-64-12 An electronic payment service provider must take measures to ensure sufficient control of the electronic data processing systems associated the electronic payment services, in accordance with the contents and methods of its business.

(Measures to Manage the Security of Individual Users' Personal Information)

Article 34-64-13 If an electronic payment service provider entrusts another entity with managing the security of the information it handles regarding users of the electronic payment services who are individuals, the supervision of its employees, and the handling of the information on the individuals, the electronic payment service provider must take necessary and appropriate measures for preventing divulging, loss, or damage of the information.

(Handling of Specified Non-Public Information)

Article 34-64-14 When handling personal information that it handles regarding race, creed, family origin, registered domicile, healthcare, or criminal background of the users of the electronic payment services who are individuals and other specified non-public information (meaning information learned in the course of business that has not yet been publicly disclosed), an electronic payment service provider must take measures to ensure that the information is not used for purposes other than for ensuring the appropriate operation of the business that are found to be necessary.

(Measures to Ensure Appropriate Execution of Entrusted Business)

Article 34-64-15 If an electronic payment service provider entrusts a third party with its business (if the electronic payment service provider only performs the acts set forth in Article 2, paragraph (17), item (ii) of the Act, this is limited to the business involving the proper handling and safe control of the information on users that the electronic payment service provider has acquired in relation to the electronic payment services), it must take measures to ensure the appropriate execution of the business.

(Particulars That Must Be Provided for in a Contract with a Bank)

Article 34-64-16 The particulars specified by Cabinet Office Order that are provided for in Article 52-61-10, paragraph (2), item (iii) of the Act are particulars on the measures to be taken by the electronic payment service provider to ensure the proper handling and safe control of the information on users that the principal electronic payment service provider has acquired in relation to its business (limited to business that is related to the business entrusted to the electronic payment service provider), and the measures that may be taken by the bank if the electronic payment service provider does not take those measures in the case in which the electronic payment service provider performs the acts set forth in the items of Article 2, paragraph (17) of the Act (excluding the acts set forth in Article 1-3-3) upon entrustment from the entrusting electronic payment service provider.

(Method of Publication of Contracts)

Article 34-64-17 A bank and an electronic payment service provider must publicize the particulars set forth in the items of Article 52-61-10, paragraph (2) of the Act by appropriate methods, such as the use of the internet, in a way that allows easy access by users of the electronic payment service provider.

(Method of Publication of Standards by a Bank)

Article 34-64-18 A bank must publicize the standards prescribed in Article 52-61-11, paragraph (1) of the Act by appropriate methods, such as the use of the internet, in a way that allows easy access by an electronic payment service provider and users of the electronic payment service provider.

(Particulars Included in the Standards by a Bank)

Article 34-64-19 The particulars specified by Cabinet Office Order that are provided for in Article 52-61-11, paragraph (2) of the Act are the following particulars:

- (i) measures to be taken by the electronic payment service provider that will be the counterparty to the contract referred to in Article 52-61-10, paragraph (1) of Act, to ensure the proper handling and safe control of the information on users that the electronic payment service provider acquires in relation to the business of electronic payment services; and
- (ii) systems to be developed by the electronic payment service provider that will be the counterparty to the contract referred to in Article 52-61-10, paragraph (1) of the Act, to ensure that the execution of the business of electronic payment services complies with laws and regulations.

Section 3 Supervision

(Books and Documents Concerning Electronic Payment Services)

Article 34-64-20 An electronic payment service provider must prepare a general ledger and preserve it for ten years from the date of preparation pursuant to the provisions of Article 52-61-12 of the Act.

(Form of a Written Report on Electronic Payment Services)

Article 34-64-21 (1) A written report concerning electronic payment services under Article 52-61-13 of the Act must be prepared based Appended Form No. 21 if an electronic payment service provider is an individual, and based on Appended Form No. 22 if an electronic payment service provider is a corporation, and must be submitted to the Commissioner of the Financial Services Agency or other competent authorities, accompanied by a written evidence on the assets and a document stating the condition of income and

expenditures prepared pursuant to Appended Form No. 23 in the case of an individual, and a balance sheet and profit and loss statement or documents in lieu of those documents in the case of a corporation, within three months after the end of the business year.

- (2) If an electronic payment service provider is unable to submit a written report on electronic payment services within the period prescribed in the preceding paragraph for compelling reasons, it may postpone the submission with the prior approval of the Commissioner of the Financial Services Agency (when the Director the Local Finance Bureau or the Director of the Fukuoka Local Finance Branch Bureau prescribed in Article 17-5, paragraph (1) of the Order receives the report on electronic payment services, the Director of the Local Finance Bureau or the Director of Fukuoka Local Finance Branch Bureau).
- (3) When seeking the approval under the preceding paragraph, an electronic payment service provider must submit a written statement of reasons attached to a written application for approval to the Commissioner of the Financial Services Agency or other competent authorities.
- (4) When an application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether the electronic payment service provider that filed the application has what is found to be a compelling reason to postpone the submission as under paragraph (2).

(Method of Public Notice)

Article 34-64-22 The public notice under Article 52-61-17, paragraph (2) of the Act is to be issued in the official gazette.

Section 4 Certified Associations of Electronic Payment Service Providers

(Documents to Be Attached to Written Application for Certification)

Article 34-64-23 The documents specified by Cabinet Office Order that are provided in Article 16-10, paragraph (2) of the Order are the following documents:

- (i) a document stating the method of carrying out the certified services (meaning the certified services prescribed in Article 52-61-19 of the Act; the same applies in the following item and Article 34-64-26, item (vi));
- (ii) a document demonstrating that the applicant has the knowledge and ability sufficient to carry out the certified services properly and reliably;
- (iii) documents demonstrating that the applicant has an asset base, such as an inventory of assets in the latest business year (in the case of a corporation established in the business year that includes the date of application, at the time of its incorporation);

- (iv) resumes and abstracts of certificates of residency of officers or documents in lieu thereof;
- (v) if the name used before marriage of an officer is stated together with the officer's current name in a written application referred to in Article 16-10, paragraph (1) of the Order, and the document set forth in the preceding item does not certify the officer's name used before marriage, a document proving the name before marriage;
- (vi) any other document stating information that should serve as a reference.

(Making a Membership List Available for Public Inspection)

Article 34-64-24 A certified association of electronic payment service providers is to keep its membership list at an office of the certificate association of electronic payment service providers and make it available for public inspection.

(Information on Members That Is Necessary for Protecting the Interests of Users)

Article 34-64-25 The information specified by Cabinet Office Order that is provided in Article 52-61-24, paragraph (1) of the Act is the following information:

- (i) if a member comes to know of any person that is engaging in electronic payment services without obtaining the registration referred to in Article 52-61-2 of the Act: the information on that person, including the person's name, address and telephone number (if the person is a corporation, its trade name or name, address, telephone number, and the name of its representative), and the information concerning the business of electronic payment services carried out by that person;
- (ii) if a member comes to know of any electronic payment service provider that is engaging in electronic payment services without concluding the contract prescribed in Article 52-61-10, paragraph (1) of the Act with the bank referred to in each item, before performing the acts set forth in the items of Article 2, paragraph (17) of the Act (excluding the acts set forth in Article 1-3-3): the information set forth in the preceding item which pertains to that electronic payment service provider; and
- (iii) other information that the certified association of electronic payment service providers finds to be necessary in order to protect the interests of users.

(Provision of Information to the Certified Association of Electronic Payment Service Providers)

Article 34-64-26 The information specified by Cabinet Office Order that is

provided in Article 52-61-29 of the Act is the following information:

- (i) information on the interpretation of the Act;
- (ii) information on the request for making reports or submitting materials or the results and details of the questioning or on-site inspection based on the Act;
- (iii) information on the content of the Act, orders based on the Act, or dispositions made based thereon;
- (iv) information on the content of complaints from users about the services of electronic payment service providers or the electronic payment services and the details on processing of these complaints;
- (v) statistical information on the services of electronic payment service providers and the electronic payment services, and the underlying information; and
- (vi) other information that the Commissioner of the Financial Services Agency finds to be necessary in order to perform certified services properly.

Chapter VIII-4 Designated Dispute Resolution Organization

Section 1 General Rules

(Person Who Is Unable to Properly Perform Their Duties Related to Dispute Resolution Services Due to Mental or Physical Disorder)

Article 34-65 The person specified by Cabinet Office Order that is provided for in Article 52-62, paragraph (1), item (iv), sub-item (a) of the Act is a person that is unable to appropriately carry out the cognition, decision making, and communication necessary for properly performing their duties related to the dispute resolution services due to mental impairment.

(Calculation of Percentage)

Article 34-65-2 The calculation of the percentage prescribed in Article 52-62, paragraph (1), item (viii) of the Act is to be performed by dividing the number of banks that have raised objection (limited to objection based on reasonable grounds) about the terms of termination of the basic contract for the implementation of dispute resolution procedures, other terms of the basic contract for the implementation of dispute resolution procedures (excluding the particulars set forth in the items of Article 52-67, paragraph (2) of the Act), and other content of the operational rules (excluding the particulars that must be contained therein pursuant to the provisions of Article 52-67, paragraph (3) of the Act and particulars necessary for their compliance with the standards set forth in the items of paragraph (4) and item (i) of paragraph (5) of that Article) by submitting, to the person intending to file an application pursuant to Article 52-62, paragraph (1) of the Act, a document (which is referred to as a

"written opinion" in the following Article) stating whether or not the banks have any objection about the details of the operational rules (meaning the operational rules prescribed in item (vii) of Article 52-62, paragraph (1) of the Act; hereinafter the same applies in this Article, paragraph (1) of the following Article, and Article 34-77, paragraph (2)) and, if any, the content of and reasons for such objection, by the number of banks publicly disclosed by the Commissioner of the Financial Services Agency (which are referred to as "all banks" in the following Article and Article 34-68, paragraph (2)) on the date the person seeking to file the application delivered or has sent the operational rules prescribed in paragraph (1), item (ii) of the following Article (if such rules have been delivered or sent for over two or more dates, the latest date; the same applies in Article 34-67).

(Hearing of Opinions from Banks)

Article 34-66 (1) When, pursuant to the provisions of paragraph (2) of that Article, a person seeking to file an application as referred to in Article 52-62, paragraph (1) of the Act explains to the relevant banks the details of its operational rules and hears their opinions on whether they have any objections (if any, including reasons therefor), it must hold an explanatory meeting as follows:

- (i) The date and place of the explanatory meeting are determined in consideration of the convenience of all banks that will attend.
- (ii) The person that seeks to file the application delivers or sends documents and operational rules (which are referred to as "operational rules, etc." in the following Article and Article 34-68, paragraph (2)) stating the following particulars to all banks, no later than two weeks before the date of the explanatory meeting (the date of the first meeting when holding two or more meetings):
 - (a) trade name or name, location of the main business office or other offices, telephone number or other contact information of the person that seeks to file the application;
 - (b) date and place of the explanatory meeting.
 - (c) a statement to the effect that banks must submit written opinions to a person seeking to file the application within a fixed period following the date of the explanatory meeting (the date of the last meeting when two or more meetings are held);
- (iii) that the fixed period referred to in sub-item (c) of the preceding item is not shorter than two weeks.

(2) The document stating the results prescribed in Article 52-62, paragraph (2) of the Act must state all of the following particulars:

- (i) dates and places of all the explanatory meetings;

- (ii) whether or not all banks attended the explanatory meeting;
 - (iii) whether or not all banks submitted written opinions;
 - (iv) whether or not written opinions submitted contained any objection;
 - (v) when the written opinions submitted contains any objection that does not fall under the objection prescribed in Article 52-62, paragraph (1), item (viii) of the Act, a statement to that effect and the reason that it was deemed not to fall under the objection prescribed in that item.
- (3) The document prescribed in the preceding paragraph is to be accompanied by all of the written opinions submitted by the banks.

(Submission of Written Application for Designation)

Article 34-67 The written application for designation prescribed in Article 52-63, paragraph (1) of the Act must be submitted within three months from the date the operational rules were delivered or sent.

(Documents Attached to Written Application for Designation)

Article 34-68 (1) The documents specified by Cabinet Office Order that are provided for in Article 52-63, paragraph (2), item (v) of the Act means the following documents:

- (i) the balance sheet, the income and expenditure statement or the profit and loss statement for the business year immediately preceding the business year that includes the date of application prescribed in Article 52-62, paragraph (1) of the Act and an inventory of assets as of the end of such immediately preceding business year or any documents equivalent thereto (when the person seeking to apply for the designation pursuant to the provisions of that paragraph (which is referred to as an "applicant" in paragraph (3)) is a corporation (meaning a corporation prescribed in paragraph (1), item (i) of that Article; the same applies in Article 34-74, paragraph (3), item (iii)) established during the business year that includes the date of application, an inventory of assets as of the date of the establishment or any document equivalent thereto).
 - (ii) a document giving an estimate of income and expenditure after the designation is assigned pursuant to Article 52-62, paragraph (1) of the Act.
- (2) The documents specified by Cabinet Office Order that are provided for in Article 52-63, paragraph (2), item (vi) of the Act are the following documents:
- (i) the operational rules, etc. delivered or sent to all banks pursuant to the provisions of Article 34-66, paragraph (1), item (ii);
 - (ii) documents certifying the dates and the methods on or by which the operational rules, etc. were delivered or sent to all banks;
 - (iii) if operational rules, etc. have been sent to a bank, documents certifying the particulars in the following sub-item (a) or (b) in accordance with the

- categories set forth respectively therein to indicate whether or not the operational rules, etc. reached the bank and fact that the documents reached the bank;
- (a) if they reached the bank, the arrival date;
 - (b) if they did not reach the bank, reason that they did not reach the bank by normal sending method.
- (3) The documents specified by Cabinet Office Order that are provided for in Article 52-63, paragraph (2), item (vii) of the Act are the following documents:
- (i) a document stating the trade name or name, address, or location of the main business office or offices of any person holding voting rights that account for over five percent of the total shareholder or equivalent voting rights (meaning the total shareholder, member, partner, or investor voting rights; the same applies in the following item and Article 34-77, paragraph (2)) of the applicant and the number of voting rights held;
 - (ii) a document stating the trade name or name, location of the main business office or offices, and line of business of the parent corporation (meaning a corporation or any other organization holding the majority of the total shareholder or equivalent voting rights in the applicant) and the subsidiary corporation (meaning a corporation and other organizations of which the majority of the total shareholder or equivalent voting rights is held by the applicant) of the applicant;
 - (iii) abstracts of the certificates of residency of the officers (if the officer is a corporation, including persons responsible for performing the duties thereof; hereinafter the same applies in this paragraph and Article 34-71 and Article 34-72) (if the officer is a corporation, a certificate of registered matters of that officer) or any document in lieu thereof;
 - (iv) when an officer's name used before marriage is stated together with the officer's current name in the written application for designation referred to in Article 52-63, paragraph (1) of the Act, and the document set forth in the preceding item does not certify the officer's name used before marriage, a document proving the name used before marriage;
 - (v) a certificate of authorities that an officer does not fall under Article 52-62, paragraph (1), item (iv), sub-item (b) (when an officer does not have Japanese nationality, a document in which the officer pledges not to fall under (b) of that item);
 - (vi) resume of the officers (when the officer is a corporation, a document stating the history of the officer);
 - (vii) a document stating the candidates for dispute resolution mediators (meaning a dispute resolution mediator prescribed in Article 52-64, paragraph (1) of the Act; the same applies in Article 34-75, paragraph (2), item (iii)) and the progress in recruiting officers and employees (hereinafter

referred to as "Officers, etc." in this item, following item, and Article 34-77) that have knowledge and experience in dispute resolution services, and the stationing of the officers;

- (viii) a document in which each officer, etc. pledges that that officer, etc. is not a member of an organized crime group, etc. (meaning a member of an organized crime group, etc. prescribed in Article 52-69 of the Act; the same applies in Article 34-77, paragraph (1), item (ii));
- (ix) documents stating other particulars that serve as reference.

Section 2 Services

(Particulars to Be Prescribed in Operational Rules)

Article 34-69 The particulars specified by Cabinet Office Order that are provided for in Article 52-67, paragraph (1), item (viii) of the Act means the following particulars:

- (i) the particulars on the time to conduct dispute resolution services and non-business days;
- (ii) the name and location of business offices or offices, and the particulars on the areas covered by dispute resolution services of the business offices or offices;
- (iii) the particulars on the supervision of employees that provide dispute resolution services;
- (iv) when complaint processing procedures or dispute resolution procedures are outsourced, the particulars on the outsourcing;
- (v) other particulars necessary for dispute resolution services.

(Content of the Basic Contract for Implementation of Dispute Resolution Procedures)

Article 34-70 The particulars specified by Cabinet Office Order that are provided for in Article 52-67, paragraph (2), item (xi) of the Act are that, if a customer of a member bank (meaning a member bank prescribed in Article 52-65, paragraph (2) of the Act; the same applies hereinafter) which is a party to the dispute so requests, a designated dispute resolution organization may investigate the progress of fulfillment of obligations prescribed in settlement agreement of the dispute resolution procedures and may recommend that the member bank fulfill the obligations.

(Substantial Controllers)

Article 34-71 The person specified by Cabinet Office Order as one that substantially controls the business of the designated dispute resolution organization or has a relationship of having a significant influence on its

business due to its holding of shares in the designated dispute resolution organization, its financing of the designated dispute resolution organization, or any other grounds, as provided in Article 52-67, paragraph (4), item (iii) of the Act, means a person as set forth in the following sub-items that is found not obvious as to be unable to control the business policy decisions or to significantly influence the business of the designated dispute resolution organization in light of their business relationship:

- (i) if the combined voting rights held by a particular person on the person's own account, voting rights held by persons who are found to exercise their voting rights in the manner intended by the particular person due to a close relationship with the particular person in terms of contribution, personnel affairs, funds, technical skills, transactions, or other matters, and persons who agree to exercise their voting rights in the manner intended by the particular person account for one third or more of the voting rights in the designated dispute resolution organization (including the cases in which the particular person does not hold any voting rights on the person's own account), the particular person;
- (ii) a person that is or has been an officer of the designated dispute resolution organization;
- (iii) a relative within the third degree of kinship of an officer of the designated dispute resolution organization;
- (iv) a person that has any of the persons set forth in the preceding two items as its representative (including a representative or administrator of an organization that is not a corporation and appoints a representative or an administrator; the same applies in item (iv) of the following Article);
- (v) a person for whom one third or more of the officers of the designated dispute resolution organization are or have been its own officers or employees;
- (vi) a person that has concluded a contract with the designated dispute resolution organization for controlling decisions on the business policy of the organization;
- (vii) when a particular person provides a loan (including a guarantee of liabilities and provision of collateral; the same applies in this item and item (vii) of the following Article) for one-third or more of the total amount of the procured funds (limited to those included in the liabilities on the balance sheet; the same applies in this item and item (vii) of the following Article) of the designated dispute resolution organization (including cases in which the amount of such loan exceeds one-third of the total amount of the procured funds when combined with the amount of a loan provided by a person with a close relationship with the particular person in terms of contribution, personnel affairs, funds, technical skills, transactions or other matters), the

- particular person;
- (viii) in addition to the persons set forth in the preceding items, a particular person who is presumed to have control over the business policy decisions of the designated dispute resolution organization;
 - (ix) when a particular person has, with any of the persons set forth in the preceding items, a relationship similar to the relationship between any of the persons set forth in the preceding items (excluding items (ii) to (iv); hereinafter the same in this item) and the designated dispute resolution organization as prescribed respectively in the preceding items, the particular person;
 - (x) when any of the persons set forth in items (i) to (viii) has, with a particular person, a relationship similar to the relationship between the designated dispute resolution organization set forth in item (i) or items (v) to (viii) of the following Article and the persons set forth in the respective items, the particular person.

(Subsidiary Companies)

Article 34-72 The person specified by Cabinet Office Order as one that has a relationship with a designated dispute resolution organization in which the organization substantially controls its business due to holding of shares or other grounds as prescribed in Article 52-67, paragraph (4), item (iii) of the Act means a person as set forth in the following items who is found that the designated dispute resolution organization is not obvious to be unable to control their business policy decisions, in light of their business relationship.

- (i) when the combined voting rights held by a designated dispute resolution organization on its own account, voting rights held by persons who are found to exercise their voting rights in the manner intended by the designated dispute resolution organization due to a close relationship with the organization in terms of contribution, personnel affairs, funds, technical skills, transactions, or other matters, and persons who agree to exercise their voting rights in the manner intended by the designated dispute resolution organization accounts for one third or more of voting rights in another corporation, or an organization that is not a corporation and appoints a representative or an administrator (hereinafter referred to as a "corporation, etc." in this item and item (v)) (including the cases in which the dispute resolution organization does not hold any voting rights on its own account), the other corporation, etc.;
- (ii) a person that is or has been an officer or an employee of the designated dispute resolution organization;
- (iii) a relative within the third degree of kinship of an officer of the designated dispute resolution organization;

- (iv) a person that has any of the persons set forth in the preceding two items as its representative;
- (v) when those set forth in the preceding two items account for one third or more of the officers of another corporation, etc., the other corporation, etc.;
- (vi) if the designated dispute resolution organization has concluded a contract with a particular person for controlling business policy decisions of the particular person, the particular person;
- (vii) when a designated dispute resolution organization provides a loan for one third or more of the total amount of the procured funds of a particular person (including cases in which the amount of such loan exceeds one-third of the total amount of the procured funds when combined with the amount of a loan provided by a person with a close relationship with the designated dispute resolution organization in terms of contribution, personnel affairs, funds, technical skills, transactions or other matters), the particular person;
- (viii) in addition to the persons otherwise set forth in the preceding items, any particular person over whose business policy decisions there are factual circumstances to infer that a designated dispute resolution organization has control;
- (ix) when any of the persons set forth in the preceding items has, with a particular person, a relationship similar to the relationship between the designated dispute resolution organization in the preceding items (excluding items (ii) to (iv); hereinafter the same applies in this item) and any of the persons set forth therein respectively, the particular person.

(Particulars to Be Stated in the Record of Complaint Processing Procedures)

Article 34-73 (1) Pursuant to the provisions of Article 52-71 of the Act, the designated dispute resolution organization must, with regard to complaint processing procedures it performed, prepare a record stating the following particulars:

- (i) date and content of the application filed by a customer of a member bank for resolution of a complaint related to banking services (meaning a complaint related to banking services prescribed in Article 2, paragraph (22) of the Act; the same applies in paragraph (3), item (iii) of the following Article);
 - (ii) name and trade name of the customer of a member bank who filed the application in the preceding item, of the customer's agent, and trade name of the member bank;
 - (iii) history of the complaint processing procedures performed;
 - (iv) results of the complaint processing procedures (including the reasons and date of the termination of the complaint processing procedures).
- (2) The designated dispute resolution organization must preserve the records of the particulars prescribed in the preceding paragraph for a minimum of five

years from the date it completed the complaint processing procedures.

(Interests of Dispute Resolution Mediators)

Article 34-74 (1) A person that has interests in a party to the dispute (hereinafter referred to simply as "party to the dispute") prescribed in Article 52-65, paragraph (2) of the Act pertaining to the application in Article 52-73, paragraph (1) of the Act as prescribed in paragraph (3) of that Article, is a person that falls under any of the following items:

- (i) a person that is or had been the spouse of a party to the dispute;
- (ii) a person that is or had been a relative by blood within the fourth degree of kinship of a party to the dispute; or a relative by marriage within the third degree of kinship or a relative living together with a party to the dispute;
- (iii) guardians, supervisors of guardians, curators, supervisors of curators, assistants or supervisors of assistants of a party to the dispute;
- (iv) a person that is or had been the agent or assistant of a party to the dispute related to banking services pertaining to the application (meaning a dispute related to banking services prescribed in Article 2, paragraph (23) of the Act; the same applies in the following Article);
- (v) a person that earns an income from a party to the dispute for provision of services or for whom three years have not passed from the date it stopped earning the income.

(2) The person specified by Cabinet Office Order that is provided for in Article 52-73, paragraph (3), item (iii) of the Act means a person that holds any of the following qualifications and has been engaged in a service providing consumer affairs consultation (meaning the Consumer Affairs Consultation prescribed in Article 13, paragraph (3), item (v), sub-item (a) of the Consumer Contract Act (Act No. 61 of 2000)) for at least five years in total:

- (i) qualification of a specialized consumer affairs consultant granted by the Incorporated Administrative Agency National Consumer Affairs Center of Japan;
- (ii) qualification of a consumer affairs advisor granted by the Japan Industrial Association;
- (iii) qualification of a consumer affairs consultant granted by the Japan Consumers' Association.

(3) The persons specified by Cabinet Office Order that are provided for in Article 52-73, paragraph (3), item (v) of the Act are the following persons:

- (i) a person that has been in one or more of the following occupations for at least five years in total:
 - (a) judge;
 - (b) assistant judge;
 - (c) public prosecutor;

- (d) attorney at law;
- (e) professor or associate professor at a department, major course, or graduate school for the study of law at a university as prescribed by the School Education Act (Act No. 26 of 1947);
- (ii) person that has been in one or more of the following occupations for at least five years in total:
 - (a) public accountant;
 - (b) licensed tax accountant;
 - (c) professor or associate professor at a department, major course, or graduate school for the study of economics or commercial science at a university as prescribed by the School Education Act.;
- (iii) a person that, at a corporation providing services of handling complaints related to banking services or services pertaining to the handling of complaints related to banking services, has engaged in such services as investigation, guidance, advice, rulemaking, etc. necessary to ensure the protection of clients;
- (iv) a person recognized by the Commissioner of the Financial Services Agency as having knowledge and experience equal to or greater than a person set forth in any of the preceding three items.

(Explanation to a Customer of a Member Bank Who Is a Party to the Dispute Related to Banking Services)

- Article 34-75 (1) A designated dispute resolution organization, in giving explanation prescribed in Article 52-73, paragraph (8) of the Act and when requested by a customer of a member bank, who is a party to the dispute related to banking services, to deliver a written document, must deliver a written document and give the explanation.
- (2) The particulars specified by Cabinet Office Order that are provided for in Article 52-73, paragraph (8), item (iii) of the Act are the following particulars:
- (i) method of handling secrets of the parties and third parties to the dispute related to banking services contained in opinions stated or materials submitted or presented in the course of dispute resolution procedures or recorded in the dispute resolution record prescribed in Article 52-73, paragraph (9) of the Act (referred to as the "dispute resolution record" in paragraph (1) of the following Article);
 - (ii) requirements to be fulfilled for the parties to a dispute related to banking services to complete such dispute resolution procedures and method of completion;
 - (iii) that if the dispute resolution mediator finds the parties to a dispute related to banking services unlikely to reach a settlement through dispute resolution procedures, the mediator will promptly terminate the dispute

resolution procedures and notify the parties to the dispute related to banking services to that effect;

- (iv) whether or not there are written documents to be prepared when the parties to a dispute related to banking services reached a settlement and, if they are prepared, the name of the person who prepared the documents, the number of copies, and the outline pertaining to preparation of the documents.

(Preservation and Preparation of Dispute Resolution Record)

Article 34-76 (1) A designated dispute resolution organization must preserve the dispute resolution record for at least ten years from the date it completed the dispute resolution procedures.

(2) The particulars specified by Cabinet Office Order that are provided for in Article 52-73, paragraph (9), item (vi) of the Act are the following particulars:

- (i) content of the application for dispute resolution procedures;
- (ii) when a special mediation (meaning the special mediation prescribed in Article 52-67, paragraph (6) of the Act; hereinafter the same applies in this item) is proposed in the dispute resolution procedures, the content of the mediation and the date it was proposed;
- (iii) when the dispute resolution procedures resulted in a settlement, the content of the settlement.

Section 3 Supervision

(Matters to Be Notified)

Article 34-77 (1) When seeking to file a notification under Article 52-79 of the Act, a designated dispute resolution organization must submit a written notification with the Commissioner of the Financial Services Agency, with a statement of reasons and documents stating other particulars that will serve as reference attached thereto (in the cases set forth in the following items, including particulars set forth in the respective items):

- (i) the cases set forth in Article 52-79, item (i) of the Act: the date of conclusion or termination of the basic contract for the implementation of dispute resolution procedures and the trade name of the bank;
- (ii) the cases set forth in item (vi) of the following paragraph: a written pledge by persons appointed officer, etc. of the designated dispute resolution organization that they are not members of any organized crime group;
- (iii) the cases set forth in item (vii) of the following paragraph: the reasons that the organization suspects that the bank may fail to fulfill obligations under basic contract for the implementation of dispute resolution procedures and other obligations pertaining to dispute resolution services and the trade name of the bank;

- (iv) the cases set forth in item (viii) and (ix) of the following paragraph: the following particulars:
 - (a) name of the business office or office where the act occurred;
 - (b) name or trade name and title of the officer who committed the act;
 - (c) outline of the act;
 - (d) improvement plan.
- (2) The occasions specified by Cabinet Office Order that are provided for in Article 52-79, item (ii) of the Act are the following occasions:
 - (i) when the organization changed the articles of incorporation or other regulations equivalent thereto;
 - (ii) when a parent corporation (meaning a corporation or other organizations holding the majority of the total shareholder or equivalent voting rights in the designated dispute resolution organization; the same applies in the following item) or a subsidiary corporation (meaning a corporation or other organizations of which the majority of the total shareholder or equivalent voting rights is held by the designated dispute resolution organization; the same applies in item (iv)) changed their trade name or name, the location of the main business office or office, or the line of business;
 - (iii) when the parent corporation ceased to be the parent corporation;
 - (iv) when a subsidiary corporation ceases to be a subsidiary corporation or when the designated dispute resolution organization acquired or held voting rights in a subsidiary corporation;
 - (v) when a single person acquired or held voting right exceeding five percent of the total shareholder or investor voting rights in the designated dispute resolution organization;
 - (vi) when, after a written application for designation prescribed in Article 52-63, paragraph (1) of the Act was filed, there was a person newly appointed an officer, etc. of the designated dispute resolution organization;
 - (vii) when a bank offered to conclude a basic contract for the implementation of dispute resolution procedures and the designated dispute resolution organization refused the offer;
 - (viii) when an officer, etc. of the designated dispute resolution organization or its outsourced contractor learned that an act violating laws and regulations or violating operational rules of the designated dispute resolution organization in providing dispute resolution services (for the outsourced contractor, limited to services outsourced by the designated dispute resolution organization);
 - (ix) when the designated dispute resolution organization learned that a member bank or its officer, etc. committed an act violating the operational rules of the designated dispute resolution organization.
- (3) Notifications to be submitted when the designated dispute resolution

organization falls under items (viii) or (ix) of the preceding paragraph must be submitted within one month from the date the designated dispute resolution organization learned the facts prescribed in those provisions.

(Submission of Written Reports on Dispute Resolution)

Article 34-78 (1) A written report on dispute resolution services, that should be prepared by a designated dispute resolution organization pursuant to Article 52-80, paragraph (1) of the Act must be prepared pursuant to the Appended Form No. 24 and submitted to the Commissioner of the Financial Services Agency within three months of the end of the business year.

(2) The written report submitted pursuant to the preceding paragraph must be accompanied with the inventory of property, balance sheet, income and expenditure statement or profit and loss statement, or any documents equivalent thereto, for the latest business year.

(3) A designated dispute resolution organization, if it is unable to submit the written report prescribed in paragraph (1) within the period prescribed in that paragraph for compelling reasons, may postpone the submission with the prior approval of the Commissioner of the Financial Services Agency.

(4) When seeking the approval under the preceding paragraph, a designated dispute resolution organization must submit a written statement of reasons attached to a written application for approval to the Commissioner of the Financial Services Agency.

(5) When the application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency is to examine whether the designated dispute resolution organization that filed the application has what is found to be a compelling reason to postpone the submission as under paragraph (3).

Chapter IX Miscellaneous Provisions

(Matters to Be Notified)

Article 35 (1) The cases specified by Cabinet Office Order that are provided for in Article 53, paragraph (1), item (viii) of the Act are as follows:

(i) if the articles of incorporation are changed;

(ii) if share options or bonds with share options are to be issued;

(ii)-2 if an early redemption is to be made for corporate bonds with share options (including a case of seeking to make a redemption of bonds without a term);

(iii) when seeking to appoint a director representing a bank, a director engaging in ordinary business of a bank or an auditor (in the case of a company with audit and supervisory committee, a director representing a

- bank, a director engaging in ordinary business of a bank or an audit and supervisory committee member (excluding a director engaging in ordinary business of a bank); in the case of a company with nominating committee, etc., a director engaging in ordinary business of a bank, a representative executive officer, an executive officer or an audit committee member (excluding a director engaging in ordinary business of a bank); hereinafter referred to as "officer, etc." in this item and the following item), or when officer, etc. seeks to resign (excluding the case that falls under the following item);
- (iii)-2 when appointment or resignation of the officer, etc. (hereinafter referred to as "appointment or resignation" in this Article) has taken place (but only if there is a compelling reason for being unable to file, before the appointment or resignation of an officer, etc., a notification to the effect that an officer, etc. is to be appointed or that an officer, etc. is to resign);
 - (iii)-3 when the appointment or resignation of an accounting advisor is sought (excluding the case that falls under the following item);
 - (iii)-4 when the appointment or resignation of an accounting advisor has taken place (but only if there is a compelling reason for being unable to file, before the appointment or resignation of an accounting advisor, a notification to the effect that an accounting advisor is to be appointed or that an accounting advisor is to resign)
 - (iii)-5 when the appointment or resignation of a financial auditor is sought (excluding the case that falls under the following item); and
 - (iii)-6 when the appointment or resignation of a financial auditor has taken place (excluding the case in which the financial auditor is deemed to have been re-appointed pursuant to the provisions of Article 338, paragraph (2) of the Companies Act; and only if there is a compelling reason for being unable to submit, before the appointment or resignation of a financial auditor, a notification to the effect that a financial auditor is to be appointed or that a financial auditor is to resign);
 - (iv) if a sub-office as prescribed in Article 9, paragraph (1), item (i) (excluding a temporary or circuit-type facility or an unmanned facility) has been opened, relocated, or closed or a sub-office as prescribed in Article 9-2, paragraph (3), item (i) is established;
 - (v) when the relevant person seeks to close a sub-office or to change the location of a business office in a foreign state as prescribed in Article 9-2, paragraph (3), item (ii) (excluding cases corresponding to the following item, or Article 9, paragraph (1), item (ii) or item (iii));
 - (v)-2 when a sub-office located in a foreign state (limited to a temporary or circuit-type facility or an unmanned facility) has been closed or its location has been changed (excluding cases as set forth in Article 9, paragraph (1),

- item (ii) or (iii));
- (vi) when a facility or equipment that the relevant person uses only to carry out all or part of the services prescribed in Article 10, paragraph (2) of the Act (excluding cases specified separately by the Commissioner of the Financial Services Agency) has been established or installed, relocated, or closed, or if the content of the services the person carries out using that facility or equipment has changed;
- (vi)-2 when a facility or equipment that the relevant person uses only to carry out all or part of the services prescribed in Article 10, paragraph (2) of the Act in a foreign state has been established or installed, relocated, or closed, or if the content of services the person carries out using that facility or equipment has changed;
- (vi)-3 when a contract to entrust a person with bank agency services is concluded, changed, or terminated (including if further entrustment of entrusted bank agency services is authorized);
- (vi)-4 when a contract to entrust a person to act as an agent or intermediary in the conclusion of a contract involving the business as prescribed in Article 10, paragraph (2) of the Act is concluded, changed, or terminated;
- (vi)-5 in the cases of seeking to establish a specified transaction account;
- (vi)-6 in the cases of seeking to close a specified transaction account;
- (vii) in the cases of seeking to change business hours as prescribed in Article 16, paragraph (3) at all or some of business offices (excluding a temporary or circuit-type facility or an unmanned facility) of a bank (excluding cases in which business hours as prescribed in paragraph (1) of that Article are ensured);
- (viii) when another company (excluding a company required to submit a notification as prescribed in that item in making the company as a subsidiary company pursuant to the provisions of Article 53, paragraph (1), item (ii) of the Act) is made as a subsidiary company due to the acquisition of shares, etc. through the exercise of the security right by a bank or its subsidiary company or the grounds set forth in the items of Article 17-4, paragraph (1);
- (viii)-2 in the cases of falling under the case prescribed in the main clause of Article 16-2, paragraph (4) of the Act and seeking to make a foreign company not constituting a company eligible to be a subsidiary company (meaning the company eligible to be a subsidiary company prescribed in paragraph (1) of that Article; the same applies in item (xii)) a subsidiary company;
- (ix) when voting rights in its subsidiary company are acquired or held;
- (x) when a subsidiary company changes its name or the location of the head office or the main business office or other offices, undergoes a merger, or discontinues all services (excluding cases as prescribed in Article 53,

- paragraph (1), item (iii) of the Act);
- (x)-2 when a bank that has obtained authorization as referred to in Article 16-2, paragraph (7) of the Act has ceased to hold the part of the combined voting rights in an advanced banking service company that the bank or its subsidiary companies hold in excess of the maximum threshold for voting rights held (meaning the maximum threshold for voting rights held as prescribed in Article 16-4, paragraph (1) of the Act; the same applies in this paragraph);
- (x)-3 when a bank that has obtained authorization as referred to in Article 16-2, paragraph (7) of the Act or its subsidiary companies have held voting rights in an advanced banking service company in excess of the maximum threshold for voting rights held, and that advanced banking service company changes its name or the location of the head office or the main business office or other offices, undergoes a merger, or discontinues all services (excluding the cases referred to in the preceding two items);
- (xi) when a bank or its subsidiary company acquires or holds voting rights in a domestic company (meaning a domestic company as prescribed in Article 16-4, paragraph (1) of the Act; the same applies in item (xiii)) that, when combined, exceed the maximum threshold for voting rights held due to the grounds set forth in each item of Article 17-16, paragraph (1);
- (xii) when a bank or its subsidiary company acquires or comes to hold voting rights in a company eligible to be a subsidiary company (excluding an advanced banking service company) that, when combined, exceeds the maximum threshold for voting rights held;
- (xiii) when a bank or its subsidiary companies no longer hold the portion of voting rights that, when combined, exceeds the maximum threshold for voting rights held of a domestic company and a company in business revitalization process;
- (xiv) in the case of newly holding a corporation corresponding to a subsidiary company, etc. as prescribed in Article 14-4 or any of the companies as set forth in each item of Article 14-12 (excluding a subsidiary company; referred to as "person that has a unique relationship" in the following item and item (xvi));
- (xv) if a person that has a unique relationship is no longer such a person;
- (xvi) upon learning of the decision that a company in which a bank and its subsidiary companies hold voting rights which, in total, exceed the maximum threshold for voting rights held (excluding a subsidiary company of that bank or a foreign company), or a person that has a unique relationship with a bank will change the content of its business;
- (xvi)-2 when a bank that has obtained authorization as referred to in Article 52-2, paragraph (2) of the Act seeks to conclude an outsourcing contract for

- foreign bank agency services with a foreign bank that belongs to a foreign bank group;
- (xvi)-3 when a bank that has obtained authorization as referred to in Article 52-2, paragraph (2) of the Act intends to terminate an outsourcing contract for foreign bank agency services concluded with the principal foreign bank;
- (xvi)-4 when a liaison office that is established in a foreign state is closed or its location is changed;
- (xvii) when a facility is to be established in a foreign state for business that is related to the services of a bank (excluding a liaison office), or when the facility is closed or its location is changed;
- (xvii)-2 when the principal foreign bank pertaining to foreign bank agency services conducted in a foreign state falls under any of the following:
- (a) it changes the amount of stated capital or contribution;
 - (b) it changes its trade name or name or the location of its main business office;
 - (c) it merges, has its business succeeded to in a company split, succeeds to a business in a company split, or transfers or acquires all or an important part of a business;
 - (d) it is dissolved (other than a dissolution resulting from a merger) or discontinues banking;
 - (e) its banking license (including any permission, registration, or other administrative disposition similar to such a license) is revoked; or
 - (f) it becomes subject to an order commencing bankruptcy proceedings;
- (xviii) when a bank with a specified transaction account or a foreign bank branch that submitted notification of a specified transaction account seeks to change the type of transactions which are intended to be transacted as specified transactions, or any other particulars of the documents as prescribed in paragraph (5), item (i) (excluding when seeking to make minor changes);
- (xix) when a foreign bank branch seeks to establish an account equivalent to a specified transaction account;
- (xx) when calculating consolidated capital adequacy ratio of a bank and its subsidiary company, etc., as prescribed by the Commissioner of the Financial Services Agency, in the cases of seeking to use a method of including the part of the company's assets, liabilities, profit, and expenditures that belongs to a bank and a consolidated subsidiary corporation, etc. (meaning a subsidiary corporation, etc. of the bank that is included within the scope of consolidation; the same applies in items (xxx) and (xxxi)) into the scope of consolidation;
- (xxi) in the cases of seeking to suspend the use of the method as prescribed in the preceding item;

- (xxii) in the case of seeking to borrow money by a subordinated loan (excluding one specified separately by the Commissioner of the Financial Services Agency; the same applies in the following item and paragraph (3), items (xvii) and (xviii)) or in the case of seeking to issue a subordinated bond (excluding one specified separately by the Commissioner of the Financial Services Agency; the same applies in the following item and paragraph (3), items (xvii) and (xviii));
- (xxiii) in the case of seeking to make an early repayment of a debt pertaining to a subordinated loan or in the case of seeking to make an early redemption of a subordinated bond (including a case of seeking to make a repayment or redemption for a debt or bond without a term);
- (xxiv) in the cases of seeking to acquire a company's shares according to the resolution at a shareholders meeting or the board of directors meeting pursuant to the provisions of Article 156, paragraph (1) of the Companies Act (including when the provisions are applied by replacing terms pursuant to Article 165, paragraph (3) of that Act);
- (xxiv)-2 in the cases of seeking to acquire a company's shares subject to call (meaning the shares subject to call prescribed in Article 2, item (xix) of the Companies Act; the same applies in paragraph (3), item (xviii)-3) for which the day of acquisition has been specified pursuant to the provisions of Article 168, paragraph (1) of that Act;
- (xxiv)-3 in the cases of seeking to acquire all of the company's class shares subject to wholly call (meaning the class shares subject to wholly call prescribed in the first sentence of Article 171, paragraph (1) of the Companies Act; the same applies in paragraph (3), item (xviii)-4) according to the resolution at a shareholders meeting under the provisions of the first sentence of Article 171, paragraph (1) of that Act;
- (xxiv)-4 in the cases of seeking to solicit persons to subscribe to treasury shares (meaning the treasury shares prescribed in Article 113, paragraph (4) of the Companies Act; the same applies in paragraph (3), item (xviii)-5) it will dispose pursuant to the provisions of Article 199, paragraph (1) of that Act;
- (xxv) in the case of having learned that a disgraceful incident (with regard to the outsourced contractor, limited to those pertaining to business entrusted by the bank) occurred in a bank, its subsidiary company, or an outsourced contractor (which is referred to as a "bank, etc." in paragraph (7));
- (xxvi) in the case of seeking to decrease the amount of reserve;
- (xxvii) if a dividend of surplus is paid pursuant to the provisions of Article 453 of the Companies Act;
- (xxviii) Deleted;
- (xxix) when a bank has submitted or provided a business report and annexed detailed statement, prepared pursuant to the provisions of Article 435,

- paragraph (2) of the Companies Act, to an annual shareholders meeting;
- (xxx) when a consolidated subsidiary corporation, etc. established exclusively for the purpose of capital raising that contribute to the adequacy of equity capital of a bank (referred to as "capital raising" in this item and the following item) seeks to raise capital from persons other than the bank; or
- (xxxi) when the consolidated subsidiary corporation, etc. referred to in the preceding item seeks to make an early payment or early redemption pertaining to capital raising (including a case of seeking to make a payment or redemption for a debt or bond without a term).
- (2) The case specified by Cabinet Office Order that is provided for in Article 53, paragraph (2), item (vii) of the Act means any of the following cases; provided, however, that this does not apply when the bank's major shareholder is a bank or a bank holding company:
- (i) when articles of incorporation or any other rules equivalent thereto are changed;
 - (ii) when the name is changed, or when the domicile, residence, or the main business office or an office is established, its location is changed, or is abolished.
- (3) The cases specified by Cabinet Office Order that are provided for in Article 53, paragraph (3), item (ix) of the Act are as follows:
- (i) when articles of incorporation (for a bank holding company located in a foreign state, articles of incorporation or any other rules equivalent thereto) is changed;
 - (ii) when share warrants or corporate bonds with share options are sought to be issued;
 - (ii)-2 when an early redemption is sought for corporate bonds with share options (including a case of intending to make a redemption of bonds without a term);
 - (iii) when the appointment of a director representing a bank holding company, a director engaging in ordinary business of a bank holding company or an auditor (in the case of a company with audit and supervisory committee, a director representing a bank holding company, a director engaging in ordinary business of a bank holding company or audit and supervisory committee member (excluding a director engaging in ordinary business of a bank holding company); in the case of a company with nominating committee, etc., a director engaging in ordinary business of a bank holding company, a representative executive officer, an executive officer or audit committee member (excluding a director engaging in ordinary business of a bank holding company); hereinafter referred to as "officer, etc." in this item and the following item) is sought, or when officer, etc. seeks to resign (excluding the case that falls under the following item);

- (iii)-2 when the appointment or resignation of an officer, etc. has taken place (but only if there is a compelling reason for being unable to submit, before the appointment or resignation of an officer, etc., a notification to the effect that an officer, etc. is to be appointed or that an officer, etc. is to resign);
- (iii)-3 when the appointment of a director or executive officer representing a bank holding company located in a foreign state or a person assigned to a position similar thereto or a director or executive officer engaging in ordinary business of the bank holding company located in a foreign state or a person assigned to a position similar thereto (hereinafter referred to as "officer, etc. of a bank holding company located in a foreign state" in this item and the following item) is sought, or when officer, etc. of a bank holding company located in a foreign state seeks to resign (excluding the case that falls under the following item);
- (iii)-4 when the appointment or resignation of an officer, etc. of a bank holding company located in a foreign state has taken place (but only if there is a compelling reason for being unable to submit, before the appointment or resignation of an officer, etc., a notification to the effect that an officer, etc. of a bank holding company located in a foreign state is to be appointed or that an officer, etc. of a bank holding company located in a foreign state is to resign);
- (iii)-5 when the appointment or resignation of an accounting advisor is sought (excluding the case that falls under the following item);
- (iii)-6 when the appointment or resignation of an accounting advisor has taken place (but only if there is a compelling reason for being unable to submit, before the appointment or resignation of an accounting advisor, a notification to the effect that an accounting advisor is to be appointed or that an accounting advisor is to resign);
- (iii)-7 when the appointment or resignation of a financial auditor is sought (excluding the case that falls under the following item); and
- (iii)-8 when the appointment or resignation of a financial auditor has taken place (excluding the case in which the financial auditor is deemed to have been re-appointed pursuant to the provisions of Article 338, paragraph (2) of the Companies Act; and only if there is a compelling reason for being unable to submit, before the appointment or resignation of a financial auditor, a notification to the effect that a financial auditor is to be appointed or that a financial auditor is to resign);
- (iv) when seeking to establish an office, to change its location, or to close an office;
- (v) when another company (excluding a case in which it is required to submit a notification as prescribed in that item in making a company as a subsidiary company pursuant to the provisions of Article 53, paragraph (3), item (ii) of

- the Act) is made into a subsidiary company due to the acquisition of shares, etc. through the exercise of the security right by a bank holding company or its subsidiary company or the grounds set forth in the items of Article 34-17, paragraph (1);
- (v)-2 in the cases falling under the case prescribed in the main clause of Article 52-23, paragraph (3) of the Act and when seeking to make a foreign company not constituting a company eligible to be a subsidiary company (meaning the company eligible to be a subsidiary company prescribed in paragraph (1) of that Article; the same applies in item (viii)) a subsidiary company;
 - (vi) if a subsidiary company has changed its name or the location of its head office, main business office or other offices, or has merged, has discontinued all of its services (excluding cases as prescribed in Article 53, paragraph (3), items (ii) and (iv) of the Act);
 - (vi)-2 when a bank holding company that has obtained authorization as referred to in Article 52-23, paragraph (6) of the Act or its subsidiary companies have held voting rights in an advanced banking service company in excess of the maximum threshold for voting rights held (meaning the maximum threshold for voting rights held as prescribed in Article 52-24, paragraph (1) of the Act; the same applies in this paragraph) if their voting rights are combined, and that bank holding company no longer holds the portion of voting rights that exceeds the maximum threshold for voting rights held;
 - (vi)-3 when a bank holding company that has obtained authorization as referred to in Article 52-23, paragraph (6) of the Act or its subsidiary companies have held voting rights in an advanced banking service company in excess of the maximum threshold for voting rights held, and that advanced banking service company changes its name or the location of the head office or the main business office or other offices, and undergoes a merger, or discontinues all of its services (excluding the cases referred to in the preceding two items);
 - (vii) when a bank holding company or its subsidiary company acquired or held voting rights in a domestic company (meaning a domestic company as prescribed in Article 52-24, paragraph (1) of the Act; the same applies in item (ix)) that, when combined, exceeds the maximum threshold for voting rights held due to a ground set forth in each item of Article 34-20, paragraph (1);
 - (viii) when a bank holding company or its subsidiary company acquires or comes to hold voting rights in a company eligible to be a subsidiary company (excluding an advanced banking service company) that, when combined, exceed the maximum threshold for voting rights held;
 - (ix) when a bank holding company or its subsidiary company no longer holds

- the portion of voting rights that exceed the maximum threshold for voting rights held of a domestic company and a company in the business revitalization process;
- (x) in the case of newly holding a corporation corresponding to a subsidiary corporation, etc. as prescribed in Article 14-4 as applied mutatis mutandis pursuant to Article 34-15, paragraph (1) or any person as set forth in each item of Article 34-23 (excluding a subsidiary company; referred to as "person that has a unique relationship" in the following item and item (xii));
 - (xi) if the person that has a unique relationship is no longer such a person;
 - (xii) upon learning that a company in which a bank holding company and its subsidiary companies hold voting rights which in total, exceed the maximum threshold for voting rights held (excluding a subsidiary company of the bank holding company or a foreign company), or a person that has a unique relationship with a bank holding company will change the content of its business;
 - (xiii) Deleted
 - (xiv) Deleted
 - (xv) in calculating the consolidated capital adequacy ratio of a bank holding company and its subsidiary company, etc., as prescribed by the Commissioner of the Financial Services Agency, a method of including a part of the company's assets, liabilities, profit, and expensed that pertains to a bank holding company and consolidated subsidiary corporation, etc. (meaning a subsidiary corporation, etc. of the bank holding company that is included in the scope of consolidation; the same applies in items (xxiii) and (xxiv)) into the scope of consolidation is sought to be used ;
 - (xvi) in the case of seeking to suspend the use of the method as prescribed in the preceding item;
 - (xvii) in the case of seeking to borrow money through a subordinated loan or seeking to issue a subordinated bond;
 - (xviii) in the case of seeking to make an early payment of a debt pertaining to a subordinated loan or seeking to make an early redemption of a subordinated bond (including the cases of seeking to make payment or redemption for a debt or bond without a term);
 - (xviii)-2 in the cases of seeking to acquire a company's shares in accordance with the resolution at a shareholders meeting or the board of directors meeting pursuant to the provisions of Article 156, paragraph (1) of the Companies Act (including as applied pursuant to the provisions of Article 165, paragraph (3) of that Act by replacing terms);
 - (xviii)-3 in the cases of seeking to acquire a company's shares subject to call for which the day of acquisition has been specified pursuant to the provisions of Article 168, paragraph (1) of the Companies Act;

- (xviii)-4 in the cases of seeking to acquire all of a company's class shares subject to wholly call in accordance with the resolution at a shareholders meeting under the provisions of the first sentence of Article 171, paragraph (1) of the Companies Act;
 - (xviii)-5 in the cases of seeking to solicit persons to subscribe to treasury shares it will dispose pursuant to the provisions of Article 199, paragraph (1) of the Companies Act;
 - (xix) in the cases of seeking to decrease the amount of reserve;
 - (xx) if a dividend from surplus is paid pursuant to the provisions of Article 453 of the Companies Act;
 - (xxi) Deleted;
 - (xxii) if a bank holding company submits or has provided a business report and annexed detailed statement prepared pursuant to the provisions of Article 435, paragraph (2) of the Companies Act to an annual shareholders meeting.
 - (xxiii) if a consolidated subsidiary corporation, etc. established exclusively for the purpose of capital raising that contribute to the adequacy of equity capital of a bank holding company (referred to as "capital raising" in this item and the following item) seeks to raise capital from persons other than the bank holding company; or
 - (xxiv) if the consolidated subsidiary corporation, etc. referred to in the preceding item seeks to make an early payment or early redemption pertaining to capital raising (including a case of seeking to make a payment or redemption for a debt or bond without a term).
- (4) The cases specified by Cabinet Office Order that are provided for in Article 53, paragraph (4) of the Act are as follows:
- (i) when articles of incorporation or any other rules equivalent thereto are changed (excluding the cases in which the change is made by the bank agent which is a bank);
 - (ii) when a written outsourcing contract or written contract for further outsourcing agreement pertaining to bank agency services is changed;
 - (iii) Deleted;
 - (iv) in the case of learning that a disgraceful incident concerning bank agency services occurred;
 - (v) in the case of seeking to change business hours pursuant to the provisions of Article 34-53, paragraph (3) at all or some of the business offices or offices of a specified bank agent (excluding cases in which business hours as prescribed in paragraph (1) of that Article are ensured); or
 - (vi) if the relevant person has further entrusted bank agency services (limited to cases in which an entrusting bank agent that is itself a bank has further entrusted a person with the services), and changed the trade name or name and the location of the main business office or office of the secondary bank

- agent to which the services have been further entrusted.
- (5) The case specified by Cabinet Office Order that is provided for in Article 53, paragraph (5) of the Act is as follows; provided, however, that for a case as set forth in item (iii), this is limited to when an electronic payment service provider that is not a bank, etc. performs an act as set forth in Article 2, paragraph (17), item (i) of the Act (other than an act as set forth in Article 1-3-3):
- (i) if the electronic payment service provider changes the articles of incorporation or other provisions equivalent thereto;
 - (ii) if the electronic payment service provider changes the content of the contract prescribed in Article 52-61-10, paragraph (1) of the Act; or
 - (iii) if the electronic payment service provider changes the particular set forth in Article 34-64-2, paragraph (1), item (iv).
- (6) When seeking to submit a notification under the provisions of Article 53, paragraphs (1) to (5) of the Act, a bank, bank's major shareholder (including a person that was a bank's major shareholder), a bank holding company (including a company that was a bank holding company), a bank agent or an electronic payment service provider must submit to the Commissioner of the Financial Services Agency or other competent authorities a written notice accompanied by a written statement of reasons and other documents stating information that should serve as a reference (in the cases as set forth in each of the following items, the documents as prescribed in each item):
- (i) in the case as set forth in paragraph (1), item (vi)-5 or item (xix): the following documents:
 - (a) a document stating the type of transaction that is sought to be handled as a specified transaction and the name of the department that handles the transactions;
 - (b) a document stating the name of the department that calculates current value, etc. (meaning calculating the income or loss pertaining to a specified transaction, or the value of assets subject to the transaction);
 - (c) a document stating the accounting policy concerning the distinction between a specified transaction and assets subject to the transactions, and other transactions and assets (including the accounting policy concerning the distinction of transactions performed before establishing a specified transaction account and assets subject to the transactions);
 - (d) a document stating the particulars on handling when implementing an internal transaction (meaning the transactions that are set forth in Article 13-6-3, paragraph (2), items (v) to (xiv), and handled between a specified transaction account and other accounts (including transactions which are deemed to be a specified transaction pursuant to the provisions of item (xvii) of that paragraph as a transaction similar to or having a close

- relationship with the transaction) in a single bank) (including the case of terminating the internal transaction);
- (e) a document stating the particulars on handling an intra-account transfer (meaning an act as set forth in each of the items of Article 13-6-3, paragraph (3) (including a transaction as prescribed in paragraph (4) of that Article));
 - (ii) the cases as set forth in paragraph (1), item (xvi)-2: the documents as prescribed in Article 34-2, paragraph (5), items (ii) to (v), and (vii);
 - (iii) the case as set forth in paragraph (1), item (xxix): the business report and annexed detailed statement as prescribed in that item;
 - (iv) the cases as set forth in paragraph (3), item (xxii): the business report and annexed detailed statement as prescribed in that item;
 - (v) the cases as set forth in item (ii) of paragraph (4): a copy of the written outsourcing contract or written contract on further outsourcing after the change.
- (7) The following notifications may be made collectively as a single notification on a semiannual basis:
- (i) a notification for a situation falling under Article 53, paragraph (1), item (v) or paragraph (3), item (vii) of the Act;
 - (ii) a notification for a situation falling under paragraph (1), item (iv), (v)-2 or (vi); and
 - (iii) a notification for a situation falling under Article 53, paragraph (5) of the Act (excluding a notification for the commencement of electronic payment services).
- (8) A disgraceful incident as prescribed in paragraph (1), item (xxv) and paragraph (4), item (iv) means the case in which a director, executive officer, accounting auditor (if the accounting auditor is a corporation, including the member responsible for performing the duties thereof), auditor or an employee of a bank, etc., or a bank agent or its officer (if an officer is a corporation, including the person responsible for performing the duties thereof) or employee has committed any of the acts as set forth in the following items:
- (i) fraud, embezzlement, breach of trust or any other criminal act committed in the course of performing the services of a bank or bank agency service of a bank agent;
 - (ii) an act violating the Act Regulating the Receipt of Contributions, the Receipt of Deposits, and Interest Rates or the Act on Controlling Unjust Contract Pertaining to Deposit, etc. (Act No. 136 of 1957);
 - (iii) among the loss of cash, bills, checks, securities or other valuables (including the case of theft and excess or deficiency caused; hereinafter the same applies in this item), a loss that is found to be a heavy loss for the management of the services of a bank or bank agency service of a bank agent,

in taking account the characteristics, scale and other situations of the services;

- (iv) an act set forth in any of the preceding three items or any other act similar thereto, which took place overseas and which was reported to the supervisory authority of the place where the act took place; and
 - (v) any other act similar to those set forth in the preceding items, which would have actual or potential negative impact on the sound and appropriate management of the services of a bank or bank agency services of a bank agent.
- (9) A notification to be submitted in the case set forth in the following items must be submitted within thirty days from the day specified in each item:
- (i) when paragraph (1), item (xxv) or paragraph (4), item (iv) is applicable: the day on which the bank or bank agent learned the occurrence of a disgraceful incident; or
 - (ii) when paragraph (4), item (vi) is applicable: the day on which the change under the provisions of that item was made.
- (10) In the case set forth in paragraph (1), item (xi) or (xiii), with regard to the acquisition or holding of voting rights in a company set forth in Article 16-2, paragraph (1), item (xii) or (xii)-2 of the Act, a specified subsidiary company prescribed in item (xii) of that paragraph is deemed not to be a subsidiary company of a bank; in the case set forth in paragraph (3), item (vii) or (ix), with regard to the acquisition or holding of voting rights in a company set forth in Article 52-23, paragraph (1), item (xi) or (xi)-2 of the Act, a specified subsidiary company prescribed in item (xi) of that paragraph is deemed not to be a subsidiary company of a bank holding company.
- (11) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to the voting rights prescribed in paragraph (1), items (xi) to (xiii) and (xvi), and to the voting rights prescribed in paragraph (3), items (vi)-2 to (ix) and (xii).

(Application for Approval Pertaining to Validity of Authorization)

- Article 36 (1) When seeking to submit a notification under the provisions of the proviso to Article 55, paragraph (1) of the Act, a bank, bank's major shareholder (including a person that obtained an authorization pertaining to establishment among those as prescribed in Article 52-9, paragraph (1) of the Act), or a bank holding company (including a person that obtained an authorization as prescribed in Article 52-17, paragraph (1) of the Act) must submit a written application for approval accompanied by a written statement of reasons to the Commissioner of the Financial Services Agency or other competent authorities.
- (2) When an application for approval under the provisions of the preceding

paragraph is filed, the Commissioner of the Financial Services Agency or other competent authorities are to examine whether it conforms to the following standards:

- (i) there is what is found to be a compelling reason that the particular for which the relevant person has been authorized as under the provisions of the Act cannot be implemented within six months from the date of receiving that authorization;
- (ii) it is expected that the implementation of the matter authorized within a reasonable period is possible;
- (iii) it is expected that at the time of the authorization, there will be no significant changes to the particulars on which the examination was based until the time that the matter authorized is expected to be implemented.

(Registration)

Article 36-2 (1) The particulars specified by Cabinet Office Order that are provided for in Article 57-4, items (i) and (ii) of the Act are the letters, symbols, other codes, or their combination used by a bank or a bank holding company to identify via the internet, the part used for conducting the act out of the automatic public transmission servers used for taking measures pursuant to the provisions of Article 20, paragraph (6) or Article 52-28, paragraph (5); and when a person that receives provision of information inputs the characters, symbols, other codes, or their combination into a computer used by the person, it makes it possible for the person to inspect the content of the information and record the information in a file kept on the computer.

(2) A bank or a bank holding company, for which the method of issuing public notice (meaning a public notice as prescribed in Article 2, item (xxxiii) of the Companies Act) is a method as set forth in Article 57, item (ii) of the Act, may register a particular as set forth in Article 911, paragraph (3), item (xxviii), sub-item (a) of the Companies Act for receiving provision of information which is the content of a public notice, etc. of an interim settlement of accounts (meaning a public notice that a bank announces pursuant to the provisions of Article 20, paragraph (4) of the Act (excluding public notice concerning a balance sheet and profit and loss statement pertaining to a business year as prescribed in paragraph (1) of that Article) or public notice that a bank holding company announces pursuant to the provisions of Article 52-28, paragraph (3); hereinafter the same applies in this paragraph) separately from those particulars for receiving provision of information of which is the content of a public notice other than the public notice, etc. of an interim settlement of accounts.

(Measures to Show Information Recorded in an Electronic or Magnetic Record)

Article 36-3 The measure specified by Cabinet Office Order that is provided for in Article 63, item (i)-2 and item (i)-3 of the Act means the measure that is taken to show the information that has been recorded in an electronic or magnetic record on a sheet of paper or to display it on a screen.

(Government Agency Through Which Submission is Made)

Article 37 (1) When submitting to the Commissioner of the Financial Services Agency a written application, business report, or other document as prescribed in this Cabinet Office Order (hereinafter referred to as an "application or other such document" in this Article, except in paragraphs (6) and (7)), a bank (excluding a foreign bank branch; hereinafter the same applies in this Article) must submit them to the Director General of the Local Finance Bureau with jurisdiction over the locality of the head office of the bank (when the locality is within the jurisdictional district (excluding the jurisdictional district of a Local Finance Office) of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau, and when the locality is within the jurisdictional district of the Otaru Sub-Office or Kitami Sub-Office (hereinafter referred to as the "Local Finance Office, etc." in this Article), the Director of the Local Finance Office or the Director of the Sub-Office (hereinafter referred to as the "Director, etc. of the Local Finance Office" in this Article)); provided, however, that this does not apply to an application or other such document pertaining to banks specified by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 17-2, paragraph (4) of the Order and others specified separately by the Commissioner of the Financial Services Agency.

(2) If a bank submits an application or other such document to the Director General of the Local Finance Bureau or Fukuoka Local Finance Branch Bureau, and there is a Director, etc. of the Local Finance Office with jurisdiction over the locality of the head office of the bank, the bank must submit the application or other such document to the Director, etc. of the Local Finance Office.

(3) When submitting an interim business report as prescribed in Article 18, paragraph (1) or a business report as prescribed in paragraph (2) of that Article to the Commissioner of the Financial Services Agency, a foreign bank branch must submit these through the Director General of the Local Finance Bureau with jurisdiction over the locality of the principal foreign bank branch (when the locality is within the jurisdictional district (excluding the jurisdictional district of a Local Finance Office) of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau; when the locality is within the jurisdictional district of a Local Finance Office, etc., the Director, etc. of the Local Finance Office); provided,

however, that this does not apply to the foreign bank branch specified by the Commissioner of the Financial Services Agency.

- (4) When submitting an application or other such document to the Commissioner of the Financial Services Agency, a person that seeks to become a holder of a number of voting rights in a bank which is equal to or greater than the major shareholder threshold, a person that seeks to establish a company or other corporation that is a holder of a number of voting rights in a bank which is equal to or greater than the major shareholder threshold, or a holder of a number of voting rights in a bank which is equal to or greater than the major shareholder threshold must submit this through the Director General of the Local Finance Bureau with jurisdiction over the locality of the head office of the bank that intends to hold or holds a number of voting rights in a bank which is equal to or greater than the major shareholder threshold (when the locality is within the jurisdictional district (excluding the jurisdictional district of a Local Finance Office) of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau, and when the locality is within the jurisdictional district of a Local Finance Office, etc., the Director, etc. of the Local Finance Office); provided, however, that this does not apply to an application or other such document pertaining to a bank specified separately by the Commissioner of the Financial Services Agency.
- (5) When submitting an application or other such document to the Commissioner of the Financial Services Agency, a holding company that has a bank as a subsidiary company (including a company that was a holding company that has a bank as a subsidiary company; the same applies in the following paragraph) must submit this through the Director General of the Local Finance Bureau with jurisdiction over the locality of the principal office of the holding company of which a subsidiary company is the bank (when the locality is within the jurisdictional district (excluding the jurisdictional district of a Local Finance Office) of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau, and when the locality is within the jurisdictional district of a Local Finance Office, etc., the Director, etc. of the Local Finance Office); provided, however, that this does not apply to an application or other such document pertaining to companies specified by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 17-3, paragraph (4) of the Order and others specified separately by the Commissioner of the Financial Services Agency.
- (6) When submitting a written application pursuant to the provisions of Article 52-37, paragraph (1) of the Act, a report concerning bank agency services, or other documents as prescribed in this Cabinet Office Order (hereinafter referred to as an "application or other such document" in this paragraph and the following paragraph) to the Commissioner of the Financial Services Agency,

a bank agent (excluding a bank agent that has its main business office or other offices in a foreign state; hereinafter the same applies in this paragraph and the following paragraph) must submit this through the Director General of the Local Finance Bureau with jurisdiction over the locality of the principal business office or other office of the bank agent (when the locality is within the jurisdictional district (excluding the jurisdictional district of a Local Finance Office) of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau, and when the locality is within the jurisdictional district of a Local Finance Office, etc., the Director, etc. of the Local Finance Office); provided, however, that this does not apply to an application or other such document pertaining to a bank agent specified by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 17-4, paragraph (4) of the Order or others specified separately by the Commissioner of the Financial Services Agency.

- (7) If a bank agent submits an application or other such document to the Director General of the Local Finance Bureau or Fukuoka Local Finance Branch Bureau, and the Director, etc. of the Local Finance Office has jurisdiction over the locality of the principal business office or other office of the bank agent, the bank agent must submit it to the Director, etc. of the Local Finance Office.
- (8) If an electronic payment service provider (excluding a foreign corporation or individual domiciled in a foreign state that has no business office or office in Japan) submits a written application under Article 52-61-3, paragraph (1) of the Act, a report on electronic payment services, or any other document as prescribed in this Cabinet Office Order to the Director General of the Local Finance Bureau or Fukuoka Local Finance Branch Bureau, and the Director, etc. of the Local Finance Office has jurisdiction over the locality of the principal business office, etc. of the electronic payment service provider, the electronic payment service provider must submit them through the Director, etc. of the Local Finance Office.
- (9) The provisions of paragraph (2) apply mutatis mutandis pursuant to a holding company that has a bank as a subsidiary company. In this case, the term "head office" is deemed to be replaced with "main office."

(Special Provisions on a Foreign Holding Company of Which a Subsidiary Company Is a Bank)

Article 38 (1) A foreign holding company that has a bank as a subsidiary company (including a company that seeks to become a foreign holding company that has a bank as a subsidiary company, a person that seeks to establish a foreign holding company that has a bank as a subsidiary company, and a company that was a foreign holding company that has a bank as a subsidiary company; hereinafter the same applies in this Article), with regard to a

document that is prescribed to be attached to a written application or written notification and submitted to the Prime Minister or the Commissioner of the Financial Services Agency by a foreign holding company that has a bank as a subsidiary company, pursuant to this Cabinet Office Order (hereinafter referred to as "attached documents" in this paragraph and the following paragraph), may submit a document equivalent to the above in lieu of the attached documents to the Prime Minister or the Commissioner of the Financial Services Agency or other competent authorities.

- (2) When a foreign holding company, that has a bank as a subsidiary company, is unable to submit the attached documents or a document equivalent to this as prescribed in the preceding paragraph (hereinafter referred to as "attached documents, etc." in this paragraph) to the Prime Minister or the Commissioner of the Financial Services Agency or other competent authorities, due to national laws and regulations or customs of the foreign holding company's state (meaning a state that has established laws and regulations according to which the foreign holding company of which a subsidiary company is the bank was established) or other legitimate grounds, the attached documents, etc. are not required to be submitted to the Prime Minister or the Commissioner of the Financial Services Agency or other competent authorities.
- (3) With regard to the application of provisions of this Cabinet Office Order to a foreign holding company that has a bank as a subsidiary company, in the case of a foreign holding company that has a bank as a subsidiary company and that has an office in Japan, its main office in Japan is deemed as its main office, and in the case of a foreign holding company that has a bank as a subsidiary company and that does not have an office in Japan, its main office is deemed to be located within the jurisdictional district of the Kanto Local Finance Bureau.

(Special Provisions on a Foreign Corporation That Carries out Bank Agency Services)

Article 38-2 (1) A foreign corporation that carries out bank agency services (including a foreign corporation that seeks to carry out bank agency services, or a person that seeks to establish a foreign corporation that carries out bank agency services; hereinafter the same applies in this Article), with regard to a document as prescribed in Article 52-37, paragraph (2), item (iii) of the Act or a document that is required to be attached to a written application or written notification and submitted to the Commissioner of the Financial Services Agency or other competent authorities by the foreign corporation that carries out bank agency services pursuant to the provisions of this Cabinet Office Order (hereinafter referred to as "attached documents" in this paragraph and the following paragraph), may submit documents equivalent to them in lieu of the attached documents to the Commissioner of the Financial Services Agency

or other competent authorities.

- (2) When a foreign corporation that carries out bank agency services is unable to submit an attached document, or a document equivalent to this as prescribed in the preceding paragraph (hereinafter referred to as "attached documents, etc." in this paragraph) to the Commissioner of the Financial Services Agency or other competent authorities, due to national laws and regulations or customs of the foreign holding company's state (meaning a state that has established laws and regulations according to which the foreign corporation that carries out the bank agency services was established) or other legitimate grounds, the attached documents, etc. are not required to be submitted to the Commissioner of the Financial Services Agency or other competent authorities.
- (3) With regard to the application of provisions of this Cabinet Office Order to a foreign corporation that carries out bank agency services, the main office or other offices in Japan of a foreign corporation that carries out bank agency services is deemed as its main office or other offices.

(Special Provisions on a Foreign Corporation or Individual Domiciled in a Foreign State That Carries Out Electronic Payment Services)

- Article 38-3 (1) If, due to special circumstances, a foreign corporation or individual domiciled in a foreign state that carries out electronic payment services (including a foreign corporation or individual domiciled in a foreign state that seeks to carry out electronic payment services; hereinafter the same applies in this Article) or any other person is unable to use Japanese for a document to be submitted to the Commissioner of the Financial Services Agency or other competent authorities pursuant to the provisions of this Act (limited to Chapter VII-5 and Article 53, paragraph (5)) or this Cabinet Office Order, they may use English.
- (2) In lieu of documents that are provided for in Article 52-61-3, paragraph (2) of the Act or documents that are required to be attached to a written application or written notification and submitted to the Commissioner of the Financial Services Agency or other competent authorities pursuant to the provisions of this Cabinet Office Order (hereinafter referred to as "attached documents" in this paragraph and the following paragraph), a foreign corporation or individual domiciled in a foreign state that carries out electronic payment services may submit documents equivalent to these to the Commissioner of the Financial Services Agency or other competent authorities.
 - (3) If a foreign corporation or individual domiciled in a foreign state that carries out electronic payment services is unable to submit the attached documents or documents equivalent thereto as prescribed in the preceding paragraph (hereinafter referred to as "attached documents or their equivalent" in this paragraph) to the Commissioner of the Financial Services Agency or other

competent authorities due to national laws and regulations or customs of the foreign state or any other such legitimate reason, the attached documents or their equivalent are not required to be submitted to the Commissioner of the Financial Services Agency or other competent authorities.

(Preliminary Examination)

Article 39 When seeking permission under the provisions of the Act or an approval under the provisions of Article 52-42, paragraph (1) of the Act, a bank, a holder of a number of voting rights in a bank which is equal to or greater than the major shareholder threshold, a holding company that has a bank as a subsidiary company, or a bank agent, may request a preliminary examination by submitting to the Commissioner of the Financial Services Agency or other competent authorities documents equivalent to the documents to be submitted to the Commissioner of the Financial Services Agency or other competent authorities at the time the person files the application for permission or approval.

(Standard Processing Period)

Article 40 (1) The Prime Minister or the Commissioner of the Financial Services Agency or other competent authority is to endeavor to provide the disposition of an application (excluding an application related to a preliminary examination) concerning a license, permission, authorization, approval, registration, certification, or designation pursuant to the provisions of the Act, the Order, or this Cabinet Office Order (hereinafter referred to as "authorization or other such recognition") within one month after the application is received at the office, respectively; provided, however, that the Prime Minister or the Commissioner of the Financial Services Agency or other competent authorities are to endeavor to provide disposition of an application concerning the following authorization or other such recognition within two months:

- (i) an authorization or other such recognition for an application of a bank specified separately by the Commissioner of the Financial Services Agency that is filed to the Commissioner of the Financial Services Agency;
- (i)-2 Designation pursuant to the provisions of Article 52-62, paragraph (1) of the Act;
- (ii) an authorization or other such recognition that the Director General of the Local Finance Bureau or the Fukuoka Local Finance Branch Bureau grants pursuant to the provisions of Article 17-2, paragraph (1) of the Order and that is found to have an impact in the jurisdictional district of another Local Finance Bureau (or the Fukuoka Local Finance Branch Bureau);
- (ii)-2 an authorization or other such recognition for an application filed with

- the Commissioner of the Financial Services Agency by a person that seeks to become a holder of a number of voting rights in a bank specified separately by the Commissioner of the Financial Services Agency which is equal to or greater than the major shareholder threshold, a person that seeks to establish a company or other corporation that is a holder of a number of voting rights in a bank which is equal to or greater than the major shareholder threshold, or a holder of a number of voting rights in a bank which is equal to or greater than the major shareholder threshold;
- (iii) an authorization or other such recognition for an application filed to the Commissioner of the Financial Services Agency by a holding company that has a bank as a subsidiary company, specified separately by the Commissioner of the Financial Services Agency;
 - (iv) an authorization or other such recognition that the Director General of a Local Finance Bureau or the Fukuoka Local Finance Branch Bureau grants pursuant to the provisions of Article 17-3, paragraph (1) of the Order and that is found to have an impact in the jurisdictional district of another Local Finance Bureau (or the Fukuoka Local Finance Branch Bureau);
 - (v) an authorization or other such recognition that the Director General of Local Finance Bureau or the Fukuoka Local Finance Branch Bureau grants pursuant to the provisions of Article 17-4, paragraph (1) of the Order and that is found to have an impact in the jurisdictional district of another Local Finance Bureau (or the Fukuoka Local Finance Branch Bureau); and
 - (vi) an authorization or other such recognition that the Director General of Local Finance Bureau or the Fukuoka Local Finance Branch Bureau grants pursuant to the provisions of Article 17-4, paragraph (1) of the Order and that is found to have an impact in the jurisdictional district of another Local Finance Bureau (or the Fukuoka Local Finance Branch Bureau);
- (2) The period as prescribed in the preceding paragraph is not to include the following periods:
- (i) the period required for the amendment of the application;
 - (ii) the period required for a person that filed the application to change the content of the application;
 - (iii) the period required for a person that filed the application to add materials that are found to be necessary for the examination to which the application pertains.