

Ordinance for Enforcement of the Insurance Business Act (Part II Chapter VI through Part V)

(Ordinance of the Ministry of Finance No. 5 of February 29, 1996)

Chapter VI Supervision

(Notification of Change in Matters Specified in Business Process Statement, etc.)

Article 83 The matters to be specified by Cabinet Office Ordinance, as provided in Article 123, paragraph (1) of the Act, shall be as follows:

- (i) the matters specified in the documents set forth in Article 3, paragraph (2), items (ii) to (iv) inclusive of the Act, which pertain to the following insurance contracts of a Life Insurance Company:
 - (a) an insurance contract [global change] wherein the employees' pension fund becomes the policyholder, pursuant to the provision of Article 130, paragraph (5) (Fund Business) and Article 130-2, paragraph (1) (Agreement Relating to Expenses Incurred in Pension Payments and Lump-sum Payments) of the Employees' Pension Insurance Act (Act No. 115 of 1954);
 - (b) an insurance contract wherein the Pension Fund Association becomes the policyholder, pursuant to the provision of Article 159, paragraph (7) (Federation Business) and Article 159-2, paragraph (1) (Agreement Relating to Expenses Incurred in Pension Payments and Lump-sum Payments) of the Employees' Pension Insurance Act;
 - (c) an insurance contract wherein the National Pension Fund becomes the policyholder, pursuant to the provisions of Article 128, paragraphs (3) and (5) (Fund Business) of the National Pension Act (Act No. 141 of 1959);
 - (d) an insurance contract wherein the National Pension Fund Association becomes the policyholder, pursuant to the provisions of Article 137-15, paragraphs (4) and (6) (Federation Business) of the National Pension Act;
 - (e) an insurance contract wherein the Government Pension Investment Fund, Independent Administrative Agency becomes the policyholder, pursuant to the provision of Article 21, paragraph (1), item (iv) of the Act on the Government Pension Investment Fund, Independent Administrative Agency (Act No. 105 of 2004) (when the investment of fund is to be made pursuant to the provision of Article 8 (Succeeded Fund Investment Business) of the Supplementary Provisions to that Act, meaning the insurance contract wherein the Government Pension Investment Fund,

- Independent Administrative Agency becomes the policyholder pursuant to the provision of Article 21, paragraph (1), item (iv) of that Act applied by replacing certain terms under Article 13 (Mutatis Mutandis Application of Provisions Concerning Management and Investment Services) of the Supplementary Provisions to that Act, which are to be concluded for the purpose of investment of the pension reserve or the fund provided in Article 8 of the Supplementary Provisions to that Act to be carried out jointly pursuant to the provision of Article 10 (Joint Investment) of the Supplementary Provisions to that Act) (referred to as a "Government Pension Investment Fund Insurance Contract" in Article 164);
- (f) an insurance contract pertaining to payment of insurance premiums which fall under the investment method to be specified by Cabinet Order, as referred to in the first sentence of the Article 23, paragraph (1) of the Defined Contribution Pension Act (including the cases where applied mutatis mutandis pursuant to Article 73 of that Act) (hereinafter referred to as "Defined Contribution Pension Insurance Contract" in Article 164);
 - (g) an insurance contract wherein the entrepreneur approved under Article 3, paragraph (1), item (i) of the Defined-Benefit Corporate Pension Act, pursuant to the provision of Article 65, paragraph (1) of that Act (referred to as "Entrepreneur-type Defined-Benefit Corporate Pension Insurance Contract" in Article 164);
 - (h) an insurance contract wherein the corporate pension provided in Article 2, paragraph (4) of the Defined-Benefit Corporate Pension Act fund becomes the policyholder, pursuant to the provision of Article 66, paragraph (1) of that Act (referred to as "Fund-type Defined-Benefit Corporate Pension Insurance Contract" in Article 164);
 - (i) in addition to the contracts specified in sub-items (a) to (h) inclusive, a contract wherein the representative of the corporation or any other organization equivalent thereto (hereinafter referred to as "Organization" in this sub-item (i)) or organization of insured (meaning the group of the insured pertaining to the same insurance contracts; hereinafter the same shall apply in this sub-item (i)), wherein the member of said Organization of organization of insured constitute ten or more policyholders thereunder, and wherein the insurer undertakes to pay to the insured or the beneficiary the pension pertaining to the insured, for the period from the commencement of the payment of pension for the insured as long as the insured is alive, or for the period as long as the beneficiary of the pension under the insurance contract (hereinafter referred to as "Beneficiary" in this item (i)) or for the period specified by the insurance contract (referred to as "Group Pension Insurance Contract" in Article 164).
 - (j) an insurance contract wherein the organization which operates the

- mutual aid system under the laws becomes the policyholder, in accordance with the provision concerning investment of mutual fund of the group (hereinafter referred to as "Group Life Insurance Contract" in Article 164);
- (k) an insurance contract wherein the Farmers Pension Fund, Independent Administrative Agency becomes the policyholder, pursuant to the provision of Article 9, paragraph (1), item (iv) (Investment of Pension Benefit Reserve) of the Order for Enforcement of Act on the Farmers Pension Fund, Independent Administrative Agency (Cabinet Order No. 343 of 2003) (referred to as "Farmers Pension Fund Life Insurance Contract" in Article 164);
- (l) an insurance contract wherein the Welfare and Medical Service Agency, Independent Administrative Agency becomes the policyholder, pursuant to the provision of Article 12, paragraph (4) (Scope of Business) of the Act on the Welfare and Medical Service Agency, Independent Administrative Agency;
- (m) an insurance contract wherein an entrepreneur becomes the policyholder, pursuant to the provision of Article 6-2, paragraph (1) of the Workers' Property Accumulation Promotion Act (Act No. 92 of 1971) (referred to as "Workers' Property Accumulation Benefit Insurance Contract" in Article 164);
- (n) an insurance contract wherein the workers' property accumulation fund becomes the policyholder, pursuant to the provision of Article 6-3, paragraph (2) of the Workers' Property Accumulation Promotion Act (referred to as "Workers' Property Accumulation Fund Insurance Contract" in Article 164);
- (ii) with regard to the insurance contracts provided in the paragraphs of Article 68, the matters related to the calculation method and coefficients serving the basis of calculation of Insurance Premium Reserve Under Article 69, paragraph (1), item (i) and Article 70, paragraph (1), item (i), sub-item (a), the Outstanding Insurance Premiums under Article 69, paragraph (1), item (ii) and Article 70, paragraph (1), item (i), sub-item (b), the refund reserve under Article 69, paragraph (1), item (ii) and Article 70, paragraph (1), item (iii), Contingency Reserve under Article 69, paragraph (1), item (iii) and Article 70, paragraph (1), item (ii)-2 and Extraordinary Contingency Reserve under Article 70, paragraph (1), item (ii), all of which shall be the amount not less than the amount to be calculated in accordance with the method specified by the Commissioner of the Financial Services Agency pursuant to the provision of Article 116, paragraph (2) of the Act and based on the coefficients serving the basis of calculation thereof;
- (iii) the matters specified in the documents set forth in Article 4, paragraph (2), items (iii) and (iv) of the Act, which pertains to the following contracts of the

Non-life Insurance Company; the matters specified in the items of Article 8, paragraph (1); the matters provided in Article 8, paragraph (2); and the matters specified in Article 8, paragraph (3) and the items of paragraph (4) of that Article:

- (a) an insurance contract covering the damages caused to assets due to fire, thunderbolt, rupture, explosion, wind, hailstorm and snow, as well as any damages incidental thereto (referred to as "Fire insurance Contract" in Article 164, Article 189 and Article 212-2, paragraph (1), item (i));
- (b) an insurance contract covering the damages caused to secured claim of the insured, due to the occurrence of the damage from fire, thunderbolt, rupture or explosion or any other damage incidental thereto (referred to as "Secured Claim Fire insurance Contract" in Article 164 and Article 189);
- (c) an insurance contract covering the damage caused to trees located in the forest due to the fire (referred to as "Forest Fire insurance Contract" in Article 184 and Article 189);
- (d) an insurance contract covering the exhibition held pursuant to the provisions of the treaties concerning international exhibitions, exhibition sponsored by local governments and any other exhibitions equivalent thereto (referred to as "Exhibition General Insurance Contract" in Article 184 and Article 189);
- (d) an insurance contract covering, in whole or in part, vessels, cargos internationally shipped by such vessels, and liabilities arising from any of the foregoing (referred to as "Marine insurance Contract" in Article 184 and Article 189);
- (e) an insurance contract covering the cargos shipped on the ground or liabilities arising from such cargos (referred to as "Transportation Insurance Contract" in Article 184 and Article 189); or an insurance contract covering cargos being shipped on the ground whose insured value do not exceed 300,000 yen per each cover letter (referred to as "Small Cargo Transportation Insurance Contract" in Article 184 and Article 189);
- (g) an insurance contract covering the expenses of gift for patients, rescuer's expenses, accident handling expenses or any other expenses equivalent thereto borne by a person engaged in travel agency business with a registration provided in Article 3 of the Travel Agency Act (Act No. 239 of 1952) or any other person equivalent thereto (referred to as "Travel Accident Handling Expenses Insurance Contract" under Article 164 and Article 189); or an insurance contract covering the compensation or gift money for hospitalized patients suffered by the person engaged in travel agency business with a registration provided in Article 3 of that Article borne under the travel agency business terms and conditions (referred to as "Travel Special Compensation Insurance Contract" under Article 164

- and Article 189);
- (h) an insurance contract wherein the entrepreneur becomes the policyholder, pursuant to the provision of Article 6-2, paragraph (1) of the Workers' Property Accumulation Promotion Act (referred to as "Workers' Asset Saving Damage Benefit Insurance Contract" in Article 164 and Article 189);
 - (i) an insurance contract wherein the workers' asset savings fund becomes the policyholder, pursuant to the provision of Article 6-3, paragraph (1) of the Workers' Property Accumulation Promotion Act (referred to as "Workers' Asset Saving Fund Non-Life Insurance Contract" under Article 164 and Article 189);
 - (j) an insurance contract pertaining to payment of insurance premiums which fall under the investment method to be specified by Cabinet Order, as referred to in the first sentence of the Article 23, paragraph (1) of the Defined Contribution Pension Act (including the cases where applied mutatis mutandis pursuant to Article 73 of that Act) (hereinafter referred to as "Defined Contribution Pension Non-Life Insurance Contract" in Article 164 and Article 189);
 - (k) an insurance contract covering the damages arising from management or driving of automobiles (referred to as "Automobile insurance Contract" in Article 212-2, paragraph (1), item (vi) and Article 212-4, paragraph (1), item (v)), which falls under the following requirements (referred to as "Automobile insurance Contract Covering More than Ten Automobiles" in Article 164 and Article 189):
 1. that the insured shall the user of the automobile (with regard to the portion covering the damage to the automobile body, the owner of the automobile);
 2. if the contract covers more than one automobiles, that all of the user thereof shall be the same user; and
 3. that the Total Number of Automobiles (meaning the total number of covered automobiles, and the total number of automobiles covered by other insurance contract (limited to the contract which satisfy the requirements under 1. and 2.) for the damage arising from management or driving of the automobile used by the user of the first-mentioned automobile) shall be ten or more;
 - (l) an insurance contract covering the damages arising from management or driving of the following automobiles (referred to as "Automobile-for-Sale Insurance Contract" in Article 164 and Article 189):
 1. private automobile for which a license for fee-based lease in the course of trade has been obtained pursuant to the provision of the main clause of Article 80, paragraph (1) of the Road Transportation Act (Act No. 183

of 1951), and for which the application under Article 52, paragraph (1) of the Ordinance for Enforcement of the Road Transportation Act (Ordinance of Ministry of Transportation No. 75 of 1951) has been filed;

2. automobile temporary managed or driven by the business operator engaged in sale, testing, transportation and any other business related to automobiles, in the course of its business;
- (m) an insurance contract covering liability for damage accrued in connection with performance of duties or private daily lives (excluding the contract pertaining to driving of automobiles and also excluding any other contract specified in this item; referred to as "Damage Liability Insurance Contract" in Article 164 and Article 189);
- (n) an insurance contract covering liability for damage pertaining to life or body of passengers being carried by vessel (referred to as "Passenger Damage Liability Insurance Contract" in Article 164 and Article 189);
- (o) an insurance contract covering liability for indemnification for the contingent accident occurred to the person engaged in business in the course of the person's duties (referred to as "Workers' Accident Compensation Liability Insurance Contract" in Article 164 and Article 189);
- (p) an insurance contract which covers, in whole or part, aircrafts, cargoes shipped by the aircrafts, launching to the outer space, cargoes shipped by such launching (including man-made satellites), means to ship the cargoes and liabilities arising from the aforementioned (referred to as "Aircraft Insurance Contract" in Article 164 and Article 189);
- (q) an insurance contract covering non-performance of obligation under the loan contract for the borrowing, when any person borrows the fund necessary for purchasing the land or housing for residence of the person or the family members (referred to as "Housing Loan Guarantee Insurance Contract" in Article 164 and Article 189);
- (r) a guarantee contract for Guarantee Bond Business as provided in Article 3, paragraph (6) of the Act (referred to as "Guarantee Bond Insurance Contract" in Article 164 and Article 189);
- (s) an insurance contract covering glasses installed in the building or building equipment (referred to as "Glass Insurance Contract" in Article 164 and Article 189);
- (t) an insurance contract covering machine, machine equipment or device (referred to as "Machine Insurance Contract" in Article 164 and Article 189);
- (u) an insurance contract covering the structures such as machine, machine equipment or machine device for the assembly work of structures (referred

- to as "Machine Assembly Insurance Contract" in Article 164 and Article 189);
- (v) an insurance contract covering the building under construction work thereof (referred to as "Construction Work Insurance Contract" in Article 164 and Article 189); or an insurance contract covering civil structures under the civil engineering work thereof (referred to as "Civil Engineering Insurance Contract" in Article 164 and Article 189);
 - (w) an insurance contract covering the civil structures (referred to as "Civil Structure Insurance Contract" in Article 164 and Article 189);
 - (x) an insurance contract covering the movables (excluding automobiles, vessels and aircrafts) and liabilities relevant thereto (referred to as "Movables General Insurance Contract" in Article 164 and Article 189);
 - (y) an insurance contract covering yachts and motor boats (referred to as "Yachts and Motor Boats Insurance Contract" in Article 164 and Article 189);
 - (z) an insurance contract covering computers and electromagnetic records to be made available for the use on the computers (referred to as "Computer General Insurance Contract" in Article 164 and Article 189);
 - (aa) an insurance covering traveler's checks issued by a financial institution (meaning a financial institution as provided in Article 1 of the Temporary Interest Rate Adjustment Act (Act No. 181 of 1947)) (referred to as "Traveler's Check General Insurance Contract" in Article 164 and Article 189);
 - (bb) an insurance contract wherein the insured is a party carrying out the sale of goods or providing services at the stores pursuant to the contract with a specific party whereby goodwill within the certain district are acquired, and which covers the damage suffered by the insured arising from the contingent accident related to movables (excluding automobiles, vessels and aircrafts) owned at the store or shipped for the purpose of offering them for business, business losses caused to the store incidental to the aforementioned accident or liability for damage (referred to as "Franchise Stores General Insurance Contract" in Article 164 and Article 189);
 - (cc) an insurance contract wherein the insured is a party which borrows facilities for the purpose of providing it for the business, and which covers the damage suffered by the insured arising from the contingent accident related to movables (excluding automobiles, vessels and aircrafts; the same shall apply in item (cc)) equipped at the facility damage caused to the business resulting from the damage to the facility or movables due to contingent accident (including payment of expenses disbursed by the insured for the purpose of continuance of business) or liability for damage

- (referred to as "Tenant General Insurance Contract" in Article 164 and Article 189);
- (dd) an insurance contract covering theft of movables (excluding automobiles, vessels and aircrafts) or destruction or defacement arising from such theft (referred to as "Theft Insurance Contract" in Article 164 and Article 189); or an insurance contract covering the unauthorized use by a third party of a ticket which entitles the holder thereof to purchase goods from certain distributors in exchange for, or by presenting such ticket, due to theft, loss or any other contingent accident (referred to as "Credit Card Theft Insurance Contract" in Article 164 and Article 189);
 - (ee) an insurance contract covering, in whole or in part, wind or flood damage on real properties and movables (excluding crops) (referred to as "Wind or Flood Non-Life Insurance Contract" in Article 164 and Article 189);
 - (ff) an insurance contract covering racehorses, minks, domestic fowl or vertebrate animal raised at zoo (referred to as "Racehorses, etc. Insurance Contract" in Article 164 and Article 189);
 - (ee) an insurance contract covering boilers or steam turbine electricity generator (referred to as "Boiler and Turbo-set Insurance Contract" in Article 164 and Article 189);
 - (gg) an insurance contract covering the expenses accrued from instituting a claim for compensation of damages or any other lawsuit or referring the dispute to an arbitration on the ground of actual or potential infringement of intellectual properties (referred to as "Intellectual Property Litigation Expenses Insurance Contract" in Article 164 and Article 189); and
 - (hh) an insurance contract covering damages suffered by business operator in the course of business activities which fall under the damage provided in Article 3, paragraph (5), (i) of the Act (excluding a contract which falls under the contract set forth in sub-items (a) to (j) inclusive and sub-items (m) to (gg) inclusive, contracts covering management and driving of automobiles, and contracts covering the state of physical conditions, treatment and death of human beings) (referred to as "Business Activities Non-Life Insurance Contract" in Article 164 and Article 189).

(Application for Authorization of Amendment to articles of incorporation)

Article 84 (1) When an Insurance Company intends to obtain an authorization under Article 126 of the Act, it shall submit to the Commissioner of the Financial Services Agency a written application for authorization, as well as the following documents attached thereto:

- (i) a written statement of reasons;
- (ii) the minutes of shareholders meetings, general meeting of members or General Meeting of Representative Members, etc. (hereinafter referred to as

- "Shareholders Meeting, etc.") or any other documents certifying that necessary procedures have been followed;
- (iii) a document containing any other matters which would serve as reference information.
- (2) When an application for the authorization under the preceding paragraph has been filed, the Commissioner of the Financial Services Agency or Other Competent Official shall examine whether the application conforms the following standards:
- (i) that the amended articles of incorporation for which the authorization has been filed will ensure the sound and proper business management of the Insurance Company which has filed the application for authorization;
- (ii) that the amended articles of incorporation for which the authorization has been filed contains the method of public notice under Article 9, paragraph (1) of the Act and the matters specified in the items of Article 27 (Matters to be Specified or Recorded in articles of incorporation) of the Companies Act (in case of a Mutual Company, the matters specified in Article 23, paragraph (1) of the Act);

(Matters to be Notified)

Article 85 (1) The cases to be specified by Cabinet Office Ordinance, as provided in Article 127, paragraph (1), item (viii) of the Act, shall be as follows:

- (i) cases where a stock company which is an Insurance Company intends to issue share options or corporate bond with share options;
- (ii) cases where any person has assumed, or retired from, the office of director representing the Insurance Company, the director or company auditor engaged in ordinary business of the Insurance Company (representative executive officer, executive officer or audit committee member, in case of a company with committees);
- (ii)-2 in case of a company with accounting advisors, where any person has assumed, or retired from, the office of accounting advisor;
- (ii)-3 cases where a Special Transaction Account is to be established;
- (ii)-4 cases where a Special Transaction Account is to be discontinued;
- (iii) cases where the address of the representative of the Insurance Company which performs joint activities with the authorization under Article 102, paragraph (1) of the Act has been changed;
- (iv) cases where the Insurance Company made any other company its Subsidiary Company, due to the ground set forth in the items of Article 57, paragraph (1) (excluding the cases where, pursuant to the provision of Article 127, paragraph (1) of the Act, holding such company as the Subsidiary Company requires a notification under the item);
- (iv)-2 cases where the voting rights in the Subsidiary Company have been

- acquired or held;
- (v) case where the party which has the Insurance Company as its Subsidiary Company has been changed;
 - (vi) cases where the Subsidiary Company has effected any amendment to its name, location of the head office or principal business, merger, dissolution or discontinuance of all of its business (excluding the cases where, pursuant to the provision of Article 127, paragraph (1), item (iii) of the Act, a notification under that item is required to be filed if the company no longer falls under the category of Subsidiary Company or if the company has become a Subsidiary Company which does not fall under an Insurance Company, etc. Eligible for Subsidiary Company as Subsidiary Company);
 - (vii) cases where, due to the ground specified in the items of Article 58-2, paragraph (1), the Insurance Company or its Subsidiary Company have acquired or held the number of voting rights in a domestic company meaning a domestic company as provided in Article 107, paragraph (1) of the Act; the same shall apply in item (viii)) in excess of the Voting Rights Thresholds (meaning the Voting Rights Thresholds provided in the paragraph; hereinafter the same shall apply in this paragraph);
 - (vii)-2 cases where the Insurance Company or its Subsidiary Company, in aggregate, have acquired or held the number of voting rights in a domestic Company Eligible to be Subsidiary Company (meaning a Company Eligible to be Subsidiary Company as provided in Article 106, paragraph (1) of the Act; the same shall apply in Article 94) in excess of the Voting Rights Thresholds;
 - (vii)-3 cases where the Insurance Company or its Subsidiary Company have ceased to hold portion of the voting rights exceeding the Voting Rights Thresholds, among the voting rights in a domestic company held in excess of the Voting Rights Thresholds;
 - (vii)-4 cases where the Insurance Company newly holds a party which falls under the party specified in any of the items of Article 48-4 or Article 59, paragraph (3) (referred to as "Specific Interested Parties" in the following item and item (vii)-6);
 - (vii)-5 cases where the Specific Interested Party no longer falls under that category;
 - (vii)-6 cases where the Specific Interested Parties of the company (excluding the relevant Insurance Company's Subsidiary Company and also excluding foreign companies) or the Insurance Company the voting rights in excess of Voting Rights Thresholds of which are held by the Insurance Company or its Subsidiary Company, or a Specific Interested Party of the Insurance Company changes the business details;
 - (viii) cases where the Insurance Company has abolished its branch office, secondary office or liaison office in a foreign state;

- (ix) cases where, in relation to the Contingency Reserve under Article 69, paragraph (1), item (iii), the Insurance Company intends to make reserve or reversal not in accordance with the requirements for reserve as designated by the Commissioner of the Financial Services Agency provided in paragraph (7) of that Article;
- (x) cases where, pursuant to the provision of Article 70, paragraph (4), the Commissioner of the Financial Services Agency designates as the case where a Non-Life Insurance Company is required to make a notification with the Commissioner of the Financial Services Agency when implementing the calculation the amount of policy reserve;
- (x)-2 cases where, in relation to the Contingency Reserve under Article 70, paragraph (1), item (ii)-2, the Insurance Company intends to make reserve or reversal not in accordance with the requirements for reserve as designated by the Commissioner of the Financial Services Agency provided in paragraph (6) of that Article;
- (xi) cases where the Insurance Company intends to conclude a reinsurance contract specified by the Commissioner of the Financial Services Agency as provided in Article 71, paragraph (2), or to cancel the contract before the expiration of the contract term;
- (xii) cases where the Insurance Company intends to take out any Subordinated Loan (meaning monetary loan for consumption with an option setting forth subordinated conditions on the principal and interest payment, and which fall under the category of the monetary loan for consumption to be specified by the Commissioner of the Financial Services Agency as the loan which would facilitate enhancement the Insurance Company's solvency margin for Insurance Money, etc.; hereinafter the same shall apply in Article 166 and Article 192); or where it intends to issue Subordinated Corporate Bond (meaning corporate bond with an option setting forth subordinated conditions on the principal and interest payment, and which fall under the category of the corporate bonds to be specified by the Commissioner of the Financial Services Agency as the corporate bonds which would facilitate enhancement of the Insurance Company's solvency margin for Insurance Money, etc.; hereinafter the same shall apply in Article 166 and Article 192);
- (xiii) where the Insurance Company intends to make an accelerated repayment of the Subordinated Loan, or where it intends to make an accelerated redemption of Subordinated Corporate Bonds (including in the case of payment or redemption with regard to a loan or corporate bonds without a fixed due date).
- (xiii)-2 cases where, for the purpose of the calculation of the amount set forth in Article 87, item (ii)-2, the Insurance Company intends to use the formula specified by the Insurance Company in accordance with the requirements

- specified by the Commissioner of the Financial Services Agency;
- (xiii)-3 cases where the Insurance Company ceased to use the formula specified by the Insurance Company as provided in the preceding item, or to effect any material amendment to such formula;
 - (xiv) cases where the Insurance Company intends to amend the type of transactions for which accounting is to be handled as the Specified Transaction or any other matters pertaining to the documents specified in the items of paragraph (3) (limited to the case where the amendment to be made is minor);
 - (xv) cases where the Insurance Company has started to make available for public inspection the documents prepared pursuant to the provision of Article 111, paragraph (1) or (2);
 - (xvi) cases where the Insurance Company intends to acquire the treasury shares based on the resolution of the shareholders meeting or board of directors meeting pursuant to the provision of Article 156, paragraph (1) (Determination of Matters regarding Acquisition of Shares) of the Companies Act (including the case where it is applied by replacing certain terms under Article 165, paragraph (3) of that Act); and
 - (xvii) cases where it has come to the knowledge of the Insurance Company that any deplorable event has occurred to the Insurance Company or its Subsidiary Company.
- (2) The provision of Article 2, paragraph (15) of the Act shall apply mutatis mutandis to the voting rights as provided in items (vii) to (vii)-3 inclusive and item (vii)-6 of the preceding paragraph.
- (3) For filing the notification under Article 127, paragraph (1) of the Act, an Insurance Company shall submit to the Commissioner of the Financial Services Agency the notification, attaching thereto a written statement of reasons and any other document which would be informative (when item (ii)-2 of paragraph (1) applies, the documents specified in the following items):
- (i) a document describing the type of transactions for which accounting is to be handled as the Specified Transaction, and the name of the section in charge of such transactions;
 - (ii) a document describing the section in charge of calculation of market value, etc. (meaning the calculation of the profit or loss from the Specified Transactions, or price of properties subject to such transactions);
 - (iii) a document describing the policy for segregation of Specified Transaction from other transactions, and for segregation of properties subject to Specified Transactions from any other properties (including the accounting policy related to segregation from transactions consummated prior to the creation of the Specified Transaction Account and from the properties subject to such transactions);

- (iv) a document describing the matters related to treatment of internal transaction (meaning a transaction of a single Insurance Company consummated between a Specified Transaction Account and any other accounts, as specified in items (v) to (xiv) inclusive of Article 53-6-2, paragraph (2) (including a transaction to be treated as a Specific Transaction pursuant to the provision of item (xvi) of that paragraph as being similar or closely connected to the transaction)(including the matters related to the cancellation of such internal transactions);
- (v) a document describing the matters related to treatment of intra-account transfer (meaning the activities set forth in the items of Article 53-6-2, paragraph (3) (including the transactions provided in paragraph (4) of that Article);
- (4) The notification to be filed, when item (ix) or (x)-2 of paragraph (1) is applicable shall be filed promptly after the completion of preparation of the financial statements, and shall be filed together with the financial statements.
- (5) A Deplorable Event as provided in paragraph (1), item (xvii) shall mean the case where the Insurance Company or its Subsidiary Company, their respective officers or employees (excluding the persons who fall under the category of the Life Insurance Solicitors and Non-Life Insurance Solicitors), their respective Life Insurance Solicitors or Non-Life Insurance Solicitors or such solicitors' respective officers or employees 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 performance of the Insurance Company;
 - (ii) an act in violation of the Act on Regulation of Receiving of Capital Subscription, Deposits, and Interest Rates, etc. (Act No. 195 of 1954);
 - (iii) an act in violation of Article 300, paragraph (1) of the Act, or Article 38, items (iii) to (vii) inclusive or Article 39, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 300-2 of the Act; or an act which fall under Article 307, paragraph (1), item (iii) of the Act;
 - (iv) loss of cash, bills, checks, securities or any other valuable item equivalent to one million yen or more for each item (including the case of theft and depreciation or appreciation);
 - (v) an act set forth in any of the foregoing items or any other act similar thereto, which took place overseas and which was reported to the competent supervisory authority of the place of the occurrence; and
 - (vi) any other act similar to those set forth in the preceding items, which would give actual or potential negative impact on the Insurance Company in carrying out its business operation in a sound and proper manner.
- (6) A notification, when paragraph (1), item (xvii) is applicable, shall be filed

within thirty days from the day when the Insurance Company learns the occurrence of the Deplorable Event.

(Corporation Whose Business Management is Under Control of Insurance Company)

Article 85-2 The corporations to be specified by Cabinet Office Ordinance, as provided in Article 128, paragraph (2) of the Act, shall be the Insurance Company's Subsidiary Companies, etc. excluding the Subsidiary Companies.

(Capital, Equity Fund, Reserve, etc. Used for Requirement for Soundness)

Article 86 (1) The amount of stated capital, funds, reserve or any other amount to be specified by Cabinet Office Ordinance, as provided in Article 130, item (i) of the Act, shall be the amount obtained by deducting the amount calculated as exclusion from deferred tax assets (meaning the amount to be recorded as assets by the application of tax effect accounting; hereafter the same shall apply) by the method specified by the Commissioner of the Financial Services Agency, from the following amounts:

- (i) the amount of stated capital or funds, etc. (meaning the total amount recorded in the net asset section, less the amount to be disbursed as the disposition of surplus (in case of an Insurance Company which is a Mutual Company, including the amount to be set aside for members' dividend reserve), the amount recorded in the items of Valuation and Translation Adjustments, etc. (meaning the valuation and translation adjustments, etc. as set forth in Article 67 of the Ordinance on Financial Statements, etc.; the same shall apply in Article 211-59) in the balance sheet, the amount recorded in the asset section of the balance sheet and the amount recorded as the deferred asset in the asset section of the balance sheet pursuant to the provision of the first sentence of Article 113 of the Act);
- (ii) the amount of Price Fluctuation Reserve under Article 115, paragraph (1) of the Act;
- (iii) the amount of Contingency Reserve under Article 69, paragraph (1), item (iii) or Article 70, paragraph (1), item (ii)-2;
- (iii)-2 the amount of Extraordinary Contingency Reserve (including the risk reserve under Article 7, paragraph (1) (Calculation Formula for Earthquake Risk Policy Reserve) of the Ordinance for Enforcement of the Act on Earthquake Insurance (Ordinance of Ministry of Finance No. 35 of 1966)) under Article 70, paragraph (1), item (ii);
- (iv) the amount of general loan-loss reserves;
- (v) with regard to available-for sale securities owned by the Insurance Company, the amount of difference between the total of the amount recorded in the balance sheet and the book value thereof, multiplied by the ratio to be

- specified by the Commissioner of the Financial Services Agency;
 - (vi) with regard to lands owned by the Insurance Company, the amount of difference between the Market Value and book value thereof, multiplied by the ratio to be specified by the Commissioner of the Financial Services Agency; and
 - (vii) the amount similar to those set forth in the preceding items, as designated by the Commissioner of the Financial Services Agency.
- (2) The term "Market Value" as referred to in item (vi) of the preceding paragraph shall mean the value calculated based on the fairly appraised price as of the day when the ratio to indicate the soundness of solvency margin for Insurance Money, etc.

(Amount Equivalent to Risk Not Normally Predictable)

Article 87 The amount equivalent to the risk not normally predictable that may accrued from the occurrence of the insured event for which the insurance is underwritten, as provided in Article 130, item (ii) of the Act, or any from other ground shall be the amount calculated by the method specified by the Commissioner of the Financial Services Agency based upon the following amounts:

- (i) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Insurance Risk (meaning the risk which may accrued from the Actual Incidence Rate of insured accident being in excess of the normally predictable range; the same shall apply in the following item, Article 162 and Article 211-60) (excluding the following amounts);
- (i)-2 the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Third-Sector Insurance Risk;
- (ii) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Scheduled Interest Rate Risk (meaning the risk that the Insurance Company may be unable to assure the scheduled interest rate which would serve the basis of calculation of the policy reserve; the same shall apply in Article 162);
- (ii)-2 the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Minimum Guarantee Risk (meaning the risk where, in connection with an insurance contract for which a special account is established and for which the minimum amount of Insurance Money, etc. is guaranteed, the value of the properties in the special account as of the time of payment of the Insurance Money, etc. falls short of the minimum amount of the Insurance

- Money, etc. guaranteed by the insurance contract, which accrues from fluctuation in value of properties in the special account beyond the normally predictable range); and
- (iii) the total of the amount set forth in the following sub-items (a) to (f) inclusive, which is the amount equivalent to the Asset Investment Risk (meaning the risk related to investment, etc. of assets, which may accrue from fluctuation in price of securities or any other assets held, beyond the normally predictable range or any other grounds; the same shall apply in Article 211-60);
 - (a) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Price Fluctuation, etc. Risk (meaning the risk which may accrue from fluctuation in price of securities or any other assets held, beyond the normally predictable range or any other grounds; the same shall apply in Article 211-60);
 - (b) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Credit Risk (meaning the risk which may accrue from the counterparties' default in regard to securities or any other any other assets held, beyond the normally predictable range, or any other grounds; the same shall apply in Article 211-60);
 - (c) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Subsidiary Company, etc. Risk (meaning the risk which may accrue from the investment in Subsidiary Company, etc. (meaning the Subsidiary Company, etc. as provided in Article 110, paragraph (2) of the Act) or any other grounds; the same shall apply in Article 162);
 - (d) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Derivative Transactions Risk (meaning the risk which may accrue from the Transactions of Derivatives, Financial Derivatives Transactions as provided in Article 98, paragraph (1), item (viii) of the Act, foreign exchange transactions or any other transaction similar to the aforementioned; the same shall apply in Article 162); and
 - (e) The amount calculated by the method specified by the Commissioner of the Financial Services Agency as the amount corresponding to credit spread risk (meaning the risk which might accrue due to fluctuation of prices beyond normal expectations or other reasons in the transaction prescribed in Article 2, paragraph (21), item (v) of the Financial Instruments and Exchange Act (limited to the transaction concerning sub-item (a) of that item) or the transactions prescribed in paragraph (22), item

- (vi) of that Article (limited to the transaction concerning sub-item (a) of that item) or any transaction equivalent thereto; the same shall apply in Article 162, item (iii), sub-item (e)).
- (f) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency, as the amount corresponding to the risks set forth in sub-items (a) to (e) inclusive.
- (iv) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Management Risk (meaning the risk which may accrue in the course of business management beyond the normally predictable range, but which do not fall under the category as set forth in the preceding items; the same shall apply in Article 162).

Article 88 Deleted

**Chapter VII Portfolio Transfer of Insurance Contracts; Transfer or
Acquisition of Business; and Entrustment of Business and Property
Management
Section 1 Portfolio Transfer of Insurance Contracts;**

(Documents to be Kept in Relation to Transfer of Insurance Contracts)

Article 88-2 The documents to be specified by Cabinet Office Ordinance, as provided in Article 136-2, paragraph (1) of the Act, shall be as follows:

- (i) contract documents pertaining to the contract under Article 135, paragraph (1) of the Act; and
- (ii) the balance sheet of the transferor company provided in Article 135, paragraph (3) of the Act (hereinafter referred to as "Transferor Company" in this Section) and the transferee company provided in paragraph (1) of that Article (hereinafter referred to as "Transferee Company" in this Section) (in case of a Foreign Insurance Company, etc., the balance sheet for the insurance business in Japan).

(Matters Subject to Public Notice of Transfer of Insurance Contracts)

Article 88-3 The matters to be specified by Cabinet Office Ordinance, as provided in Article 137, paragraph (1) of the Act, shall be the trade name or name of the Transferee Company, and the location of its head office, principal office or principal establishment in Japan.

(Amount of Claim Pertaining to Insurance Contract)

Article 89 The amount to be specified by Cabinet Office Ordinance, as provided in Article 137, paragraph (4) of the Act (including the cases where it is applied

by replacing certain terms under Article 251, paragraph (2) of the Act), shall be the amount set forth in item (i), in case of a Life Insurance Company; or the total of the amounts set forth in items (ii) and (iii), in case of a Non-Life Insurance Company.

- (i) the amount to be reserved for the insured, as of the time of the public notice under Article 137, paragraph (1) of the Act (hereinafter referred to as the "Public Notice" in this Article);
- (ii) the amount of the insurance premiums corresponding to the Unexpired Period (meaning the insurance period specified in an insurance contract which have not been passed as of the time of the public notice); and
- (iii) the amount to be reserved as the refund reserve as set forth in Article 70, paragraph (1), item (iii), as of the time of the public notice.

(Application for Authorization of Transfer of Insurance Contracts)

Article 90 (1) The application for authorization under Article 139, paragraph (1) of the Act shall be filed by way of submitting to the Commissioner of the Financial Services Agency the written application for authorization under the joint name of the Transferor and the Transferee, within one month from the passage of the period under Article 137, paragraph (2) of the Act.

(2) For filing the written application for authorization under the preceding paragraph, the following documents shall be attached:

- (i) a written statement of reasons;
- (ii) contract documents pertaining to the contract under Article 135, paragraph (1) of the Act;
- (iii) the minutes of Shareholders Meeting, etc. of the Transferor Company and the Transferee Company (excluding Foreign Insurance Company, etc.);
- (iv) the balance sheet of the Transferor Company and Transferee Company (in case of a Foreign Insurance Company, etc., the balance sheet for the insurance business in Japan);
- (v) the inventory of assets of the Transferor Company;
- (vi) with regard to each type of insurance contract wherein the insurer is the Transferor Company, the document describing the respective number of policyholders, the number of insurance contracts, the total of the insured amount, and the amount of policy reserve, in which the distinction between the insurance contracts to be transferred (hereinafter referred to as the "Transferred Contracts") and the contracts which are not the Transferred Contracts;
- (vii) the document describing the amount of the policy reserve and any other types of reserve as well as the method of calculation thereof, for each type of Transferred Contract;
- (viii) the document describing the quantity and value, for each type of

- properties to be transferred associated with the Transferred Contract pursuant to the provision of Article 135, paragraph (1) of the Act;
- (ix) with regard to each type of insurance contract wherein the insurer is the Transferor Company (or insurance contracts in Japan, in case of a Foreign Insurance Company, etc.), the document describing the respective number of policyholders, the number of insurance contracts, the total of the insured amount, and the amount of policy reserve (or policy reserve under Article 116, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, in case of a Foreign Insurance Company, etc.);
 - (x) a document certifying that the public notice under Article 137, paragraph (1) of the Act has been given;
 - (ix) a document certifying that the number of policyholders who stated their objections under Article 137, paragraph (2) of the Act or the amount pertaining to such policyholders as provided in the preceding Article has not the certain ratio as set forth in Article 137, paragraph (4) of the Act (including the cases where applied mutatis mutandis pursuant to Article 251, paragraph (2) of the Act);
 - (xii) a document certifying that the public notice under Article 250, paragraph (4) of the Act, if any, has been given; and
 - (xiii) any other document containing the matters which would serve as reference information for examination under Article 139, paragraph (2) of the Act.

(Matters Subject to Ex-Post Facto Public Notice of Transfer of Insurance Contract)

- Article 91 The matters to be specified by Cabinet Office Ordinance, as provided in the first sentence of Article 140, paragraph (1) of the Act, shall be as follows:
- (i) the status of progress of the procedures provided in Article 137, paragraphs (1) to (4) inclusive of the Act;
 - (ii) the Transferee's the trade name or name of the Transferee Company, and the location of its head office, principal office or principal establishment in Japan.

(Validity of Transfer of Insurance Contracts)

- Article 92 (1) When, as a result of the implementation of a transfer of insurance contracts, the matters specified in the documents under Article 4, paragraph (2), items (ii) to (iv) inclusive, of the Act (hereinafter collectively referred to as the "Business Process Statement [global change], etc." in this paragraph) or Article 187, paragraph (3), items (ii) to (iv) inclusive, of the Act require amendment reflecting the matters set forth in the Business Manual, etc. of the Transferor Company, the matters which require authorization under Article

123, paragraph (1) of the Act (including cases where applied mutatis mutandis pursuant to Article 207 of the Act) shall be deemed to have been authorized, and the matters which require reporting under Article 123, paragraph (2) of the Act (including cases where applied mutatis mutandis pursuant to Article 207 of the Act) shall be amended, at the time when the authorization under Article 139, paragraph (1) is granted.

(2) A Transferee Company may, if, as a result of the transfer of property associated with a transfer of insurance contracts, the method of investment of assets or the amount of investment of assets under Article 48, paragraphs (1) and (3), Article 48-3, paragraph (1) and Article 48-5, paragraph (1) (or, in case of a Foreign Insurance Company, etc., the amount of investment under Article 140, paragraphs (1) and (3) and Article 140-3, paragraph (1)) contravenes the restriction under Articles 47 to 49 inclusive (or, in the case of a Foreign Insurance Company, etc., the amount of investment under Article 139, Article 140, Article 140-3, and Article 49 as applied mutatis mutandis pursuant to Article 160; hereinafter the same shall apply in this paragraph), make investments in accordance with such method or in such amount. In this case, the Transferee Company shall gradually amend the method or amount of investment of its assets in accordance with the spirit of the provisions of Articles 47 to 49 inclusive.

Section 2 Transfer or Acquisition of Business

(Transfer or Acquisition of Business Not Requiring Authorization)

Article 93 The transfer or acquisition to be specified by Cabinet Office Ordinance, as provided in Article 142 (including the cases where applied mutatis mutandis pursuant to Article 211 of the Act), shall be transfer or acquisition of business which only pertains to safe custody of Securities.

(Application for Authorization of Business Transfer, etc.)

Article 94 (1) When an Insurance Company (including a Foreign Insurance Company, etc.; hereinafter the same shall apply in this Article) intends to obtain the authorization under Article 142 of the Act (including the cases where applied mutatis mutandis pursuant to Article 211 of the Act), it shall submit to the Commissioner of the Financial Services Agency a written application for authorization, attaching thereto the following documents:

- (i) a written statement of reasons;
- (ii) a document describing the terms and conditions of the contracts subject to transfer or acquisition of business (referred to as "Business Transfer, etc. in the following paragraph and paragraph (3));
- (iii) minutes of the Shareholders' Meeting, etc. of the Insurance Company, etc.

- (excluding a Foreign Insurance Company, etc.) which is the party, or and any other document certifying that necessary procedures have been taken;
- (iv) inventories of properties and the balance sheet and profit and loss statement of the Insurance Company, etc. which is the party (or the balance sheet for the insurance business in Japan, in case of a Foreign Insurance Company, etc.);
 - (v) a document specifying the status of profit and loss pertaining to the business to be transferred or acquired;
 - (vi) in case of an application for authorization of transfer of business pertaining to Insurance Money Trust Business as provided in Article 143, paragraph (1) of the Act, a document certifying that the public notice under that paragraph has been given;
 - (vii) a document certifying that the notification under Article 16, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947; hereinafter referred to as the "Anti-Monopoly Act") has been completed, if such notification is required;
 - (viii) if the Insurance Company is to have any Subsidiary Company, etc. (meaning the Subsidiary Company, etc. as provided in the first paragraph of Article 97-2 of the Act; hereinafter the same shall apply in this item, Article 105 and Article 105-6) after the implementation of the Business Transfer, etc. the document specifying the prospective income and expenditure of said Insurance Company and Subsidiary Company, etc.;
 - (ix) when, as a result of the transfer of business, the Insurance Company's Subsidiary Company, etc. no longer falls under the category of the Subsidiary Company, the document specifying the name of such Subsidiary Company;
 - (x) when, as a result of the acquisition of business, the Company Eligible to be Subsidiary Company is to fall under the category of the Subsidiary Company, the document regarding such Company Eligible to be Subsidiary Company as set forth in Article 58, paragraph (1), item (iv);
 - (xi) When the Insurance Company or its Subsidiary Company are to have voting rights in a Domestic Company of which the total number exceeds the Voting Right Holding Threshold, the document specifying the name and business details of the domestic company; and
 - (xii) a document containing any other matters which would serve as reference information.
- (2) In case of the Business Transfer, etc. among Insurance Companies, the written application for authorization under the preceding paragraph shall be submitted under the joint names of the Insurance Companies which are the parties; provided, however, that this shall not apply to the case of the Business Transfer, etc. of the business other than business in Japan wherein all or part of the parties thereto comprise Foreign Insurance Company, etc.

- (3) In case of the Business Transfer, etc. wherein a Low-Cost, Short-Term Insurer is one of the parties thereto, the written application for authorization under paragraph (3) shall be submitted together with the written application for authorization under Article 211-67, paragraph (1) of the Act.
- (4) The provision of Article 2, paragraph (15) of the Act shall apply mutatis mutandis to the voting rights provided in item (xi) of paragraph (1).

Section 3 Entrustment of Business and Property Management

(Foreign Insurance Company, etc. Not Allowed to Accept Entrustment of Business and Property Management)

Article 95 The companies to be specified by Cabinet Office Ordinance, as provided in Article 144, paragraph (1) of the Act, shall be a Foreign Insurance Company, etc., which has established an office of a person acting as an agent for underwriting insurances pertaining to its insurance business in Japan, as set forth in Article 185, paragraph (1) of the Act.

(Application for Authorization of Entrustment of Business and Property Management)

Article 96 (1) An application for authorization under Article 145, paragraph (1) of the Act shall be made by way of submitting to the Commissioner of the Financial Services Agency a written application for authorization under the joint names of the Entrusting Company (meaning the Entrusting Company as provided in Article 144, paragraph (2) of the Act; hereinafter the same shall apply in this Article and the following Article) and Entrusted Company (meaning the Entrusted Company as provided in Article 144, paragraph (1) of the Act; hereinafter the same shall apply in this Article and the following Article).

- (2) The following documents shall be attached to a written application for authorization under the preceding paragraph:
- (i) a written statement of reasons;
 - (ii) a contract document pertaining to the Management Entrustment Contract (meaning the contract set forth in Article 144, paragraph (1) of the Act; the same shall apply in the following Article);
 - (iii) the minutes of Shareholders' Meeting, etc. of the Entrusting Company and the Entrusted Company (excluding a Foreign Insurance Company, etc.);
 - (iv) the balance sheet of the Entrusting Company and the Entrusted Company (in case of a Foreign Insurance Company, etc., the balance sheet for its insurance business in Japan);
 - (v) a document describing the status of profit and loss from the business and properties for which management service is to be entrusted;

- (vi) the method whereby the Entrusted Company carries out management of the business and properties of the Entrusting Company, and the method for indication under Article 148, paragraph (1) of the Act;
- (vii) any other document containing the matters which would serve as reference information for examination under Article 145, paragraph (2) of the Act.

(Application for Authorization of Amendment or Cancellation of Management Entrustment Contract)

Article 97 (1) An application for authorization under Article 149, paragraph (2) of the Act shall be made by way of submitting to the Commissioner of the Financial Services Agency a written application for authorization under the joint names of the Entrusting Company and the Entrusted Company.

(2) For filing the written application for authorization under the preceding paragraph, the following documents shall be attached:

- (i) a written statement of reasons;
- (ii) in case of filing an application for authorization of the amendment to the matters set forth in the Management Entrustment Contract, the amended Management Entrustment Contract;
- (iii) the minutes of Shareholders' Meeting, etc. of the Entrusting Company and the Entrusted Company (excluding Foreign Insurance Company, etc.);
- (iv) the balance sheet of the Entrusting Company and the Entrusted Company (in case of a Foreign Insurance Company, etc., the balance sheet for the insurance business in Japan);
- (v) a document describing the status of profit and loss from the business and properties for which management services are entrusted;
- (vi) in case of filing an application for authorization of amendment to the scope of business and properties to be entrusted, a document describing the status of profit and loss from the business and properties for which management service will be entrusted after the amendment; and
- (vii) a document containing any other matters which would serve as reference information.

Chapter VII Dissolution, Merger, Company Split and Liquidation

Section 1 Dissolution

(Application for Authorization of Dissolution, etc.)

Article 98 When an Insurance Company, etc. intends to obtain the authorization under Article 153, paragraph (1) of the Act, it shall submit to the Commissioner of the Financial Services Agency or Other Official a written application for authorization in accordance with the categories of the

authorization as specified in the following items, together with the following documents respectively set forth in the respective item:

- (i) resolution of the shareholders meeting, etc. in relation to the dissolution:
 - (a) a written statement of reasons;
 - (b) the minutes of shareholders meeting, etc.;
 - (c) the inventory of assets and the balance sheet;
 - (d) in the case of an application for authorization of resolution of dissolution adopted by the General Meeting of Representative Members, the document certifying that the public notice under Article 156, paragraph (1) has been given; and the document certifying that none of the members set forth in paragraph (2) of that Article has made a request pursuant to the provision of that paragraph or the minutes pertaining to the resolution of the general meeting of members as set forth in paragraph (3) of that Article;
 - (e) the document certifying the non-existence of the insurance contract (excluding the insurance contract provided in Article 16 of the Cabinet Order) wherein the insurer is the Insurance Company, etc. (limited to a stock company, and a Mutual Company which has provisions in its articles of incorporation as set forth in Article 63, paragraph (1) of the Act);
 - (f) if there is any insurance contract wherein the insurer is the Insurance Company, etc., the document specifying the handling policy for such insurance contracts;
 - (g) a document stating any other matters which would serve as reference information in an examination conducted pursuant to the provision of Article 153, paragraph (2).
- (ii) the resolution of the shareholders meeting in relation to the abolition of insurance business;
 - (a) a written statement of reasons;
 - (b) the minutes of shareholders meeting, etc.;
 - (c) the balance sheet;
 - (d) the document certifying the non-existence of the insurance contract (excluding the insurance contract provided in Article 16 of the Cabinet Order) wherein the insurer is the Insurance Company, etc.;
 - (e) if there is any insurance contract wherein the insurer is the Insurance Company, etc., the document specifying the handling policy for such insurance contracts;
 - (f) a document stating any other matters which would serve as reference information in an examination conducted pursuant to the provision of Article 153, paragraph (2).
- (iii) the merger including the stock company engaged in insurance business as the all or part of parties:
 - (a) a written statement of reasons;

- (b) a document describing the details of the merger agreement;
- (c) the minutes of the shareholders meeting of the Insurance Company, etc. which is the party to the merger, or and any other document certifying that necessary procedures have been taken;
- (d) the inventories of properties and the balance sheet and profit and loss statement of each of the parties to the merger;
- (e) a document describing the cost of merger;
- (f) a document certifying that the public notice and notices under the provisions of Article 789, paragraph (2), Article 799, paragraph (2) or Article 810, paragraph (2) (Objection of Creditors) of the Companies Act have been given, and if any creditor has raised an objection, the fact that the payment has been made or reasonable security has been provided to said creditor or reasonable property has been deposited in trust for the purpose of having said creditor receive the payment, or that said merger is not likely to harm said creditor;
- (g) the document certifying the non-existence of the insurance contract (excluding the insurance contract provided in Article 16 of the Cabinet Order) wherein the insurer is the Insurance Company, etc. which the party to the merger;
- (h) if there is any insurance contract wherein the insurer is the Insurance Company, etc. which is the party to the merger, the document specifying the handling policy for such insurance contracts;
- (i) if the counterparty to the merger is not an Insurance Company, its articles of incorporation formerly in effect; and
- (j) a document stating any other matters which would serve as reference information in an examination conducted pursuant to the provision of Article 153, paragraph (2).

(Public Notice of Dissolution, etc.)

Article 99 When an Insurance Company, etc. intends to give a public notice under Article 154 of the Act, and where there is any insurance contract wherein the insurer is the Insurance Company, it shall present the handling policy for such insurance contracts.

(Documents to be Kept in Relation to Dissolution)

Article 99-2 The matters to be specified by Cabinet Office Ordinance, as provided in Article 156-2, paragraph (1) of the Act, shall be as follows:

- (i) item on the agenda for dissolution;
- (ii) a balance sheet; and
- (iii) if there is any insurance contract wherein the insurer is the Insurance Company, etc., the document specifying the handling policy for such

insurance contracts;

(Matters Subject to Public Notice In Relation to Dissolution)

Article 99-3 The matters to be specified by Cabinet Office Ordinance, as provided in Article 157, paragraph (1) of the Act, shall be the handling policy for insurance contracts where the Insurance Company, etc. is the insurer.

Section 2 Merger

(Absorption-type Merger Agreement between Stock Company and Mutual Company Whereby Mutual Company Survives)

Article 99-3-2 The matters to be specified by Cabinet Office Ordinance, as provided in Article 162, paragraph (1), item (vi) of the Act, shall be as follows:

- (i) if the Mutual Company Surviving the Absorption-Type Merger is to deliver to shareholders of the Absorbed Stock Company (meaning the Absorbed Stock Company as provided in Article 162, paragraph (1), item (i) of the Act; hereinafter the same in this Section (excluding Article 101-2-21, Article 101-2-22, Article 101-2-2-24, Article 103, item (i), sub-item (e) and Article 103-2, item (i), sub-item (e)) the money in lieu of the shares thereof when effecting the Absorption-type Merger, the amount of such money and method of calculation thereof:
- (ii) in the case provided in the preceding item, the matters related to allocation of money under that item to the shareholder of the Absorbed Stock Company (such shareholder shall exclude the Absorbed Stock Company);
- (iii) when the Absorbed Stock Company has issued share options, the amount or calculation method of money in lieu of the share options, which is to be delivered by the Mutual Company Surviving the Absorption-Type Merger to the share option holders when implementing the Absorption-type Merger; and
- (iv) in the case provided in the preceding item, the matters related to allocation of money under that paragraph to be allocated to the holder of share options of the Absorbed Stock Company.

(Absorption-type Merger Agreement between Stock Company and Mutual Company Whereby Mutual Company is Incorporated)

Article 99-3-3 The matters to be specified by Cabinet Office Ordinance, as provided in Article 163, paragraph (1), item (x) of the Act, shall be as follows:

- (i) if the Formed Mutual Company in Consolidation-Type Merger (meaning a Formed Mutual Company in Consolidation-Type Merger as provided in Article 161, item (ii) of the Act; hereinafter; hereinafter the same in this Section) delivers to the shareholders of the Consolidated Stock Company

- (meaning the Consolidated Stock Company as provided in Article 163, paragraph (1), item (i) of the Act; hereinafter the same shall apply in this Section (excluding Article 101-2-21, Article 101-2-22, Article 101-2-2-24, Article 103, item (i), sub-item (e) and Article 103-2, item (i), sub-item (e)) the money in lieu of the shares thereof when effecting the Absorption-type Merger, the amount of such money and method of calculation thereof:
- (ii) in the case provided in the preceding item, the matters related to allocation of money under that item to the shareholder of the Consolidated Stock Company (such shareholder shall exclude the Consolidated Stock Company);
 - (iii) when the Consolidated Stock Company has issued share options, the amount or calculation method of money in lieu of the share options, which is to be delivered by the Formed Mutual Company in Consolidation-Type Merger to the share option holders when implementing the Consolidation-type Merger; and
 - (iv) in the case provided in the preceding item, the matters related to allocation of money under that paragraph to be allocated to the holder of share options of the Consolidated Stock Company.

(Matters Related to Sale of Shares Newly Issued for Fractional Lots)

Article 99-4 The matters related to sales to be specified by Cabinet Office Ordinance, as provided in Article 164, paragraph (1), item (iv) and Article 165, paragraph (1), item (x) of the Act, shall be the matters set forth in the following items, in accordance with the categories of the sale as respectively set forth therein:

- (i) sale by way of auction: the schedule date of sale;
- (ii) sale at the market price: the scheduled purchaser and the scheduled date of sale; and
- (iii) sales with permission from the court: the method of calculation of sales price, the scheduled purchaser, and the scheduled date of sale.

(Matters Related to Purchase of Shares Newly Issued for Fractional Lots)

Article 99-5 The matters related to purchase to be specified by Cabinet Office Ordinance, as provided in Article 164, paragraph (1), item (v) and Article 165, paragraph (1), item (xi) of the Act, shall be the matters set forth in the following items, in accordance with the categories of the sale as respectively set forth therein:

- (i) purchase, when the shares are sold by the method specified in item (ii) of the preceding Article: the scheduled date of purchase; and
- (ii) purchase, when the shares are sold by the method specified in item (iii) of the preceding Article: the method of calculation of the purchase price and the scheduled date of purchase.

(Calculation of Members' Amount of Contribution)

Article 100 (1) The amount calculated in accordance with the formula to be specified by Cabinet Office Ordinance, as provided in Article 90, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 164, paragraph (3) or Article 165, paragraph (5) of the Act, shall be the total of the amount of contribution per insurance contract concluded between the members of the Absorbing Mutual Company (meaning an Absorbing Mutual Company as provided in Article 160, item (i) of the Act; hereinafter the same shall apply in this Section) or Consolidated Mutual Company (meaning a Consolidated Mutual Company as provided in Article 161, item (i) of the Act; hereinafter the same shall apply in this Section) and such Absorbing Mutual Company or Consolidated Mutual Company.

- (2) The amount of contribution per each insurance contract as provided in the preceding paragraph shall be the amount calculated by deducting the amount set forth in item (ii) from the amount set forth in item (i) for each Insurance Contract Category of the insurance contract defined by the Extinct Mutual Company (meaning the Extinct Mutual Company as provided in Article 165-15, paragraph (1) of the Act; hereinafter the same shall apply in this Section) (hereinafter referred to as "Insurance Contract Category" in this Article), and then further calculated in accordance with the amount of policy reserve, insurance money, insurance premiums and any other base amount for each insurance contract which fall under the relevant Insurance Contract Category.
- (i) the total of the profits related to the member's insurance contract generated from investment of insurance premiums paid by the member and money received as the insurance premiums, less the amount allocated for expenditures such as payment of the insurance money, refund or any other benefits, expenditures of operating costs and any other costs.
- (ii) the amount of assets in relation to the member's insurance contracts which shall be secured to perform obligations under insurance contracts.

(Market Price for Processing of Fractions of Less Than One Share Upon Issuance of Shares)

Article 100-2 The method specified by Cabinet Office Ordinance, provided in Article 90, paragraph (3) (Processing of Fractions of Less Than One Share) of the Companies Act as applied mutatis mutandis by replacing certain terms under Article 164, paragraph (3) and Article 165, paragraph (5) of the Act, shall be the method whereby the amount listed in the following items shall be treated as the price of shares provided in Article 234, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 90, paragraph (3) of the Act as further applied mutatis mutandis pursuant to Article 164, paragraph (3) and

Article 165, paragraph (5) of the Act, in accordance with the categories of the respective cases set forth therein:

- (i) if said shares are sold through a market transaction: the sale price of said transaction; or
- (ii) in cases other than the case set forth the preceding item: the higher of the following prices:
 - (a) the closing price of said shares on the market in which said shares are traded, as of the day when said shares were sold, pursuant to the provision of Article 234, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 90, paragraph (3) of the Act as further applied mutatis mutandis pursuant to Article 164, paragraph (3) and Article 165, paragraph (5) of the Act (hereinafter referred to as the "Sales Date" in this item) (if no sale and purchase transaction has been conducted on the Sales Date, or where the Sales Date falls in a non-business day of said market, the contract price of the sale and purchase transaction effected for the first time after said day); or
 - (b) if, as of the Sales Date, said shares are the subject of a Tender Offer, etc., the price of said shares provided for in the contract pertaining to said Tender Offer, etc. as of said Sales Date.

(Calculation of Amount of Surplus from Merger)

Article 101 (1) The amount calculated in accordance with the formula to be specified by Cabinet Office Ordinance, as provided in Article 91, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 164, paragraph (3) and Article 165, paragraph (5) of the Act, shall be the amount calculated as the net asset as of the time of the Merger of the Extinct Mutual Company, multiplied by the ratio of the amount set forth in item (ii) to the amount set forth in item (i).

- (i) the amount of total assets of the Extinct Mutual Company as of the time of the Entity Conversion which shall be appraised by the same method as those used for the purpose of calculation of the total amount of members' contributions under Article 100, paragraph (1), less the total of the amount set forth in the following sub-items:
 - (a) the amount set forth in Article 100, paragraph (2), item (ii);
 - (b) in connection with the insurance contract under Article 63, paragraph (1) of the Act, the amount of assets to be secured for the purpose of performance of obligations under insurance contracts which shall be appraised by the same method as those used for the purpose of calculation of the amount set forth in Article 100, paragraph (2), item (ii);
 - (c) the amount of assets to be secured for the purpose of performance of obligations of the Extinct Mutual Company at the time of the Merger,

- which shall be appraised by the same method as those used for the purpose of calculation of the amount set forth in Article 100, paragraph (2), item (ii); and
- (ii) the amount set forth in the preceding paragraph, less the total of the amount of members' contributions as provided in Article 100, paragraph (1).
- (2) When, with regard to the Stock Company Surviving the Absorption-Type Merger (meaning the Stock Company Surviving the Absorption-Type Merger as provided in Article 164, paragraph (1), item (i) of the Act; hereinafter the same shall apply in this Section (excluding Article 101-2-21, Article 101-2-22, Article 101-2-24, Article 103, item (i), sub-item (e) and Article 103-2, item (i), sub-item (e)) or Formed Stock Company (meaning the Formed Stock Company as provided in Article 165, paragraph (1), item (ii) of the Act; hereinafter the same shall apply in this Section), the amount recorded in the net asset section or liability section of the balance sheet is reduced due to any reason set forth in the following items, the amount of surplus from merger may be reduced accordingly based upon such reduction.
- (i) compensation of loss by the use of surplus, capital reserve or retained earnings reserve;
- (ii) reduction in the amount of stated capital;
- (iii) addition to the insurance premiums reserve by way of effecting amendment to the document set forth in Article 4, paragraph (2), item (iv) of the Act;
- (iv) reversal of Price Fluctuation Reserve under Article 115, paragraph (1) of the Act;
- (v) reversal of Contingency Reserve under Article 69, paragraph (1), item (iii) or Article 70, paragraph (1), item (ii)-2.

(Matters Subject to Prior Disclosure by Extinct Stock Company)

Article 101-2 (1) If an Extinct Stock Company (meaning an Extinct Stock Company as provided in Article 165-2, paragraph (1) of the Act; hereinafter the same shall apply in this Section) is an Absorbed Stock Company, the matters to be specified by Cabinet Office Ordinance, as provided in that paragraph, shall be as follows:

- (i) matters related to adequacy of the provision on the matters set forth in Article 99-3, items (i) and (ii) (if there is no such provision, the adequacy as to the lack thereof);
- (ii) the matters related to adequacy of the provision on the matters set forth in Article 99-3-2, items (iii) and (iv), in cases the Absorbed Stock Company has issued share options;
- (iii) the matters pertaining to the adequacy of provision concerning the matters listed in Article 162, paragraph (1), items (iii) of the Act;
- (iv) the following matters related to the Absorbed Stock Company (excluding a

Liquidating Stock Company):

- (a) the details of the financial statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Absorbed Stock Company);
- (b) if there are Temporary Financial Statements, etc. prepared as of a certain day after the last day of the Most Recent Business Year (if the company has no Most Recent Business Year, the date of incorporation of the Absorbed Stock Company; the same shall apply in item (c)) as the provisional account closing date (if there are two or more provisional account closing dates, the most recent day), the details of said Temporary Financial Statements, etc.; and
- (c) if, after the last day of the Most Recent Business Year, disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the day of commencement of keeping of documents or Electromagnetic Records under Article 165-2, paragraph (1) of the Act (hereinafter referred to as "Day on Which the Absorption-type Merger Agreement Began To Be Kept") and the day when the Absorption-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).
- (v) the balance sheet prepared by the Absorbed Stock Company (limited to a Liquidating Stock Company) pursuant to the provision of Article 492, paragraph (1) (Preparation of List of Property) of the Companies Act;
- (vi) the following matters related to the Mutual Company Surviving the Absorption-Type Merger:
 - (a) the details of the financial statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Mutual Company Surviving the Absorption-Type Merger);
 - (b) if, after the last day of the Most Recent Business Year (if there is no such Most Recent Business Year, the day of incorporation of the Mutual Company Surviving the Absorption-Type Merger), disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the Day on Which the Absorption-type Merger Agreement Began To Be Kept and the day when the Absorption-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent

Business Year).

- (vii) the matters pertaining to the prospect on performance of the obligations of the Mutual Company Surviving the Absorption-Type Merger on or after the day when the Absorption-type Merger becomes effective (limited to the obligations (excluding the obligations pertaining to the rights of policyholders or any other right holders pertaining to the insurance contracts (excluding Insurance Claims, etc.)) against policyholders or any other creditors who may raise objection as to the Absorption-type Merger pursuant to the provision of Article 165-7, paragraph (1) of the Act);
 - (vi) if, after the Day on Which the Absorption-type Merger Agreement Began To Be Kept, any change has arisen in any of the matters listed in the items of the preceding item, said matters after the change.
- (2) If an Extinct Stock Company is a Consolidated Stock Company, the matters to be specified by Cabinet Office Ordinance, as provided in Article 165-2, paragraph (1) of the Act, shall be as follows:
- (i) the matters set forth in sub-item (a) or (b) below, in accordance with the categories of the respective cases set forth therein:
 - (1) if the Formed Company (meaning the Formed Company as provided in Article 165-4, paragraph (1) of the Act; hereinafter the same shall apply in this Section) is a Mutual Company: the following matters (1) if the Formed Company (meaning the Formed Company as provided in Article 165-4, paragraph (1) of the Act; hereinafter the same shall apply in this Section) is a Mutual Company: the following matters
 - 1. matters related to adequacy of the provision on the matters set forth in Article 99-3, items (i) and (ii) (if there is no such provision, the adequacy as to the lack thereof);
 - 2. the matters related to adequacy of the provision on the matters set forth in Article 99-3-2, items (iii) and (iv), in cases the Consolidated Stock Company has issued share options;
 - 3. matters related to adequacy of the provision on the matters set forth in Article 163, paragraph (1), item (vii) (if there is no such provision, the adequacy as to the lack thereof); and
 - 4. matters related to adequacy of the provision on the matters set forth in Article 163, paragraph (1), item (viii).
 - (b) if the Formed Company is a stock company: the following matters
 - 1. matters related to adequacy of the provision on the matters set forth in Article 165, paragraph (1), items (vi) to (xi) inclusive;
 - 2. the matters related to adequacy of the provision on the matters set forth in Article 165, paragraph (1), items (xii) and (xiii) of the Act, in cases the Consolidated Stock Company has issued share options; and
 - 3. matters related to adequacy of the provision on the matters set forth in

Article 165, paragraph (1), item (xiv) (if there is no such provision, the adequacy as to the lack thereof).

(ii) the following matters related to the Consolidated Stock Company (including other Consolidated Stock Companies; and excluding Liquidating Stock Companies):

(a) the details of the financial statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Consolidated Mutual Company);

(b) if there are Temporary Financial Statements, etc. prepared as of a certain day after the last day of the Most Recent Business Year (if the company has no Most Recent Business Year, the date of incorporation of the Consolidated Stock Company; the same shall apply in item (c)) as the provisional account closing date (if there are two or more provisional account closing dates, the most recent day), the details of said Temporary Financial Statements, etc.; and

(c) if, after the last day of the Most Recent Business Year, disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the day of commencement of keeping of documents or Electromagnetic Records under Article 165-2, paragraph (1) of the Act (hereinafter referred to as "Day of Commencement of Keeping Consolidation-Type Merger Agreement") and the day when the Consolidation-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).

(iii) the following matters in relation to the Consolidated Mutual Company (excluding Liquidating Mutual Companies):

(a) the details of the financial statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Consolidated Mutual Company);

(b) if, after the last day of the Most Recent Business Year (if there is no such Most Recent Business Year, the date of incorporation of the Consolidated Mutual Company), disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the Day of Commencement of Keeping Consolidation-type Merger Agreement and the day when the Consolidation-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).

- (iv) the balance sheet prepared by the Consolidated Stock Company (limited to a Liquidating Stock Company) and other Consolidated Company (meaning the Consolidated Company as provided in Article 165, paragraph (1), item (i) of the Act; hereinafter the same shall apply in this Section) (limited to a Liquidating Stock Company and Liquidating Mutual Company, pursuant to the provision of Article 492, paragraph (1) (including the cases where applied mutatis mutandis pursuant to Article 180-17 of the Act);
- (v) the matters pertaining to the prospect on performance of the obligations of the Formed Company after the day when the Consolidation-type Merger becomes effective (excluding the obligations pertaining to the rights (excluding Insurance Claims, etc.) of the policyholders or any other person holding the rights pertaining to insurance contract);
- (vi) if, after the Day of Commencement of Keeping a Consolidation-Type Merger Agreement, any change has arisen in the matters listed in the preceding items, said matters after the change.

(Matters Related to Financial Statements of Extinguished Companies)

Article 101-2-2 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-7, paragraph (2), item (iii) of the Act, shall be the matters set forth in the following items, in accordance with the categories of the cases applicable as of the day of publication as set forth in that paragraph:

- (i) if, pursuant to the provision of Article 440 paragraph (1) (Public Notice of Financial Statements) of the Companies Act applied by replacing certain terms under Article 13 of the Act or Article 440, paragraph (2) of the Companies Act, an Extinguished Stock Company (if an Extinguished Stock Company is a Stock Company Extinguished Upon a Consolidation-Type Merger, other Stock Companies Extinguished Upon a Consolidation-Type Merger shall be included; hereinafter the same shall apply in this Article) has given a public notice of its balance sheet for the Most Recent Business Year or summary thereof: the following information
 - (a) if the public notice has been made by means of a daily newspaper that publishes matters on current affairs, the name and date of said newspaper, and the page number on which the public notice has been published; or
 - (c) if the public notice has been made by means of an Electronic Public Notice, the matters listed in Article 911, paragraph (3), item (xxix), sub-item (a) (Registration of Incorporation of Stock Company) of the Companies Act.
- (ii) if, in regard to the balance sheet pertaining to the Most Recent Business year, the Notifying Company has implemented the measures provided in Article 440, paragraph (3) of the Companies Act: the matters listed in Article 911, paragraph (3), sub-item (xxvii) of the Companies Act;
- (iii) if the Extinguished Stock Company is a stock company as provided in

- Article 440, paragraph (4) of the Companies Act, and where said Notifying Company has submitted the Annual Securities Report pertaining to the Most Recent Business Year pursuant to the provision of Article 24, paragraph (1) of the Financial Instruments and Exchange Act: such fact;
- (iv) if, pursuant to the provision of Article 28 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act, the Notifying Company is excluded from application of the provision of Article 440 of the Companies Act: such fact;
 - (v) if the Extinguished Stock Company has no Most Recent Business Year: such fact
 - (vi) if the Extinguished Stock Company is a Liquidating Stock Company: such fact
 - (vii) other cases than as set forth in the preceding items: the details of the summary of the balance sheet for the Most Recent Business Year prepared in accordance with Appended Form No. 2 (or Appended Form No. 2-3, in case of a Low-Cost, Short-Term Insurer; or Appended Form No. 2-2, in case of a Company with Specified Transaction Account).

(Matters Subject to Public Notice by Extinct Stock Company)

Article 101-2-3 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-7, paragraph (2), item (v) of the Act, shall be as follows:

- (i) the total amount of the funds or the amount of stated capital of the Absorbing Company (meaning the Absorbing Company as provided in Article 165-17, paragraph (2), item (ii) of the Act; hereinafter the same shall apply in this Section) or the Formed Company;
- (i) the matters set forth in sub-item (a) or (b) below, in accordance with the categories of the respective cases set forth therein:
 - (a) if the Absorbing Company or the Formed Company is a Mutual Company: the matters related to the allocation of money to the shareholders or share option holder of the Extinct Stock Company (if the Extinct Stock Company is a Consolidated Stock Company, including other Consolidated Stock Companies) or to the members of the Consolidated Mutual Company;
 - (b) if the Formed Company is a stock company: the following matters
 1. the matters related to allocation of shares or money to the shareholders of the Consolidated Stock Company (including other Consolidated Stock Companies; hereinafter the same shall apply in this item);
 2. the matters related to allocation of share options or monies to the share option holders of all or part of the Consolidated Stock Companies;
 3. the matters related to allocation of shares or monies to the members of the Consolidated Mutual Company;
 4. the method of selling any additional fraction of shares to be issued as a

- result of the allocation of shares to the members of the Consolidated Mutual Company and any other matter provided in Article 99-4.
5. the method of purchasing any fraction of shares arising under 4. and any other matter specified by Cabinet Office Ordinance regarding such purchase;
- (iii) the matters related to the rights of policyholders of the Extinct Stock Company after the merger;
- (iv) the matters set forth in the following items, in accordance with the categories of the cases applicable as of the day of publication as specified in Article 165-7, paragraph (2) of the Act as the matters related to the financial statements of Notifying Company (meaning the Mutual Company Surviving the Absorption-Type Merger or Consolidated Mutual Company; hereinafter the same shall apply in this item);
- (a) if the Notifying Company has given public notice of the balance sheet pertaining to the Most Recent Business Year or a summary thereof pursuant to the provisions of Article 54-7, paragraph (1) or (2) of the Companies Act: the matters listed in the following sub-items:
1. if the public notice has been made by means of a daily newspaper that publishes matters on current affairs, the name and date of said newspaper, and the page number on which the public notice has been published;
 2. if the public notice has been made by means of an Electronic Public Notice, the matters listed in Article 64, paragraph (2), item (xviii), sub-item (a) of the Act.
- (b) if, in regard to the balance sheet pertaining to the Most Recent Business Year, the Notifying Company has implemented the measures provided in Article 54-7, paragraph (3) of the Act: the matters listed in Article 64, paragraph (2), item (xvi);
- (c) if the Notifying Company is a Mutual Company as provided in Article 54-7, paragraph (4) of the Act, and where said Notifying Company has submitted the Annual Securities Report pertaining to the Most Recent Business Year pursuant to the provision of Article 24, paragraph (1) of the Financial Instruments and Exchange Act: such fact;
- (d) if the Notifying Company has no Most Recent Business Year: such fact;
- (e) if the Notifying Company is a Liquidating Mutual Company: such fact
- (v) other cases than as set forth in sub-items (a) to (e) inclusive: the details of the summary of the balance sheet for the Most Recent Business Year as set forth in Appended Form No. 3 (the Appended Form No. 3-3, in case of a Low-Cost, Short-Term Insurer; or the Appended Form No. 3-2, in case of a Company with Specified Transaction Account).

(Amount of Claim Pertaining to Insurance Contract)

Article 101-2-4 The amount to be specified by Cabinet Office Ordinance, as provided in Article 70, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 165-7, paragraph (4) of the Act, shall be the amount set forth in item (i), in case of a Life Insurance Company; the total of the amounts set forth in items (ii) and (iii), in case of a Non-Life Insurance Company; and the amount set forth in item (ii), in case of a Low-Cost, Short-Term Insurer.

- (i) the amount to be reserved for the insured, as of the time of the public notice under Article 165-7, paragraph (2) of the Act (hereinafter referred to as the "Public Notice" in this Article);
- (ii) the amount of the insurance premiums corresponding to the Unexpired Period (meaning the insurance period specified in an insurance contract which have not been passed as of the time of the public notice); and
- (iii) the amount to be reserved as the refund reserve as set forth in Article 70, paragraph (1), item (iii), as of the time of the public notice.

(Matters Subject to Disclosure by Stock Company Surviving the Absorption-Type Merger)

Article 101-2-5 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-9, paragraph (1) of the Act, shall be as follows:

- (i) matters related to adequacy of the provision on the matters set forth in Article 164, paragraph (1), items (i) to (vi) inclusive (if there is no such provision, the adequacy as to the lack thereof);
- (ii) the following matters related to the Stock Company Surviving the Absorption-Type Merger:
 - (a) the details of the Financial Statements, etc. for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Stock Company Surviving the Absorption-Type Merger);
 - (b) if there are Temporary Financial Statements, etc. prepared as of a certain day after the last day of the Most Recent Business Year (if the company has no Most Recent Business Year, the date of incorporation of the Stock Company Surviving the Absorption-Type Merger; the same shall apply in item (c)) as the provisional account closing date (if there are two or more provisional account closing dates, the most recent day), the details of said Temporary Financial Statements, etc.; and
 - (c) if, after the last day of the Most Recent Business Year, disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the day of commencement of keeping of documents or

Electromagnetic Records under Article 165-9, paragraph (1) of the Act (hereinafter referred to as "Day on Which the Absorption-type Merger Agreement Began To Be Kept") and the day when the Absorption-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).

- (iii) the following matters related to the Absorbed Mutual Company (excluding Liquidating Mutual Company):
 - (a) the details of the financial statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Absorbed Mutual Company);
 - (b) if, after the last day of the Most Recent Business Year (if there is no such Most Recent Business Year, the day of incorporation of the Absorbed Mutual Company), disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the Day on Which the Absorption-type Merger Agreement Began To Be Kept and the day when the Absorption-Type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).
- (iv) the balance sheet prepared by the Absorbed Mutual Company (limited to a Liquidating Mutual Company) pursuant to the provision of Article 492, paragraph (1) (Preparation of List of Property) of the Companies Act;
- (v) the matters pertaining to the prospect on performance of the obligations of the Stock Company Surviving the Absorption-Type Merger on or after the day when the Absorption-type Merger becomes effective (limited to the obligations (excluding the obligations pertaining to the rights of policyholders or any other right holders pertaining to the insurance contracts (excluding Insurance Claims, etc.)) against policyholders or any other creditors who may raise objection as to the Absorption-type Merger pursuant to the provision of Article 165-7, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 165-12 of the Act);
- (vi) if, for the period between the Day on Which the Absorption-type Merger Agreement Began To Be Kept and the day when the Absorption-type Merger becomes effective, any change has arisen in any of the matters listed in the items of the preceding item, said matters after the change.

(Amount of Net Assets)

Article 101-2-6 The method to be specified by Cabinet Office Ordinance, as provided in Article 165-11, paragraph (1), item (ii) of the Act, shall be the

method whereby the total of the amounts set forth in items (i) to (vi) inclusive, as of the Cut-Off Date (meaning the date of conclusion of the absorption-type merger agreement (if, pursuant to said contract, the timing other than the conclusion date (limited to the timing between the date of conclusion of the contract and the time immediately prior to the time when said Absorption-type Merger becomes effective) has been designated, such timing)), less the amount set forth in item (vii) (or five million yen, if said amount is less than five million yen), shall be regarded as the amount of net assets of the Stock Company Surviving the Absorption-Type Merger:

- (i) the amount of stated capital;
- (ii) the amount of capital reserve;
- (iii) the amount of retained earnings reserve;
- (iv) the amount of surplus as provided in Article 446 (Amount of Surplus) of the Companies Act;
- (v) the amount pertaining to valuation and translation adjustments, etc. as of the last day of the Most Recent Business Year (if there is no Most Recent Business Year, the day of incorporation of the Stock Company Surviving the Absorption-Type Merger);
- (vi) the book value of share options; and
- (vii) the total amount of the book value of its treasury shares and its own share options.

(Number of Shares)

Article 101-2-7 The method to be specified by Cabinet Office Ordinance, as provided in Article 165-11 paragraph (2) of the Act, shall be the smallest of the following numbers:

- (i) the number obtained by adding one to the number obtained by multiplying the total number of Specific Shares (meaning the shares which entitles the shareholders to exercise their voting rights at a shareholders meeting pertaining to the act as provided in Article 165-11 paragraph (2) of the Act; hereinafter the same shall apply in this Article) by half (if the articles of incorporation provide that adoption of such a resolution at a shareholders meeting shall require the presence of shareholders having voting rights of not less than a certain proportion of all voting rights pertaining to said Specific Shares, by such proportion), and further by one-third (if the articles of incorporation provide that adoption of such a resolution at a shareholders meeting shall require affirmative votes of not less than a certain proportion of the total number of voting rights held by the Specific Shareholders (meaning the shareholders of Specific Shares; the same shall apply hereinafter in this Article) present at the meeting, by a proportion obtained by subtracting said proportion from one);

- (ii) the number of Specific Shares held by the Specific Shareholders who have given notice to the effect that they dissent from the act provided in Article 165-11 paragraph (2) of the Act, in the case where the articles of incorporation provide that adoption of the resolution pertaining to said act shall require affirmative votes of not less than a certain number of Specific Shareholders, and where the total number of Specific Shareholders, less the number of Specific Shareholders who have given notice to the stock company to the effect that they dissent from said act, is less than said certain number;
- (iii) the number of Specific Shares held by the Specific Shareholders who have given notice to the effect that they dissent from an act provided in Article 165-11 paragraph (2) of the Act, if the articles of incorporation provide that adoption of the resolution pertaining to such act shall be subject to any provision of the articles of incorporation other than those set forth in the preceding two items, and where the resolution shall not be adopted if all of the Specific Shareholders who have given notice to the effect that they dissent from said action cast dissenting votes at the shareholders meeting provided in that paragraph; and
- (iv) the number specified by the articles of incorporation.

(Matters Subject to Public Notice in Relation to Financial Statements of Stock Company Surviving the Absorption-Type Merger)

Article 101-2-8 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-7, paragraph (2), item (iii) of the Act as applied mutatis mutandis pursuant to Article 165-12 of the Act, shall be the matters set forth in the following items, in accordance with the categories of the cases applicable as of the day of publication as set forth in Article 165-7, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 165-12 of the Act:

- (i) if, pursuant to the provision of Article 440 paragraph (1) (Public Notice of Financial Statements) of the Companies Act applied by replacing certain terms under Article 13 of the Act or Article 440, paragraph (2) of the Companies Act, a Stock Company Surviving the Absorption-Type Merger has given a public notice of its balance sheet for the Most Recent Business Year: the following information
 - (a) if the public notice has been made by means of a daily newspaper that publishes matters on current affairs, the name and date of said newspaper, and the page number on which the public notice has been published; or
 - (c) if the public notice has been made by means of an Electronic Public Notice, the matters listed in Article 911, paragraph (3), item (xxix), sub-item (a) (Registration of Incorporation of Stock Company) of the Companies Act.
- (ii) if, in regard to the balance sheet pertaining to the Most Recent Business year, the Stock Company Surviving the Absorption-Type Merger has

implemented the measures provided in Article 440, paragraph (3) of the Companies Act: the matters listed in Article 911, paragraph (3), sub-item (xxvii) of the Companies Act;

- (iii) if the Stock Company Surviving the Absorption-Type Merger is a stock company as provided in Article 440, paragraph (4) of the Companies Act, and said Stock Company Surviving an Absorption-Type Merger has submitted the Annual Securities Report pertaining to the Most Recent Business Year pursuant to the provision of Article 24, paragraph (1) of the Financial Instruments and Exchange Act: such fact;
- (iv) if the Stock Company Surviving the Absorption-Type Merger has no Most Recent Business Year: such fact:
- (v) other cases than as set forth in the preceding items: the details of the summary of the balance sheet for the Most Recent Business Year prepared in accordance with Appended Form No. 2 (or Appended Form No. 2-3, in case of a Low-Cost, Short-Term Insurer; or Appended Form No. 2-2, in case of a Company with Specified Transaction Account).

(Matters Subject to Public Notice of Stock Company Surviving the Absorption-Type Merger)

Article 101-2-9 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-7, paragraph (2), item (v) of the Act as applied mutatis mutandis pursuant to Article 165-12 of the Act, shall be as follows:

- (i) the amount of stated capital of the Stock Company Surviving the Absorption-Type Merger;
- (ii) the matters related to allocation of shares or money to members of the Absorbed Mutual Company;
- (iii) the method of selling any additional fraction of shares to be issued as a result of the allocation of shares to the members of the Absorbed Mutual Company and any other matter provided in Article 99-4 regarding such sale.
- (iv) the matters related to the rights of policyholders of the Absorbed Mutual Company after the Absorption-type Merger.
- (v) when the shares set forth in item (iii) are to be purchased, the method or purchasing and any other matters related to purchasing as set forth in the items of Article 99-5;
- (vi) the following matters related to financial statements of the Absorbed Mutual Company, as referred to in Article 165-7, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 165-12 of the Act, shall be the matters set forth in the following sub-items (a) to (f) inclusive, in accordance with the categories of the cases applicable as of the day of publication as set forth in that paragraph:
 - (a) if the converting Mutual Company has given public notice of the balance

sheet pertaining to the Most Recent Business Year or a summary thereof pursuant to the provisions of Article 54-7, paragraph (1) or (2) of the Act: the matters listed in the following:

1. if the public notice has been made by means of a daily newspaper that publishes matters on current affairs, the name and date of said newspaper, and the page number on which the public notice has been published; or
 2. if the public notice has been made by means of an Electronic Public Notice, the matters listed in Article 64, paragraph (2), item (xviii), sub-item (a) of the Act.
- (b) if, in regard to the balance sheet pertaining to the Most Recent Business year, the Absorbed Mutual Company has implemented the measures provided in Article 54-7, paragraph (3) of the Act: the matters listed in Article 64, paragraph (2), sub-item (xvi) of the Act;
- (c) if the Absorbed Mutual Company is a mutual company as provided in Article 54-7, paragraph (4) of the Act, and where said mutual company has submitted the Annual Securities Report pertaining to the Most Recent Business Year pursuant to the provision of Article 24, paragraph (1) of the Financial Instruments and Exchange Act: such fact;
- (d) if the Absorbed Mutual Company has no Most Recent Business Year: such fact;
- (e) if the Absorbed Mutual Company is a Liquidating Mutual Company: such fact;
- (v) other cases than as set forth in the sub-items (a) to (e) inclusive: the details of the summary of the balance sheet for the Most Recent Business Year prepared in accordance with Appended Form No. 3 (or Appended Form No. 3-3, in case of a Low-Cost, Short-Term Insurer; or Appended Form No. 3-2, in case of a Company with Specified Transaction Account).

(Amount of Claim Pertaining to Insurance Contract)

Article 101-2-10 The amount to be specified by Cabinet Office Ordinance, as provided in Article 70, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 165-7, paragraph (4) of the Act as further applied mutatis mutandis pursuant to Article 165-12 of the act, shall be the amount set forth in item (i), in case of a Life Insurance Company; the total of the amounts set forth in items (ii) and (iii), in case of a Non-Life Insurance Company; and the amount set forth in item (ii), in case of a Low-Cost, Short-Term Insurer.

- (i) the amount to be reserved for the insured, as of the time of the public notice under Article 165-7, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 165-12 of the Act (hereinafter referred to as the "Public Notice" in this Article);

- (ii) the amount of the insurance premiums corresponding to the Unexpired Period (meaning the insurance period specified in an insurance contract which have not been passed as of the time of the public notice); and
- (iii) the amount to be reserved as the refund reserve as set forth in Article 70, paragraph (1), item (iii), as of the time of the public notice.

(Matters Subject to Ex-Post Facto Disclosure of Stock Company Surviving the Absorption-Type Merger)

Article 101-2-11 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-13, paragraph (1) of the Act, shall be as follows:

- (i) the day when the Absorption-type Merger becomes effective;
- (ii) the progress of the procedures under Article 165-17 of the Act which shall be implemented by the Absorbed Mutual Company;
- (iii) the progress of the procedures under Article 165-4, paragraphs (1) and (2) as applied mutatis mutandis pursuant to Article 165-12 of the Act, Article 797, paragraphs (5) to (7) of the Companies Act as applied mutatis mutandis pursuant to Article 165-5, paragraph (2) of the Act as further applied mutatis mutandis pursuant to Article 165-12, Article 165-7 of the Act as applied mutatis mutandis pursuant to Article 165-12, and Article 797, paragraphs (1) and (2) of the Companies Act as applied mutatis mutandis pursuant to Article 165-12 of the Act which shall be implemented by the Stock Company Surviving the Absorption-type Merger;
- (iv) the matters related to important rights and obligations succeeded from the Absorbed Mutual Company to the Stock Company Surviving the Absorption-Type Merger upon the Absorption-type Merger;
- (v) the matters stated or recorded in the Electromagnetic Records kept by the Absorbed Mutual Company pursuant to the provision of Article 165-15, paragraph (1) of the Act (excluding the terms and conditions of the absorption-type merger agreement);
- (vi) the day when the registration of change under Article 169-5, paragraph (1) of the Act was effect; and
- (vii) in addition to what is provided for in the preceding items, the material matters related to the Absorption-type Merger.

(Matters Subject to Ex-Post Facto Disclosure by Formed Stock Company)

Article 101-2-12 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-13, paragraph (1) of the Act as applied mutatis mutandis to Article 165-14, paragraph (3) of the Act, shall be as follows:

- (i) the day when the Consolidation-type Merger becomes effective;
- (ii) the status of progress of notices to shareholder and share option holders or public notices under Article 165-4, paragraphs (1) and (2) of the Act;

- (iii) the status of progress of procedures under Article 165-5, paragraph (1) of the Act, Article 875, paragraphs (5) to (7) (Dissenting Shareholders' Share Purchase Demand) as applied mutatis mutandis to paragraph (2) of that Article, Article 165-6, paragraph (1) of the Act, Article 787, paragraphs (5) to (7) of the Companies Act (Right to Request Purchase of Share Options) as applied mutatis mutandis pursuant to paragraph (2) of that Article, Article 165-7 and Article 165-17;
- (iv) the matters related to important rights and obligations succeeded from the Consolidated Company to the Formed Company upon the Consolidation-type Merger;
- (v) the matters stated or recorded in the Electromagnetic Records kept by the Consolidated Company pursuant to the provision of Article 165-2, paragraph (1) and Article 165-15, paragraph (1) of the Act (excluding the terms and conditions of the Absorption-type Merger Agreement);
- (vi) in addition to what is provided for in the preceding items, the material matters related to the Consolidation-type Merger.

(Matters Subject to Prior Disclosure by Extinct Mutual Company)

Article 101-2-13 (1) If an Extinct Mutual Company is an Absorbed Mutual Company, the matters to be specified by Cabinet Office Ordinance, as provided in Article 165-15, paragraph (1) of the Act, shall be as follows:

- (i) the matters related to adequacy of the provisions as specified in the sub-item (a) or (b) below, in accordance with the categories of the cases as respectively set forth therein (if there is no such provision, the adequacy as to the lack thereof):
 - (a) if the Absorbing Company is a Mutual Company: the provision on the matters specified in Article 160, item (ii) of the Act;
 - (b) if the Absorbing Company is a stock company: the provision on the matters specified in Article 160, items (ii) to (vi) of the Act;
- (ii) if all or part of Shares, etc. (meaning the Shares, etc. as provided in Article 164, paragraph (1), item (ii) of the Act) to be delivered to the members of the Absorbed Mutual Company comprise the shares in the Stock Company Surviving the Absorption-Type Merger, the provision of the articles of incorporation of said Stock Company Surviving the Absorption-Type Merger;
- (iii) the following matters related to the Absorbed Mutual Company (excluding a Liquidating Mutual Company):
 - (a) the details of the Financial Statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the date of incorporation of the Absorbed Mutual Company);
 - (b) if, after the last day of the Most Recent Business Year (if there is no Most Recent Business Year, the date of incorporation of the Absorbed Mutual

Company), disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the day of commencement of keeping the document or Electromagnetic Records under Article 165-15, paragraph (1) at each business office (hereinafter referred to as the "Day on Which the Absorption-type Merger Agreement Began To Be Kept") and the day when the Absorption-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).

(iv) the balance sheet prepared by the Absorbed Mutual Company (limited to a Liquidating Mutual Company) pursuant to the provision of Article 492, paragraph (1) (Preparation of List of Property) of the Companies Act as applied mutatis mutandis pursuant to Article 180-17 of the Act;

(v) the matters related to adequacy of the provisions as specified in the sub-item (a) or (b) below, in accordance with the categories of the cases as respectively set forth therein

(a) if the Absorbing Company is a Mutual Company: the following matters related to the Mutual Company Surviving the Absorption-Type Merger:

1. the details of the financial statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Mutual Company Surviving the Absorption-Type Merger);

2. if, after the last day of the Most Recent Business Year (if there is no Most Recent Business Year, the date of incorporation of the Mutual Company Surviving the Absorption-Type Merger), disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the Day on Which the Absorption-type Merger Agreement Began To Be Kept and the day when the Absorption-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).

(b) if the Absorbing Company is a stock company: the following matters related to the Stock Company Surviving the Absorption-Type Merger:

1. the details of the financial statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Stock Company Surviving the Absorption-Type Merger);

2. if there are Temporary Financial Statements, etc. prepared as of a

- certain day after the last day of the Most Recent Business Year (if the company has no Most Recent Business Year, the date of incorporation of the Stock Company Surviving the Absorption-Type Merger; the same shall apply in 3.) as the provisional account closing date (if there are two or more provisional account closing dates, the most recent day), the details of said Temporary Financial Statements, etc.; and
3. if, after the last day of the Most Recent Business Year, disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the Day on Which the Absorption-type Merger Agreement Began To Be Kept and the day when the Absorption-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).
- (vi) the matters pertaining to the prospect on performance of the obligations of the Mutual Company Surviving the Absorption-Type Merger or Stock Company Surviving the Absorption-Type Merger on or after the day when the Absorption-type Merger becomes effective (limited to the obligations (excluding the obligations pertaining to the rights of policyholders or any other right holders pertaining to the insurance contracts (excluding Insurance Claims, etc.)) against policyholders or any other creditors who may raise objection as to the Absorption-type Merger pursuant to the provision of Article 165-17, paragraph (1) of the Act);
- (vii) if, after the Day on Which the Absorption-type Merger Agreement Began To Be Kept, any change has arisen in any of the matters listed in the items of the preceding item, said matters after the change.
- (2) If an Extinct Mutual Company is a Consolidated Mutual Company, the matters to be specified by Cabinet Office Ordinance, as provided in Article 165-15, paragraph (1) of the Act, shall be as follows:
- (i) the adequacy of the provisions set forth in sub-item (a) or (b) below, in accordance with the categories of the respective cases set forth therein:
- (a) if the Formed Company is a Mutual Company: the provisions on the matters set forth in Article 161, item (vi) or Article 163, paragraph (1), items (vi) to (viii) inclusive of the Act;
- (b) if the Formed Company is a stock company: the provisions on the matters set forth in Article 165, paragraph (1), items (vi) to (xiv) of the Act;
- (ii) the following matters related to the Consolidated Mutual Company (including other Consolidated Mutual Companies; and excluding Liquidating Mutual Companies):
- (a) the details of the financial statements for the Most Recent Business Year

- (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Consolidated Mutual Company);
- (b) if, after the last day of the Most Recent Business Year (if there is no Most Recent Business Year, the date of incorporation of the Consolidated Mutual Company), disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the day of commencement of keeping the document or Electromagnetic Records under Article 165-15, paragraph (1) at each business office (hereinafter referred to as the "Day of Commencement of Keeping Consolidation-type Merger Agreement") and the day when the Consolidation-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).
- (iii) the following matters in relation to the Consolidated Stock Company (excluding Liquidating Stock Companies):
- (a) the details of the financial statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Consolidated Stock Company);
- (b) if there are Temporary Financial Statements, etc. prepared as of a certain day after the last day of the Most Recent Business Year (if the company has no Most Recent Business Year, the date of incorporation of the Consolidated Stock Company; the same shall apply in item (c)) as the provisional account closing date (if there are two or more provisional account closing dates, the most recent day), the details of said Temporary Financial Statements, etc.; and
- (c) if, after the last day of the Most Recent Business Year (if there is no such Most Recent Business Year, the date of incorporation of the Consolidated Stock Company), disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the Day of Commencement of Keeping Consolidation-type Merger Agreement and the day when the Consolidation-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).
- (iv) the balance sheet prepared by the Consolidated Mutual Company (limited to a Liquidating Mutual Company) and other Consolidated Company (limited to a Liquidating Stock Company and Liquidating Mutual Company), pursuant to the provision of Article 492, paragraph (1) of the Companies Act (including the cases where applied mutatis mutandis pursuant to Article

180-17 of the Act);

- (v) the matters pertaining to the prospect on performance of the obligations of the Formed Company after the day when the Consolidation-type Merger becomes effective (excluding the obligations pertaining to the rights (excluding Insurance Claims, etc.) of the policyholders or any other person holding the rights pertaining to insurance contract, and also excluding the obligations to be succeeded from the other Consolidated Companies);
- (vi) if, after the Day of Commencement of Keeping a Consolidation-Type Merger Agreement, any change has arisen in the matters listed in the preceding items, said matters after the change.

(Matters Subject to Public Notice by Extinct Mutual Company)

Article 101-2-14 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-7, paragraph (2), item (iv) of the Act, shall be as follows:

- (i) the total amount of the funds or the amount of stated capital of the Absorbing Company or the Formed Company;
 - (ii) the matters set forth in sub-item (a) or (b) below, in accordance with the categories of the respective cases set forth therein:
 - (a) if the Absorbing Company or the Formed Company is a Mutual Company: the matters related to the allocation of money to the shareholders or share option holder of the Extinct Mutual Company (if the Extinct Mutual Company is a Consolidated Mutual Company, including other Consolidated Mutual Companies) or to the members of the Consolidated Stock Company;
 - (b) if the Absorbing Company or the Formed Company is a stock company: the following matters
 - 1. the matters related to allocation of shares or money to the shareholders of the Extinct Mutual Company;
 - 2. the method of selling any additional fraction of shares to be issued as a result of the allocation of shares to the members of the Extinct Mutual Company and any other matter provided in Article 99-4.
 - 3. the matters related to allocation of shares or monies to the members of the Consolidated Stock Company;
 - 4. the matters related to allocation of shares or monies to the share option holders of the Consolidated Stock Company;
 - (iii) the matters related to the rights of policyholders of the Extinct Mutual Company after the merger;
5. the method of purchasing any fraction of shares arising under 2. of sub-item (b), item (ii), and any other matter specified in Article 99-5 regarding such purchase; 5. the method of purchasing any fraction of shares arising under 2. of sub-item (b), item (ii), and any other matter specified in Article 99-5

regarding such purchase;

- (v) the matters set forth in the following items, in accordance with the categories of the cases applicable as of the day of publication as specified in Article 165-17, paragraph (2) of the Act as the matters related to the financial statements of Notifying Company (meaning the Extinct Mutual Company, Consolidated Stock Company and Absorbing Company or Consolidated Mutual Company; hereinafter the same shall apply in this item);
 - (a) if, pursuant to the provision of Article 440 paragraph (1) or (2) (Public Notice of Financial Statements) applied by replacing certain terms under Article 13 of the Act, a Notifying Company has given a public notice of its balance sheet for the Most Recent Business Year or summary thereof: the following information
 - 1. if the public notice has been made by means of a daily newspaper that publishes matters on current affairs, the name and date of said newspaper, and the page number on which the public notice has been published; or
 - 2. if the public notice has been made by means of an Electronic Public Notice, the matters listed in Article 911, paragraph (3), item (xxix), sub-item (a) (Registration of Incorporation of Stock Company) of the Companies Act.
 - (b) if, in regard to the balance sheet pertaining to the Most Recent Business year, the Notifying Company has implemented the measures provided in Article 54-7, paragraph (3) of the Act or in Article 440, paragraph (3) of the Companies Act: the matters listed in Article 64, paragraph (2), item (xvi) of the Act or Article 911, paragraph (3), sub-item (xxvii) of the Companies Act;
 - (c) if the Notifying Company is a mutual company as provided in Article 54-7, paragraph (4) of the Act or a stock company as provided in Article 440, paragraph (4) of the Companies Act, and said mutual company or stock company has submitted the Annual Securities Report pertaining to the Most Recent Business Year pursuant to the provision of Article 24, paragraph (1) of the Financial Instruments and Exchange Act: such fact;
 - (d) if, pursuant to the provision of Article 28 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act, the Notifying Company is excluded from application of the provision of Article 440 of the Companies Act: such fact;
 - (e) if the Notifying Company does not have Most Recent Business Year: such fact;
 - (f) if the Notifying Company is a Liquidating Stock Company or a Liquidating Mutual Company: such fact;

(g) other cases than as set forth in items (a) to (f) inclusive: the matters set forth in the following 1. or 2., in accordance with the categories of the cases as respectively set forth therein:

1. if the Notifying Company is a mutual company: the details of the summary of the balance sheet for the Most Recent Business Year as set forth in Appended Form No. 3 (the Appended Form No. 3-3, in case of a Low-Cost, Short-Term Insurer; or the Appended Form No. 3-2, in case of a Company with Specified Transaction Account).
2. if the Notifying Company is a stock company: the details of the summary of the balance sheet for the Most Recent Business Year as set forth in Appended Form No. 2 (the Appended Form No. 2-3, in case of a Low-Cost, Short-Term Insurer; or the Appended Form No. 2-2, in case of a Company with Specified Transaction Account).

(Amount of Claim Pertaining to Insurance Contract)

Article 101-2-15 The amount to be specified by Cabinet Office Ordinance, as provided in Article 88, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 165-17, paragraph (4) of the Act, shall be the amount set forth in item (i), in case of a Life Insurance Company; the total of the amounts set forth in items (ii) and (iii), in case of a Non-Life Insurance Company; and the amount set forth in item (ii), in case of a Low-Cost, Short-Term Insurer.

- (i) the amount to be reserved for the insured, as of the time of the public notice under Article 175, paragraph (2) of the Act (hereinafter referred to as the "Public Notice" in this Article);
- (ii) the amount of the insurance premiums corresponding to the Unexpired Period (meaning the insurance period specified in an insurance contract which have not been passed as of the time of the public notice); and
- (iii) the amount to be reserved as the refund reserve as set forth in Article 70, paragraph (1), item (iii), as of the time of the public notice.

(Matters Subject to Disclosure by Mutual Company Surviving the Absorption-Type Merger)

Article 101-2-16 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-19, paragraph (1) of the Act, shall be as follows:

- (i) the matters set forth in sub-item (a) or (b) below, in accordance with the categories of the respective cases set forth therein:
 - (a) if the Absorbed Company (meaning the Absorbed Company as provided in Article 169, paragraph (1) of the Act; hereinafter the same shall apply in this Section) is a Mutual Company: the matters related to adequacy of the provision on the matters set forth in Article 160, item (ii) (if there is no such provision, the adequacy as to the lack thereof);

- (b) if the Absorbed Company is a stock company: the following matters
 1. matters related to adequacy of the provision on the matters set forth in Article 99-3-2, items (i) and (ii) (if there is no such provision, the adequacy as to the lack thereof);
 2. when the matters set forth in Article 99-3-2, items (iii) and (iv) are provided, the matters related to adequacy of such provisions (excluding the provision that the amount of money to be delivered to the share option holder for all share options shall be zero);
 3. matters related to adequacy of the provision on the matters set forth in Article 162, paragraph (1), item (iii); and
- (ii) the following matters related to the Mutual Company Surviving the Absorption-Type Merger:
 - (a) the details of the financial statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Mutual Company Surviving the Absorption-Type Merger);
 - (b) if, after the last day of the Most Recent Business Year (if there is no Most Recent Business Year, the date of incorporation of the Mutual Company Surviving the Absorption-Type Merger), disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the day of commencement of keeping the document or Electromagnetic Records under Article 165-19, paragraph (1) at each business office (hereinafter referred to as the "Day on Which the Absorption-type Merger Agreement Began To Be Kept") and the day when the Absorption-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).
- (iii) the matters set forth in sub-item (a) or (b) below, in accordance with the categories of the respective cases set forth therein:
 - (a) if the Absorbed Company is a Mutual Company: the following matters related to the Absorbed Mutual Company (excluding the Liquidating Mutual Company);
 1. the details of the Financial Statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the date of incorporation of the Absorbed Mutual Company);
 2. if, after the last day of the Most Recent Business Year (if there is no Most Recent Business Year, the date of incorporation of the Absorbed Mutual Company), disposition of any important asset, assumption of a material obligation or any other event which would have a material

impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the Day on Which the Absorption-type Merger Agreement Began To Be Kept and the day when the Absorption-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).

- (b) if the Absorbed Company is a stock company: the following matters related to the Absorbed Stock Company (excluding the Liquidating Stock Company):
 1. the details of the financial statements for the Most Recent Business Year (if the company has no Most Recent Business Year, the balance sheet as of the day of incorporation of the Absorbed Stock Company);
 2. if there are Temporary Financial Statements, etc. prepared as of a certain day after the last day of the Most Recent Business Year if the company has no Most Recent Business Year, the date of incorporation of the Absorbed Stock Company; the same shall apply in 3.) as the provisional account closing date (if there are two or more provisional account closing dates, the most recent day), the details of said Temporary Financial Statements, etc.; and
 3. if, after the last day of the Most Recent Business Year, disposition of any important asset, assumption of a material obligation or any other event which would have a material impact on the company's property status has taken place, the details thereof (if the new Most Recent Business Year falls in the period between the Day on Which the Absorption-type Merger Agreement Began To Be Kept and the day when the Absorption-type Merger becomes effective, the above shall be limited to the details of the events which have taken place after the last day of said new Most Recent Business Year).
- (iv) the balance sheet prepared by the Absorbed Company (limited to a Liquidating Stock Company or a Liquidating Mutual Company) pursuant to the provision of Article 492, paragraph (1) (Preparation of List of Property) of the Companies Act;
- (v) the matters pertaining to the prospect on performance of the obligations of the Mutual Company Surviving the Absorption-Type Merger after the day when the Absorption-type Merger becomes effective (limited to the obligations (excluding the obligations pertaining to the rights of policyholders or any other right holders pertaining to the insurance contracts (excluding Insurance Claims, etc.)) against policyholders or any other creditors who may raise objection as to the Absorption-type Merger pursuant to the provision of Article 165-17, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 165-20 of the Act);

(vi) if, for the period between the Day on Which the Absorption-type Merger Agreement Began To Be Kept and the day when the Absorption-type Merger becomes effective, any change has arisen in any of the matters listed in the items of the preceding item, said matters after the change.

(Matters Subject to Public Notice of Mutual Company Surviving the Absorption-Type Merger)

Article 101-2-17 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-17, paragraph (2), item (iv) of the Act as applied mutatis mutandis pursuant to Article 165-20 of the Act, shall be as follows:

- (i) the total amount of the funds in the Mutual Company Surviving the Absorption-Type Merger;
- (iii) the matters set forth in sub-item (a) or (b) below, in accordance with the categories of the respective cases set forth therein:
 - (a) if the Absorbed Company is a Mutual Company: the matters related to the allocation of money to the members of the Absorbed Mutual Company;
 - (b) if the Absorbed Company is a stock company: the matters related to the compensation for the shareholders and share option holders of the Absorbed Stock Company;
- (iii) the matters related to the rights of policyholders of the Absorbed Company after the Absorption-type Merger;
- (iv) the matters set forth in the following items, in accordance with the categories of the cases applicable as of the day of publication as specified in Article 165-17, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 165-20 of the Act as the matters related to the financial statements of Notifying Company (meaning the Mutual Company Surviving the Absorption-Type Merger and the Absorbed Company; hereinafter the same shall apply in this item):
 - (a) if, pursuant to the provision of Article 440 paragraph (1) or (2) (Public Notice of Financial Statements) applied by replacing certain terms under Article 13 of the Act, a Notifying Company has given a public notice of its balance sheet for the Most Recent Business Year or summary thereof: the following information
 - 1. if the public notice has been made by means of a daily newspaper that publishes matters on current affairs, the name and date of said newspaper, and the page number on which the public notice has been published; or
 - 2. if the public notice has been made by means of an Electronic Public Notice, the matters listed in Article 911, paragraph (3), item (xxix), sub-item (a) (Registration of Incorporation of Stock Company) of the Companies Act.

- (b) if, in regard to the balance sheet pertaining to the Most Recent Business year, the Notifying Company has implemented the measures provided in Article 54-7, paragraph (3) of the Act or in Article 440, paragraph (3) of the Companies Act: the matters listed in Article 64, paragraph (2), item (xvi) of the Act or Article 911, paragraph (3), sub-item (xxvii) of the Companies Act;
- (c) if the Notifying Company is a mutual company as provided in Article 54-7, paragraph (4) of the Act or a stock company as provided in Article 440, paragraph (4) of the Companies Act, and said mutual company or stock company has submitted the Annual Securities Report pertaining to the Most Recent Business Year pursuant to the provision of Article 24, paragraph (1) of the Financial Instruments and Exchange Act: such fact;
- (d) if, pursuant to the provision of Article 28 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act, the Notifying Company is excluded from application of the provision of Article 440 of the Companies Act: such fact;
- (e) if the Notifying Company has no Most Recent Business Year: such fact;
- (f) if the Notifying Company is a Liquidating Stock Company or a Liquidating Mutual Company: such fact;
- (g) other cases than as set forth in items (a) to (f) inclusive: the matters set forth in the following 1. or 2., in accordance with the categories of the cases as respectively set forth therein:
 1. if the Notifying Company is a mutual company: the details of the summary of the balance sheet for the Most Recent Business Year as set forth in Appended Form No. 3 (the Appended Form No. 3-3, in case of a Low-Cost, Short-Term Insurer; or the Appended Form No. 3-2, in case of a Company with Specified Transaction Account).
 2. if the Notifying Company is a stock company: the details of the summary of the balance sheet for the Most Recent Business Year as set forth in Appended Form No. 2 (the Appended Form No. 2-3, in case of a Low-Cost, Short-Term Insurer; or the Appended Form No. 2-2, in case of a Company with Specified Transaction Account).

(Amount of Claim Pertaining to Insurance Contract)

Article 101-2-18 The amount to be specified by Cabinet Office Ordinance, as provided in Article 88, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 165-17, paragraph (4) of the Act, shall be the amount set forth in item (i), in case of a Life Insurance Company; the total of the amounts set forth in items (ii) and (iii), in case of a Non-Life Insurance Company; and the amount set forth in item (ii), in case of a Low-Cost, Short-Term Insurer.

(i) the amount to be reserved for the insured, as of the time of the public notice

under Article 175, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 165-20 of the Act (hereinafter referred to as the "Public Notice" in this Article);

- (ii) the amount of the insurance premiums corresponding to the Unexpired Period (meaning the insurance period specified in an insurance contract which have not been passed as of the time of the public notice); and
- (iii) the amount to be reserved as the refund reserve as set forth in Article 70, paragraph (1), item (iii), as of the time of the public notice.

(Matters Subject to Ex-Post Facto Disclosure of Mutual Company Surviving the Absorption-Type Merger)

Article 101-2-19 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-21, paragraph (1) of the Act, shall be as follows:

- (i) the day when the Absorption-type Merger becomes effective;
- (ii) the status of progress of procedures under the following sub-items in accordance with the cases as respectively set forth therein, which shall be implemented by the Absorbed Company;
 - (a) if the Absorbed Company is a stock company: the following matters
 1. the status of progress of notices to shareholder and share option holders or public notices under Article 165-4, paragraphs (1) and (2) of the Act;
 2. the status of progress of procedures under Article 165-5, paragraph (1) of the Act, Article 875, paragraphs (5) to (7) (Dissenting Shareholders' Share Purchase Demand) as applied mutatis mutandis to paragraph (2) of that Article, Article 165-6, paragraph (1) of the Act, Article 787, paragraphs (5) to (7) of the Companies Act (Right to Request Purchase of Share Options) as applied mutatis mutandis pursuant to paragraph (2) of that Article, Article 165-7 and Article 165-17;
 - (b) if the Absorbed Company is a Mutual Company: the status of progress of procedures under Article 165-17;
- (iii) the status of progress of procedures under Article 165-17 as applied mutatis mutandis pursuant to Article 165-2 of the Act which shall be implemented by the Mutual Company Surviving the Absorption-Type Merger;
- (iv) the matters related to important rights and obligations succeeded from the Absorbed Company to the Mutual Company Surviving the Absorption-Type Merger upon the Absorption-type Merger;
- (v) the matters stated or recorded in the Electromagnetic Records kept by the Absorbed Company pursuant to the provision of Article 165-2, paragraph (1) or Article 165-15, paragraph (1) of the Act (excluding the terms and conditions of the absorption-type merger agreement);
- (v) the day when the registration of change under Article 169-5, paragraph (1)

of the Act was effected; and
(vii) in addition to what is provided for in the preceding items, the material matters related to the Absorption-type Merger.

(Matters Subject to Ex-Post Facto Disclosure by Formed Mutual Company)
Article 101-2-20 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-21, paragraph (1) of the Act as applied mutatis mutandis to Article 165-22, paragraph (3) of the Act, shall be as follows:
(i) the day when the Consolidation-type Merger becomes effective;
(ii) the status of progress of procedures under the following sub-items in accordance with the cases as respectively set forth therein, which shall be implemented by the Consolidated Company;
(a) in cases of a Consolidation-type Merger between a stock company and a Mutual Company: the status of progress of the following procedures
1. the status of progress of notices to shareholder and share option holders or public notices under Article 165-4, paragraphs (1) and (2) of the Act;
2. the status of progress of procedures under Article 165-5, paragraph (1) of the Act, Article 875, paragraphs (5) to (7) (Dissenting Shareholders' Share Purchase Demand) as applied mutatis mutandis to paragraph (2) of that Article, Article 165-6, paragraph (1) of the Act, Article 787, paragraphs (5) to (7) of the Companies Act (Right to Request Purchase of Share Options) as applied mutatis mutandis pursuant to paragraph (2) of that Article, Article 165-7 and Article 165-17;
(b) in cases of a Consolidation-type Merger between Mutual Companies: the status of progress of the procedures under Article 165-17 of the Act
(iii) the matters related to important rights and obligations succeeded from the Consolidated Company to the Formed Mutual Company upon the Consolidation-type Merger;
(iv) the matters stated or recorded in the Electromagnetic Records kept by the Consolidated Company pursuant to the provision of Article 165-2, paragraph (1) and Article 165-15, paragraph (1) of the Act;
(v) in addition to what is provided for in the preceding items, the material matters related to the Consolidation-type Merger.

(Matters Subject to Prior Disclosure by Merging Company under the Companies Act)
Article 101-2-21 The matters to be specified by Cabinet Office Ordinance, as provided in Article 782, paragraph (1) (Keeping and Inspection, etc. of Documents, etc. Concerning an Absorption-type Merger Agreement, etc.) of the Companies Act applied by replacing certain terms under Article 165-23 of the Act, shall be as follows:

1. the following matters related to the Absorbed Stock Company (meaning a Stock Company Disappearing in the Absorption-type Merger as provided in Article 749, paragraph (1), item (ii) (Absorption-type Merger Agreement in Which a Stock Company Survives) of the Companies Act; hereinafter the same shall apply in this Article, the following Article, Article 101-2-24, Article 1-3, item (i), sub-item (e) and Article 103-2, item (i), sub-item (e)) (excluding a Liquidating Stock Company);
 1. the following matters related to the Absorbed Stock Company (meaning a Stock Company Disappearing in the Absorption-type Merger as provided in Article 749, paragraph (1), item (ii) (Absorption-type Merger Agreement in Which a Stock Company Survives) of the Companies Act; hereinafter the same shall apply in this Article, the following Article, Article 101-2-24, Article 1-3, item (i), sub-item (e) and Article 103-2, item (i), sub-item (e)) (excluding a Liquidating Stock Company);
 - (a) the details of the financial statements, etc. pertaining to the Most Recent Business Year;
 - (b) if there are Temporary Financial Statements, etc. prepared as of a certain day after the last day of the Most Recent Business Year (if the company has no Most Recent Business Year, the date of incorporation of the Absorbed Stock Company) as the provisional account closing date (if there are two or more provisional account closing date, the most recent day), the details of said Temporary Financial Statements, etc.; and
 - (ii) the balance sheet prepared by the Absorbed Stock Company (limited to a Liquidating Stock Company) pursuant to the provision of Article 492, paragraph (1) (Preparation of List of Property) of the Companies Act;
 - (iii) Matters regarding the rights of the policyholders of the Absorbed Stock Company after the Absorption-type Merger;
 - (iv) if, after the day on which the Absorption-type Merger Agreement, etc. began to be kept (meaning the day on which the Absorption-type Merger Agreement, etc. began to be kept as provided in Article 782, paragraph (2) of the Companies Act; the same shall apply in Article 105-2), any change has arisen in any of the matters listed in the preceding three items, said matters after the change.

Article 101-2-22 The matters to be specified by Cabinet Office Ordinance, as provided in Article 794, paragraph (1) (Keeping and Inspection, etc. of Documents, etc. Concerning an Absorption-type Merger Agreement, etc.) of the Companies Act applied by replacing certain terms under Article 165-23 of the Act, shall be as follows:

1. the following matters related to the Stock Company Surviving the Absorption-type Merger (meaning a Stock Company Surviving the

Absorption-type Merger as provided in Article 749, paragraph (1), item (i) (Absorption-type Merger Agreement in Which a Stock Company Survives) of the Companies Act; hereinafter the same shall apply in this Article, the following Article, Article 101-2-24, Article 1-3, item (i), sub-item (e) and Article 103-2, item (i), sub-item (e)); 1. the following matters related to the Stock Company Surviving the Absorption-type Merger (meaning a Stock Company Surviving the Absorption-type Merger as provided in Article 749, paragraph (1), item (i) (Absorption-type Merger Agreement in Which a Stock Company Survives) of the Companies Act; hereinafter the same shall apply in this Article, the following Article, Article 101-2-24, Article 1-3, item (i), sub-item (e) and Article 103-2, item (i), sub-item (e));

- (a) the details of the financial statements, etc. pertaining to the Most Recent Business Year;
- (b) if there are Temporary Financial Statements, etc. prepared as of a certain day after the last day of the Most Recent Business Year (if the company has no Most Recent Business Year, the date of incorporation of the Stock Company Surviving the Absorption-type Merger) as the provisional account closing date (if there are two or more provisional account closing dates, the most recent day), the details of said Temporary Financial Statements, etc.; and
- (ii) Matters regarding the rights of the policyholders of the Absorbed Stock Company after the Absorption-type Merger;
- (iii) if, for the period between the day on which the Absorption-type Merger Agreement, etc. began to be kept (meaning the day on which the Absorption-type Merger Agreement, etc. began to be kept as provided in Article 794, paragraph (2) of the Companies Act; the same shall apply in Article 105-2-2) and the day when the Absorption-type Merger becomes effective, any change has arisen in any of the matters listed in the preceding two items, said matters after the change.

Article 101-2-23 The matters to be specified by Cabinet Office Ordinance, as provided in Article 803, paragraph (1) (Keeping and Inspection, etc. of Documents, etc. Concerning a Consolidation-type Merger Agreement, etc.) of the Companies Act applied by replacing certain terms under Article 165-23 of the Act, shall be as follows:

- (i) the following matters related to the Companies Consolidated through Consolidation-type Merger (meaning a Company Consolidated through Consolidation-type Merger as provided in Article 753, paragraph (1), item (vi) (Consolidation-type Merger Agreement by Which a Stock Company is Incorporated) of the Companies Act; hereinafter the same shall apply in this Article, Article 103, item (i), sub-item (e) and Article 103-2, item (i), sub-item

- (e) (excluding a Liquidating Stock Company);
- (a) the details of the financial statements, etc. pertaining to the Most Recent Business Year;
- (b) if there are Temporary Financial Statements, etc. prepared as of a certain day after the last day of the Most Recent Business Year (if the company has no Most Recent Business Year, the date of incorporation of the Company Consolidated through Consolidation-type Merger) as the provisional account closing date (if there are two or more provisional account closing dates, the most recent day), the details of said Temporary Financial Statements, etc.; and
- (ii) the balance sheet prepared by the Company Consolidated through Consolidation-type Merger (excluding another Company Consolidated through Consolidation-type Merger, and limited to a Liquidating Stock Company) pursuant to the provision of Article 492, paragraph (1) (Preparation of List of Property) of the Companies Act;
- (iii) Matters regarding the rights of the policyholders of the Company Consolidated through Consolidation-type Merger following the merger;
- (iv) if, after the day on which the Consolidation-type Merger Agreement, etc. began to be kept (meaning the day on which the Consolidation-type Merger Agreement, etc. began to be kept as provided in Article 803, paragraph (2) of the Companies Act; the same shall apply in Article 105-2-3), any change has arisen in any of the matters listed in the preceding three items, said matters after the change.

(Matters Subject to Public Notice in Relation to Financial Statements)

Article 101-2-24 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-24, paragraph (2), item (iii) of the Act, shall be the matters set forth in the following items, in accordance with the categories of the cases applicable as of the day of publication as set forth in that paragraph:

- (i) if, pursuant to the provision of Article 440 paragraph (1) (Public Notice of Financial Statements) (including when it is applied by replacing certain terms under Article 13 of the Act), a Notifying Company (meaning an Absorbed Stock Company, Stock Company Surviving the Absorption-Type Merger, or a Stock Company Extinguished upon a Consolidation-Type Merger; hereinafter the same shall apply in this Article) has given a public notice of its balance sheet for the Most Recent Business Year or summary thereof: the following information
 - (a) if public notice has been made by means of an Official Gazette, the date of said Official Gazette and the page number on which such public notice has been published;
 - (b) if the public notice has been made by means of a daily newspaper that

- publishes matters on current affairs, the name and date of said newspaper, and the page number on which the public notice has been published;
- (c) if the public notice has been made by means of an Electronic Public Notice, the matters listed in Article 911, paragraph (3), item (xxix), sub-item (a) of the Companies Act.
- (ii) if, in regard to the balance sheet pertaining to the Most Recent Business Year, the Stock Company-Type Financial Instruments Exchange Surviving an Absorption-Type Merger has implemented the measures provided in Article 440, paragraph (3) of the Companies Act: the matters listed in Article 911 (3) (xxvii) of that Act;
- (iii) if the Stock Company-Type Financial Instruments Exchange Surviving an Absorption-Type Merger is a stock company as provided in Article 440, paragraph (4) of the Companies Act, and where said Stock Company-Type Financial Instruments Exchange Surviving an Absorption-Type Merger has submitted the Annual Securities Report pertaining to the Most Recent Business Year pursuant to the provision of Article 24, paragraph (1) of the Act: such fact;
- (iv) if, pursuant to the provision of Article 28 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act, the Notifying Company is excluded from application of the provision of Article 440 of the Companies Act: such fact;
- (v) if the Notifying Company has no have Most Recent Business Year: such fact;
- (vi) if the Notifying Company is a Liquidating Stock Company or a liquidating mutual company: such fact;
- (vii) other cases than as set forth in the preceding items: the details of the summary of the balance sheet for the Most Recent Business Year prepared in accordance with Appended Form No. 2 (or Appended Form No. 2-3, in case of a Low-Cost, Short-Term Insurer; or Appended Form No. 2-2, in case of a Company with Specified Transaction Account).

(Matters Subject to Public Notice by Merging Company under the Companies Act)

Article 101-3 The matters to be specified by Cabinet Office Ordinance, as provided in Article 165-24, paragraph (2), item (v) of the Act, shall be as follows:

- (i) the amount of stated capital of the Insurance Company, etc. surviving the merger, or the Insurance Company, etc. to be incorporated upon the merger;
- (ii) the matters set forth in sub-item (a) or (b) below, in accordance with the categories of the respective cases set forth therein:
- (a) in case of a merger between stock companies: the matters related to

allocation of Money, etc. (meaning the monies as provided in Article 151 (Effect of Pledge of Shares) of the Companies Act; hereinafter the same shall apply in this Article and Article 105-3) to be paid to the shareholders of the stock company extinguished upon merger, or the allocation of share option or money to the share option holder of the stock company extinguished upon the merger;

- (b) in case of a merger between a stock company and membership company: the matters related to allocation of Money, etc. to be paid to the shareholders of the stock company extinguished by the merger, the allocation of share option or money to the share option holder of the stock company extinguished by the merger, or the allocation of Money, etc. to the members of the membership company extinguished by the merger; and
- (iii) the matters regarding the rights of the policyholders of the Merging Company under the Companies Act (meaning the Merging Company under the Companies Act as provided in Article 165-24, paragraph (1) of the Act; hereinafter the same shall apply in this Section) which is to be extinguished upon the merger.

(Amount of Claim Pertaining to Insurance Contract)

Article 102 The amount to be specified by Cabinet Office Ordinance, as provided in Article 165-24, paragraph (6) of the Act, shall be the amount set forth in item (i), in case of a Life Insurance Company; the total of the amounts set forth in items (ii) and (iii), in case of a Non-Life Insurance Company; and the amount set forth in item (ii), in case of a Low-Cost, Short-Term Insurer.

- (i) the amount to be reserved for the insured, as of the time of the public notice under Article 165-24, paragraph (2) of the Act (hereinafter referred to as the "Public Notice" in this Article);
- (ii) the amount of the insurance premiums corresponding to the Unexpired Period (meaning the insurance period specified in an insurance contract which have not been passed as of the time of the public notice); and
- (iii) the amount to be reserved as the refund reserve as set forth in Article 70, paragraph (1), item (iii), as of the time of the public notice.

(Matters Subject to Public Notice after Merger)

Article 103 The matters to be specified by Cabinet Office Ordinance, as provided in Article 166, paragraph (1) of the Act, shall be as follows:

- (i) the documents specified in items (a) to (e) inclusive below, in accordance with the categories of the documents respectively set forth therein:
 - (a) if the Insurance Company, etc. surviving the merger or the Insurance Company to be incorporated upon the merger is an Stock Company Surviving the Absorption-type Merger: the matters set forth in Article 101-

- 2-11, items (ii) and (iii)
- (b) if the Insurance Company, etc. surviving the merger or the Insurance Company to be incorporated upon the merger is a Formed Stock Company: the matters set forth in Article 101-2-12, items (ii) and (iii)
 - (c) if the Insurance Company, etc. surviving the merger or the Insurance Company to be incorporated upon the merger is an Mutual Company Surviving the Absorption-Type Merger: the matters set forth in Article 101-2-19, items (ii) and (iii)
 - (d) if the Insurance Company, etc. surviving the merger or the Insurance Company to be incorporated upon the merger is a Formed Mutual Company: the matters set forth in Article 101-2-20, items (ii) and (iii)
 - (e) if the parties to the merger includes, wholly or partly, the Merging Company under the Companies Act: the progress of the following procedures:
 1. the status of progress of procedures under Article 165-24 of the Act and under Article 785 (Dissenting Shareholders' Share Purchase Demand) and Article 787 (Right to Request Purchase of Share Options) of the Companies Act which shall be implemented by the Absorbed Stock Company (limited to an Insurance Company, etc.);
 2. the status of progress of procedures under Article 165-24 of the Act and under Article 797 (Dissenting Shareholders' Share Purchase Demand) of the Companies Act which shall be implemented by the Stock Company Surviving the Absorption-type Merger (limited to an Insurance Company, etc.);
 3. the status of progress of procedures under Article 165-24 of the Act and under Article 806 (Dissenting Shareholders' Share Purchase Demand) and Article 808 (Right to Request Purchase of Share Options) of the Companies Act which shall be implemented by the Absorbed Stock Company (limited to an Insurance Company, etc.);
 - (ii) the day when the Absorption-type Merger becomes effective, or the day of incorporation of the Insurance Company, etc. to be incorporated upon the merger; and
 - (iii) the location of the head office or principal office of the Insurance Company, etc. surviving the merger or the Insurance Company to be incorporated upon the merger.

(Matters Subject to Ex-Post Facto Disclosure by Insurance Company, etc.

Surviving Merger or Insurance Company to be Incorporated Upon Merger)
 Article 103-2 The matters to be specified by Cabinet Office Ordinance, as provided in Article 166, paragraph (2) of the Act, shall be as follows:

- (i) the documents specified in items (a) to (e) inclusive below, in accordance

with the categories of the documents respectively set forth therein:

- (a) if the Insurance Company, etc. surviving the merger or the Insurance Company to be incorporated upon the merger is an Stock Company Surviving the Absorption-type Merger: the matters set forth in Article 101-2-11, items (ii) and (iii)
- (b) if the Insurance Company, etc. surviving the merger or the Insurance Company to be incorporated upon the merger is a Formed Stock Company: the matters set forth in Article 101-2-12, items (ii) and (iii)
- (c) if the Insurance Company, etc. surviving the merger or the Insurance Company to be incorporated upon the merger is an Mutual Company Surviving the Absorption-Type Merger: the matters set forth in Article 101-2-19, items (ii) and (iii)
- (d) if the Insurance Company, etc. surviving the merger or the Insurance Company to be incorporated upon the merger is a Formed Mutual Company: the matters set forth in Article 101-2-20, items (ii) and (iii)
- (e) if the parties to the merger includes, wholly or partly, the Merging Company under the Companies Act: the progress of the following procedures:
 - 1. the status of progress of procedures under Article 165-24 of the Act and under Article 785 (Dissenting Shareholders' Share Purchase Demand) and Article 787 (Right to Request Purchase of Share Options) of the Companies Act which shall be implemented by the Absorbed Stock Company (limited to an Insurance Company, etc.);
 - 2. the status of progress of procedures under Article 165-24 of the Act and under Article 797 (Dissenting Shareholders' Share Purchase Demand) of the Companies Act which shall be implemented by the Stock Company Surviving the Absorption-type Merger (limited to an Insurance Company, etc.);
 - 3. the status of progress of procedures under Article 165-24 of the Act and under Article 806 (Dissenting Shareholders' Share Purchase Demand) and Article 808 (Right to Request Purchase of Share Options) of the Companies Act which shall be implemented by the Absorbed Stock Company (limited to an Insurance Company, etc.);
- (ii) the matters stated or recorded in the documents or Electromagnetic Records as set forth in Article 801, paragraph (3), item (i) (Keeping and Inspection, etc. of Documents, etc. Concerning an Absorption-type Merger, etc.) or Article 815, paragraph (3), item (i) (Keeping and Inspection, etc. of Documents, etc. Concerning an Consolidation-type Merger Agreement, etc.) of the Companies Act which shall be implemented by the Insurance Company, etc. surviving the merger or the Insurance Company to be incorporated upon the merger upon the merger specified in sub-item (e) of the preceding item.

(Validity of Absorption-type Merger)

Article 104 When, due to the implementation of the merger under Article 166, paragraph (1) of the Act, the matters specified in the documents under Article 4, paragraph (2), items (ii) to (iv) inclusive and Article 272, paragraph (2), items (ii) to (iv) inclusive of the Act (hereinafter collectively referred to as the "Business Manual, etc." in this paragraph) requires amendment reflecting the matters set forth in the Business Manual, etc. of the Insurance Company, etc. extinguished upon the merger, the matters which require authorizations under Article 123, paragraph (1) of the Act shall be deemed to have been authorized, and the matters which require reporting under Article 123, paragraph (2) and Article 272-19, paragraph (1) of the Act shall be amended, at the time when the merger becomes effective.

(Application for Authorization of Merger)

Article 105 (1) When an Insurance Company, etc. intends to obtain the authorization under Article 167, paragraph (1) of the Act, it shall submit to the Commissioner of the Financial Services Agency or Other Official a written application for authorization, together with the following documents:

- (i) a written statement of reasons;
- (ii) the document describing the terms and conditions of the merger agreement;
- (iii) the minutes of shareholders meetings of the Insurance Company, etc. which is the party to the merger, or any other documents certifying that necessary procedures have been followed;
- (iv) the inventory of assets, the balance sheet, and profit and loss statement of each party;
- (v) with regard to each type of insurance contract wherein the insurer is the Insurance Company, etc. which is the party to the merger, the document describing the respective number of policyholders, the number of insurance contracts, the total of the insured amount, and the amount of policy reserve;
- (vi) a document stating the prospective income and expenditure of the Insurance Company, etc. surviving the merger or the Insurance Company to be incorporated upon the merger after the merger;
- (vii) a document specifying the merger costs;
- (viii) a document certifying that the public notice under Article 165-7, paragraph (2) (including the cases where applied mutatis mutandis pursuant to Article 165-12 of the Act), Article 165-17, paragraph (2) (including the cases where applied mutatis mutandis pursuant to Article 165-20 of the Act), or Article 165-24, paragraph (2) of the Act has been given, and, if any policyholder (limited to the policyholders of the insurance contract (limited to the insurance contract which expires upon completion of the payment

pertaining to the Insurance Claim, etc.) whose Insurance Claim, etc. has been already accrued as of the time of giving the public notice under the aforementioned provisions) or other creditor has stated objection under Article 165-24, paragraph (2), a document certifying that the company has made payment or provided equivalent security to such policyholder or other creditor, or has entrusted equivalent property to a trust company, etc. or that the reduction of the capital poses no risk of harming the interest of such policyholder or other creditor; and

(ix) the document certifying that the ratios do not exceed the ratios as set forth in sub-items (a) to (c) inclusive of the following, in accordance with the categories of companies as respectively set forth therein:

(a) an Extinct Stock Company or an Stock Company Surviving the Absorption-type Merger: a document certifying that the number of policyholders who raised objections under Article 165-7, paragraph (2), item (iv) of the Act did not exceed one-fifth of the total number of policyholders as referred in Article 70, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 165-7, paragraph (4) of the Act (including the cases where applied mutatis mutandis pursuant to Article 165-12; hereinafter the same shall apply in sub-item (a)) (including the cases where applied by replacing certain terms under Article 255, paragraph (2) of the Act (hereinafter simply referred to as the "including the cases where applied by replacing certain terms under Article 255, paragraph (2) of the Act" in the following sub-item (a); hereinafter the same shall apply in sub-item (a)) (or one-tenth, if applied by replacing certain terms under Article 255, paragraph (2) of the Act); or a document certifying that the amount pertaining to said policyholders as referred to in Article 101-2-4 or Article 101-2-10 did not exceed one-fifth of the total of the amount set forth in Article 70, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 165-7, paragraph (4) of the Act (or one-tenth, if applied by replacing certain terms under Article 255, paragraph (2) of the Act);

(b) an Extinct Mutual Company or an Mutual Company Surviving the Absorption-Type Merger: a document certifying that the number of policyholders who raised objections under Article 165-7, paragraph (2), item (iv) of the Act did not exceed one-fifth of the total number of policyholders as referred in Article 70, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 165-7, paragraph (4) of the Act (including the cases where applied mutatis mutandis pursuant to Article 165-12; hereinafter the same shall apply in sub-item (a)) (including the cases where applied by replacing certain terms under Article 255, paragraph (2) of the Act) (or one-tenth, if applied by replacing certain

- terms under Article 255, paragraph (2) of the Act); or a document certifying that the amount pertaining to said policyholders as referred to in Article 101-2-4 or Article 101-2-10 did not exceed one-fifth of the total of the amount set forth in Article 70, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 165-7, paragraph (4) of the Act (or one-tenth, if applied by replacing certain terms under Article 255, paragraph (2) of the Act);
- (c) a Merging Company under the Companies Act: a document certifying that the number of policyholders who raised objections under Article 165-7, paragraph (2), item (iv) of the Act did not exceed one-fifth of the total number of policyholders as referred in Article 70, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 165-7, paragraph (4) of the Act (including the cases where applied mutatis mutandis pursuant to Article 165-12; hereinafter the same shall apply in sub-item (a)) (including the cases where applied by replacing certain terms under Article 255, paragraph (2) of the Act) (or one-tenth, if applied by replacing certain terms under Article 255, paragraph (2) of the Act); or a document certifying that the amount pertaining to said policyholders as referred to in Article 101-2-4 or Article 101-2-10 did not exceed one-fifth of the total of the amount set forth in Article 70, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 165-7, paragraph (4) of the Act (or one-tenth, in cases where applied by replacing certain terms under Article 255, paragraph (2) of the Act);
- (x) a document certifying that the notice or public notice under Article 165-4, paragraph (1) or (2) (including the cases where applied mutatis mutandis pursuant to Article 165-12 of the Act); Article 783, paragraph (5) or (6) (Approval, etc. of the Absorption-type Merger Agreement, etc.), Article 785, paragraph (3) or (4) (Dissenting Shareholders' Share Purchase Demand), Article 787, paragraph (3) or (4) (Right to Request Purchase of Share Options), Article 797, paragraph (3) or (4) (Dissenting Shareholders' Share Purchase Demand), Article 804, paragraph (4) or (5) (Approval, etc. of the Consolidation-type Merger Agreement, etc.), Article 806, paragraph (3) or (4) (Dissenting Shareholders' Share Purchase Demand), and Article 808, paragraph (3) or (4) (Right to Request Purchase of Share Options);
- (xi) a document certifying that the public notice and notice under Article 219, paragraph (1) (Public Notice in relation to Submission of Share Certificate) (limited to the portion pertaining to item (vi)) and Article 293, paragraph (1) (Public Notice in relation to Submission of Share Option Certificate) (limited to the portion pertaining to item (iii)) of the Companies Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 165-4 of the Act);

- (xii) a document certifying any public notice given under Article 165-8, paragraph (2) and Article 165-18, paragraph (2) of the Act or Article 790, paragraph (2) of the Companies Act, if any.
 - (xiii) a document certifying that any public notice given under Article 254, paragraph (3) of the Act, if any.
 - (xiv) a document certifying that the notification under Article 15, paragraph (2) (Prior Notification of Corporate Merger) of the Anti-Monopoly Act has been completed;
 - (xv) the articles of incorporation of the parties (excluding insurance companies) formerly in effect;
 - (xvi) if there is any person to assume the office of the director, executive office or company auditor upon the merger, the document certifying their acceptance of offices and their resumés;
 - (xvii) if there is any person to assume the office of the accounting advisor upon the merger, the document certifying the acceptance of offices and the resumés;
 - (xviii) if, when effecting the merger, the Insurance Company, etc. surviving the merger, or the Insurance Company, etc. to be incorporated upon the merger intends to hold as its Subsidiary Company a Companies Eligible for Subsidiary Companies (meaning Companies Eligible for Subsidiary Companies provided in the Article 106, paragraph (1) of the Act, in case of an Insurance Company; or, meaning Companies Eligible for Subsidiary Companies of Low-Cost, Short-Term Insurer (meaning a company exclusively engaged in the business to be specified by Cabinet Office Ordinance as provided in Article 272-14, paragraph (1) of the Act; the same shall apply hereinafter); hereinafter the same shall apply in this item and Article 105-6, item (xvii)), the documents set forth in Article 58, paragraph (1), item (iv) or Article 211-35, paragraph (1), item (iv) which pertains to such Subsidiary Company a Companies Eligible for Subsidiary Companies;
 - (ixx) if the Insurance Company, etc. surviving the merger, or the Insurance Company, etc. to be incorporated upon the merger is to have any Subsidiary Company, etc. the document specifying the prospective income and expenditure of said Insurance Company and Subsidiary Company, etc.;
 - (xx) If the Insurance Company, etc. surviving the merger, or the Insurance Company, etc. to be incorporated upon the merger are to have voting rights of a Domestic Company of which the total number exceeds the Voting Right Holding Threshold, the document specifying the name and business details of the domestic company; and
 - (xxi) any other document which would serve as reference information for examination under Article 167, paragraph (2) of the Act.
- (2) In case of the merger wherein all parties thereto are Insurance Companies,

etc., the written application for authorization under the preceding paragraph shall be submitted jointly by said Insurance Companies.

- (3) The provision of Article 2, paragraph (15) of the Act shall apply mutatis mutandis to the voting rights as provided in paragraph (1), item (xx).

Section 2-2 Company Split

(Matters Subject to Prior Disclosure of Splitting Stock Company in Absorption-type Company Split)

Article 105-2 The matters to be specified by Cabinet Office Ordinance, as provided in Article 782, paragraph (1) (Keeping and Inspection, etc. of Documents, etc. Concerning an Absorption-type Merger Agreement, etc.) of the Companies Act as applied mutatis mutandis by replacing certain terms under Article 173-3 of the Act, shall be the following matters, if the Extinct Stock Company, etc. as provided in that paragraph is a Splitting Stock Company in Absorption-type Company Split (meaning a Splitting Stock Company in Absorption-type Company Split as provided in Article 758, item (ii) (Absorption-type Company Split Agreement Which Causes a Stock Company to Succeed to Rights and Obligations) of the Companies Act; hereinafter the same shall apply in this Section).

- (i) the following matters related to the Splitting Stock Company in Absorption-type Company Split (excluding a Liquidating Stock Company):
 - (a) the details of the financial statements, etc. pertaining to the Most Recent Business Year;
 - (b) if there are Temporary Financial Statements, etc. prepared as of a certain day after the last day of the Most Recent Business Year (if the company has no Most Recent Business Year, the date of incorporation of the Splitting Stock Company in Absorption-type Company Split) as the provisional account closing date (if there are two or more provisional account closing dates, the most recent day), the details of said Temporary Financial Statements, etc.; and
- (ii) the balance sheet prepared by the Splitting Stock Company in Absorption-type Company Split (limited to a Liquidating Stock Company) pursuant to the provision of Article 492, paragraph (1) (Preparation of List of Property) of the Companies Act;
- (iii) matters regarding the rights of the policyholders after the absorption-type company split;
- (iv) if, for the period between the day on which the Absorption-type Merger Agreement, etc. began to be kept, and the day when the absorption-type company split becomes effective, any change has arisen in any of the matters listed in the preceding three items, said matters after the change.

(Matters Subject to Disclosure by Succeeding Stock Company in Absorption-type Company Split)

Article 105-2-2 The matters to be specified by Cabinet Office Ordinance, as provided in Article 794, paragraph (1) (Keeping and Inspection, etc. of Documents, etc. Concerning an Absorption-type Merger Agreement, etc.) of the Companies Act as applied mutatis mutandis by replacing certain terms under Article 173-3 of the Act, shall be the following matters, if the Extinct Stock Company, etc. as provided in that paragraph is a Succeeding Stock Company in Absorption-type Company Split (meaning a Succeeding Stock Company in Absorption-type Company Split as provided in Article 758, item (i) (Absorption-type Company Split Agreement Which Causes a Stock Company to Succeed to Rights and Obligations) of the Companies Act; hereinafter the same shall apply in this Section).

- (i) the following matters related to the Succeeding Stock Company in Absorption-type Company Split (excluding a Liquidating Stock Company):
 - (a) the details of the financial statements, etc. pertaining to the Most Recent Business Year;
 - (b) if there are Temporary Financial Statements, etc. prepared as of a certain day after the last day of the Most Recent Business Year (if the company has no Most Recent Business Year, the date of incorporation of the Succeeding Stock Company in Absorption-type Company Split) as the provisional account closing date (if there are two or more provisional account closing dates, the most recent day), the details of said Temporary Financial Statements, etc.; and
- (ii) matters regarding the rights of the policyholders after the absorption-type company split;
- (iii) if, for the period between the day on which the Absorption-type Merger Agreement, etc. began to be kept and the day when the absorption-type company split becomes effective, any change has arisen in any of the matters listed in the preceding two items, said matters after the change.

(Matters Subject to Disclosure by Splitting Company in Incorporation-type Company Split)

Article 105-2-3 The matters to be specified by Cabinet Office Ordinance, as provided in Article 803, paragraph (1) (Keeping and Inspection, etc. of Documents, etc. Concerning a Consolidation-type Merger Agreement, etc.) of the Companies Act as applied mutatis mutandis by replacing certain terms under Article 173-3 of the Act, shall be the following matters, if the Extinct Stock Company, etc. as provided in that paragraph is a Splitting Company in Incorporation-type Company Split (meaning a Splitting Company in

Incorporation-type Company Split as provided in Article 763, item (v) (Incorporation-type Company Split Plan by Which a Stock Company is Incorporated) of the Companies Act; hereinafter the same shall apply in this Section).

- (i) the following matters related to the Splitting Company in Incorporation-type Company Split (excluding a Liquidating Stock Company):
 - (a) the details of the financial statements, etc. pertaining to the Most Recent Business Year;
 - (b) if there are Temporary Financial Statements, etc. prepared as of a certain day after the last day of the Most Recent Business Year (if the company has no Most Recent Business Year, the date of incorporation of the Splitting Company in Incorporation-type Company Split) as the provisional account closing date (if there are two or more provisional account closing dates, the most recent day), the details of said Temporary Financial Statements, etc.; and
- (ii) the balance sheet prepared by the Splitting Company in Incorporation-type Company Split (excluding another Splitting Company in Incorporation-type Company Split, and limited to a Liquidating Stock Company) pursuant to the provision of Article 492, paragraph (1) (Preparation of List of Property) of the Companies Act;
- (iii) matters regarding the rights of the policyholders after the incorporation-type company split;
- (iv) if, for the period between the day on which the Consolidation-type Merger Agreement, etc. began to be kept and the day when the incorporation-type company split becomes effective, any change has arisen in any of the matters listed in the preceding three items, said matters after the change.

(Matters Subject to Public Notice in Relation to Financial Statements)

Article 105-2-4 The matters specified by a Cabinet Office Ordinance, provided in Article 173-4, paragraph (2), item (iii) of the Act, shall be the matters specified in each of following items, in accordance with the categories of the respective cases set forth in that item, as of the day of the public notice under that paragraph or the day of the notice under that paragraph, whichever comes earlier:

- (i) if, pursuant to the provision of Article 440, paragraph (1) (including the cases where applied mutatis mutandis pursuant to Article 13 of the Act) or (2) (Public Notice of Financial Statements) of the Companies Act, a Notifying Company (meaning a Split-Involved Company (meaning a Split-Involved Company as provided in Article 173-4, paragraph (2) of the Act; the same shall apply in the following Article) or a stock company (meaning a Splitting Stock Company in Absorption-type Company Split, Succeeding Stock

Company in Absorption-type Company Split or a Splitting Company in Incorporation-type Company Split) as set forth in Article 789, paragraph (2), item (iii), Article 799, paragraph (2), item (iii) or Article 810, paragraph (2), item (iii) (Objections of Creditors); hereinafter the same shall apply in this Article) has given a public notice of its balance sheet for the Most Recent Business Year or summary thereof: the following information

- (a) if public notice has been made by means of an Official Gazette, the date of said Official Gazette and the page number on which such public notice has been published;
- (b) if the public notice has been made by means of a daily newspaper that publishes matters on current affairs, the name and date of said newspaper, and the page number on which the public notice has been published;
- (c) in cases where the public notice has been made by means of an Electronic Public Notice, the matters listed in Article 911, paragraph (3), item (xxix), sub-item (a) (Registration of Incorporation of Stock Company) of the Companies Act.
- (ii) if, in regard to the balance sheet pertaining to the Most Recent Business year, the Notifying Company has implemented the measures provided in Article 440, paragraph (3) of the Companies Act: the matters listed in Article 911, paragraph (3), sub-item (xxvii) of the Companies Act;
- (iii) if the Notifying Company is a stock company as provided in Article 440, paragraph (4) of the Companies Act, and said Notifying Company has submitted the Annual Securities Report pertaining to the Most Recent Business Year pursuant to the provision of Article 24, paragraph (1) of the Financial Instruments and Exchange Act: such fact;
- (iv) if, pursuant to the provision of Article 28 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act (Act No. 87 of 2005), the Notifying Company is excluded from application of the provision of Article 440 of the Companies Act: such fact;
- (v) if the Notifying Company has no Most Recent Business Year: such fact;
- (vi) if the Notifying Company is a Liquidating Stock Company or a liquidating mutual company: such fact;
- (vii) other cases than as set forth in the preceding items: the details of the summary of the balance sheet for the Most Recent Business Year prepared in accordance with Appended Form No. 2 (or Appended Form No. 2-3, in case of a Low-Cost, Short-Term Insurer; or Appended Form No. 2-2, in case of a Company with Specified Transaction Account).

(Matters Subject to Public Notice Pertaining to Company Split)

Article 105-3 The matters to be specified by Cabinet Office Ordinance, as provided in Article 173-4, paragraph (2), item (v) of the Act, shall be as follows:

- (i) the amount of stated capital of the Split-Involved Company after completion of the company split;
- (ii) the matters related to allocation of Money, etc. to the splitting company in an absorption-type split (meaning the splitting company in an absorption-type split as provided in Article 173-4, paragraph (1), item (i) of the Act; hereinafter the same shall apply in this Article) or the splitting company in an incorporation-type company split (meaning the splitting company in an incorporation-type company split as provided in item (iii) of that paragraph; hereinafter the same shall apply in this Article and in Article 105-5-3, item (iii));
- (iii) the matters related to allocation of share options to the share option holders of the splitting company in an absorption-type split or the splitting company in an incorporation-type company split; and
- (iv) matters related to the rights of policyholders after the company split.

(Amount of Claim Pertaining to Insurance Contract)

Article 105-4 The amount to be specified by Cabinet Office Ordinance, as provided in Article 173-4, paragraph (6) of the Act, shall be the amount set forth in item (i), in case of a Life Insurance Company; the total of the amounts set forth in items (ii) and (iii), in case of a Non-Life Insurance Company; and the amount set forth in item (ii), in case of a Low-Cost, Short-Term Insurer.

- (i) the amount to be reserved for the insured, as of the time of the public notice under Article 173-4, paragraph (2) of the Act (hereinafter referred to as the "Public Notice" in this Article);
- (ii) the amount of the insurance premiums corresponding to the Unexpired Period (meaning the insurance period specified in an insurance contract which have not been passed as of the time of the public notice); and
- (iii) the amount to be reserved as the refund reserve as set forth in Article 70, paragraph (1), item (iii), as of the time of the public notice.

(Matters Subject to Ex-Post Facto Disclosure by Splitting Stock Company in Absorption-type Company Split)

Article 105-5 The matters to be specified by Cabinet Office Ordinance, as provided in Article 791, paragraph (1), item (i) (Keeping and Inspection, etc. of Documents, etc. Concerning an Absorption-type Company Split or Share Exchange) of the Companies Act as applied mutatis mutandis pursuant to Article 173-4, paragraph (10) of the Act, shall be the matters specified in the following items, in accordance with the categories of the cases as respectively set forth therein:

- (i) if the Splitting Stock Company in Absorption-type Company Split is a stock company engaged in insurance business: the following matters

- (a) the date when the absorption-type company split becomes effective;
 - (b) the status of progress of procedures under Article 785 (Dissenting Shareholders' Share Purchase Demand) and Article 787 (Right to Request Purchase of Share Options) of the Companies Act which shall be implemented by the Splitting Stock Company in Absorption-type Company Split;
 - (c) the status of progress of procedures under Article 797 (Dissenting Shareholders' Share Purchase Demand) and Article 173-4, paragraphs (1) to (8) inclusive of the Companies Act, or under Article 799 (Objection of Creditors) of the Companies Act (including the cases where applied mutatis mutandis pursuant to Article 802, paragraph (2) of that Act) which shall be implemented by the succeeding company in an absorption-type split (meaning a succeeding company in an absorption-type split as provided in Article 173-4, paragraph (1), item (ii) of the Act; hereinafter the same shall apply in this Article);
 - (d) the matters related to important rights and obligations succeeded from the Splitting Stock Company in Absorption-type Company Split to the succeeding company in an absorption-type company split;
 - (e) the day when the registration of change under Article 923 (Registration of Absorption-type Company Split), paragraph (1) of the Act was effected; and
 - (f) in addition to what is provided for in the preceding items, the material matters related to the absorption-type company split.
- (ii) if the Splitting Stock Company in Absorption-type Company Split is not a stock company engaged in insurance business: the following matters
- (a) the date when the absorption-type company split becomes effective;
 - (b) the status of progress of procedures under Article 785, Article 787 and Article 789 (Objection of Creditors) of the Companies Act which shall be implemented by the Splitting Stock Company in Absorption-type Company Split;
 - (c) the status of progress of the procedures under Article 797 of the Companies Act and Article 173-4, paragraphs (1) to (8) inclusive of the Act, which shall be implemented by the succeeding company in an absorption-type split which is a stock company engaged in Insurance Company;
 - (e) the matters related to important rights and obligations succeeded from the Splitting Stock Company in Absorption-type Company Split to the succeeding company in an absorption-type company split which is a stock company engaged in Insurance Company;
 - (e) the day when the registration of change under Article 923 of the Companies Act was effected; and
 - (f) in addition to what is provided for in the preceding items, the material matters related to the absorption-type company split.

(Matters Subject to Ex-Post Facto Disclosure by Succeeding Stock Company in Absorption-type Company Split)

Article 105-5-2 The matters to be specified by Cabinet Office Ordinance, as provided in Article 801, paragraph (2) (Keeping and Inspection, etc. of Documents, etc. Concerning an Absorption-type Merger, etc.) of the Companies Act as applied mutatis mutandis pursuant to Article 173-4, paragraph (10) of the Act, shall be as follows:

- (i) the date when the absorption-type company split becomes effective;
- (ii) the status of progress of procedures under Article 789 (Objection of Creditors) of the Companies Act which shall be implemented by the Splitting Limited Liability Company in Absorption-type Company Split (meaning the Splitting Limited Liability Company in Absorption-type Company Split as provided in Article 793, paragraph (2) (Procedures of Membership Companies));
- (iii) the status of progress of procedures under Article 797 (Dissenting Shareholders' Share Purchase Demand) of the Companies Act and Article 173-4, paragraphs (1) to (8) inclusive, which shall be implemented by the Succeeding Stock Company in Absorption-type Company Split;
- (iv) the matters related to important rights and obligations succeeded from the Splitting Limited Liability Company in Absorption-type Company Split to the Succeeding Stock Company in absorption-type company split;
- (v) the day when the registration of change under Article 923 (Registration of Absorption-type Company Split), paragraph (1) of the Companies Act was effected; and
- (vi) in addition to what is provided for in the preceding items, the material matters related to the absorption-type company split.

(Matters Subject to Ex-Post Facto Disclosure by Splitting Stock Company in Absorption-type Company Split)

Article 105-5-3 The matters to be specified by Cabinet Office Ordinance, as provided in Article 811, paragraph (1), item (i) (Keeping and Inspection, etc. of Documents, etc. Concerning an Incorporation-type Company Split or share Transfer) of the Companies Act as applied mutatis mutandis pursuant to Article 173-4, paragraph (10) of the Act, shall be the matters specified in the following items, in accordance with the categories of the cases as respectively set forth therein:

- (i) the date when the incorporation-type company split becomes effective;
- (ii) the status of progress of procedures under Article 806 (Dissenting Shareholders' Share Purchase Demand) and Article 808 (Right to Request Purchase of Share Options) of the Companies Act, Article 173-4, paragraphs

- (1) to (8) inclusive of the Act, and Article 810 (Objection of Creditors) (including the cases where applied mutatis mutandis pursuant to Article 813, paragraph (2) (Procedures for Membership Companies) of the Companies Act) of the Companies Act;
- (iii) the matters related to important rights and obligations succeeded from the splitting company in an incorporation-type company split to the Company Incorporated through Incorporation-type Company Split (meaning the Company Incorporated through Incorporation-type Company Split as provided in Article 763 (Incorporation-type Company Split Plan by Which a Stock Company is Incorporated) of the Companies Act);
- (iv) in addition to what is provided for in the preceding three items, material matters related to the incorporation-type company split.

(Application for Authorization of Company Split)

- Article 105-6 (1) When an Insurance Company intends to obtain the authorization under Article 173-6, paragraph (1) of the Act, it shall submit to the Commissioner of the Financial Services Agency or Other Official a written application for authorization, together with the following documents:
- (i) a written statement of reasons;
 - (ii) a document specifying the details of the Absorption-type Company Split Agreement or the Incorporation-type Company Split Plan;
 - (iii) minutes of the shareholders meeting of the Insurance Company, etc. which is the party to the merger, or and any other document certifying that necessary procedures have been taken;
 - (iv) inventories of properties and the balance sheet and profit and loss statement of the Insurance Company, etc. which is the party to the merger;
 - (v) a document specifying the status of profit and loss pertaining to the business to be acquired upon the company split or the business to be transferred upon the company split;
 - (vi) when the insurance contracts are to be transferred upon the company split, the following documents
 - (a) with regard to each type of insurance contract wherein the insurer is the Insurance Company, etc. which is to transfer the insurance contracts upon the company split, the document describing the respective number of policyholders, the number of insurance contracts, the total of the insured amount, and the amount of policy reserve, in which the distinction between the insurance contracts to be transferred upon the company split (hereinafter referred to as the "Contract Subject to Company Split") and the insurance which are not the contracts subject to company split;
 - (b) the document describing the amount of the policy reserve and any other types of reserve as well as the method of calculation thereof, for each

- contract subject to company split;
- (c) with regard to each type of insurance contract wherein the insurer is the Insurance Company, etc. which is to transfer the insurance contracts upon the company split, the document describing the respective number of policyholders, the number of insurance contracts, the total of the insured amount, and the amount of policy reserve;
 - (vii) a document describing the prospective income and expenditure of the Insurance Company which is party to the company split after the completion of the company split;
 - (viii) a document specifying the cost of the company split;
 - (ix) a document certifying that the public notice or notice under Article 173-4, paragraph (2) of the Act has been given;
 - (x) where any policyholder or other creditor has stated objection under Article 173-4, paragraph (4) of the Act, a document certifying that the company has made payment or provided equivalent security to such policyholder or other creditor, or has entrusted equivalent property to a trust company, etc. for the purpose of ensuring that such policyholder or other creditor receive the payment, or that the company split poses no risk of harming the interest of such policyholder or other creditor; and
 - (xi) a document certifying that the number of policyholders who stated their objections under Article 173-4, paragraph (6) has not exceeded one fifth of the total number of policyholders as indicated in that paragraph, or a document certifying that the amount specified by Cabinet Office Ordinance as belonging to such policyholders as indicated in that paragraph has not exceeded one fifth of the total amount as indicated in that paragraph.
 - (xii) a document certifying that the public notice and notice under Article 293, paragraph (1) (Public Notice in relation to Submission of Share Option Certificate) (limited to the portion pertaining to items (iv) and (v)) of the Companies Act has been given;
 - (xiii) a document certifying that the notification under Article 15-2, paragraph (2) or (3) of the Anti-Monopoly Act has been completed;
 - (xiv) the articles of incorporation of the parties (excluding insurance companies) formerly in effect;
 - (xv) if there is any person to assume the office of the director, executive officer or company auditor upon the company split, the document certifying their acceptance of offices and their resumé;
 - (xvi) if there is any person to assume the office of the accounting advisor upon the company split, the document certifying the acceptance of offices and the resumé;
 - (xvii) if, when effecting the company split, a Companies Eligible for Subsidiary Companies is to become the Subsidiary Company, the documents set forth in

- Article 58, paragraph (1), item (iv) or Article 211-35, paragraph (1), item (iv) which pertains to such Companies Eligible for Subsidiary Companies;
- (xviii) when the Insurance Company, after the company split, is to have any Subsidiary Company, etc. the document specifying the prospective income and expenditure of said Insurance Company and Subsidiary Company, etc.;
- (xix) when, as the result of the company split, the Subsidiary Company of the Insurance Company no longer falls under the Subsidiary Company, a document specifying the name of such Subsidiary Company;
- (xx) If the Insurance Company, etc. or its Subsidiary Company, upon the company split, are to have voting rights of a Domestic Company of which the total number exceeds the Voting Right Holding Threshold, the document specifying the name and business details of the domestic company; and
- (xxi) any other document which would serve as reference information for examination under Article 173-6, paragraph (2) of the Act.
- (2) In case of the company split wherein all parties thereto are Insurance Companies, etc., the written application for authorization under the preceding paragraph shall be submitted jointly by said Insurance Companies.
- (3) The provision of Article 2, paragraph (15) of the Act shall apply mutatis mutandis to the voting rights as provided in paragraph (1), item (xx).
- (4) The document as set forth in item (vi) of paragraph (i) (excluding the document pertaining to the method of calculation as set forth in sub-item (b) of that item) shall be in accordance with the forms and methods of entry and calculation which are to be specified by the Commissioner of the Financial Services Agencies.

(Matters Subject to Public Notice after Company Split)

Article 105-7 The matters to be specified by Cabinet Office Ordinance, as provided in the first sentence of Article 173-7, paragraph (1) of the Act, shall be as follows:

- (i) the status of progress of the procedures under Article 173-4 of the Act;
- (ii) the date when the company split becomes effective; and
- (iii) the trade name and location of the head office of the company which succeeded to the insurance contracts upon the company split.

(Validity of Succession of Insurance Contract Upon Company Split)

Article 105-8 (1) When, due to the implementation of the company split, the matters specified in the documents under Article 4, paragraph (2), items (ii) to (iv) inclusive and Article 272, paragraph (2), items (ii) to (iv) inclusive of the Act (hereinafter collectively referred to as the "Business Manual, etc." in this paragraph) requires amendment reflecting the matters set forth in the Business Manual, etc. of the company to which the insurance contracts are to

be transferred upon the company split, the matters which require authorizations under Article 123, paragraph (1) of the Act shall be deemed to have been authorized, and the matters which require reporting under Article 123, paragraph (2) and Article 272-19, paragraph (1) of the Act shall be amended, at the time when the company split becomes effective.

(2) A company which succeeded to the insurance contracts upon the company split may, if, as a result of succession of properties upon the company split, the method of investment of assets or the amount of investment of assets under Article 48, paragraphs (1) and (3), Article 48-3, paragraph (1) and Article 48-5, paragraph (1) contravenes the restriction under Articles 47 to 49 inclusive, carry out investment in accordance with such methods or at such amount. In this case, the company which succeeded the insurance contracts upon the company split shall gradually amend the method or amount of investment of its assets in accordance with the purport of the provision of Articles 47 to 49 inclusive.

Section 3 Liquidation

(Request for Appointment of Liquidator by Interested Parties)

Article 106 When an interested party makes a request for appointment of liquidator pursuant to the provision of Article 174, paragraph (1) of the Act, such party shall attach to the written application a document certifying that the party falls under the category of the interested party.

(Notification of Assumption of Office by Liquidator)

Article 107 When a liquidator of an Insurance Company, etc. intends to file a notification under Article 174, paragraph (8) of the Act, the liquidator shall submit to the Commissioner of the Financial Services Agency and Other Official a notification, together with a certificate of registered matters of the Insurance Company, etc.

(Amount to be Refunded from Liquidating Insurance Company, etc.)

Article 108 The amount to be specified by Cabinet Office Ordinance, as provided in Article 177, paragraph (3) of the Act, shall be the amount set aside as the refund reserve prescribed in Article 69, paragraph (1), item (ii)-2 or Article 70, paragraph (1), item (iii).

(Application for Permission for Performance during Period for Notifying Claims)

Article 109 (1) The application for permission under Article 500, paragraph (2) (Restrictions on Performance of Obligations) of the Companies Act applied by

replacing certain terms under Article 178 of the Act (including the cases where applied mutatis mutandis pursuant to Article 171-2 of the Act) shall be made by submission of the written application for permission with the names of the all liquidators affixed thereon.

- (2) In filing a written application for permission under the preceding paragraph, the following documents shall be attached:
- (i) a written statement of reasons; and
 - (ii) the document certifying that the instant case requires the permission under the preceding paragraph.

(Notification of Status of Liquidation)

Article 110 A liquidator of an Insurance Company, etc. pertaining to the liquidation shall notify the Commissioner of the Financial Services Agency or Other Official the monthly status of liquidation by no later than the twentieth day of the subsequent month, and, when any material matter occurs, notify the Commissioner of the Financial Services Agency or Other Official thereof without delay.

(Systems to Ensure Appropriateness of Business of Liquidating Mutual Company)

Article 110-2 (1) The systems to be specified by Cabinet Office Ordinance, as provided in Article 180-8, paragraph (3), item (iv) of the Act, shall be as follows:

- (i) a system for the preservation and management of information on the execution of duties by liquidators;
 - (ii) regulations and any other framework for management of risk of loss;
 - (iii) system to ensure that the execution of duties by employees complies with laws and regulations;
 - (iv) information related to employees, when a company auditor requested that an employee be assigned to assist the company auditor's duties;
 - (v) matters related to independence from the directors of the employee set forth in the preceding item;
 - (vi) system of reporting from liquidators and employees to company auditors, and any other system for reporting to company auditors; and
 - (vii) any other system to ensure that auditing by company auditors will be conducted in an efficiency manner.
- (2) If the Liquidating Mutual Company has two or more liquidators, the system as provided in the preceding paragraph shall include the system to ensure the decision-making for the business will be made in an appropriate manner.

(Matters to be Specified by Board of Liquidators upon Solicitation of

Subscribers of Corporate Bonds)

Article 110-3 The matters to be specified by Cabinet Office Ordinance, as provided in Article 180-14, paragraph (6), item (v) of the Act, shall be as follows:

- (i) when the determination of the matters set forth in the items of Article 61 of the Act which pertain to two or more solicitations (meaning solicitations as set forth in Article 61 of the Act; hereinafter the same shall apply in this Article) is to be appointed, such fact;
- (ii) the upper limitation of the aggregate amount of Bond for Subscription (meaning Bond for Subscription as provided in Article 61 of the Act; hereinafter the same shall apply in this Article) (or, in the case provided in the preceding item, the total amount of upper limitation of the aggregate amount of Bond for Subscription pertaining to each solicitation)
- (iii) outline of the matters related to interest rate, such as upper limitation on interest rate of Bond for Subscription; and
- (iv) outline of the matters related to the amount to be paid in (meaning the amount to be paid in as provided in Article 61, item (ix) of the Act; hereinafter the same shall apply in this item), the minimum amount of the aggregate amount to be paid in for Bond for Subscription.

(Systems to Ensure Appropriateness of Business of Mutual Company with Board of Liquidators)

Article 110-4 The systems to be specified by Cabinet Office Ordinance, as provided in Article 180-14, paragraph (6), item (vi) of the Act, shall be as follows:

- (i) a system for the preservation and management of information on the execution of duties by liquidators;
- (ii) regulations and any other framework for management of risk of loss;
- (iii) system to ensure that the execution of duties by employees complies with laws and regulations;
- (iv) information related to employees, when a company auditor requested that an employee be assigned to assist the company auditor's duties;
- (v) matters related to independence from the liquidators of the employee set forth in the preceding item;
- (vi) system of reporting from liquidators and employees to company auditors, and any other system for reporting to company auditors; and
- (vii) any other system to ensure that auditing by company auditors will be conducted in an efficiency manner.

(Minutes of Board of Liquidators Meeting)

Article 110-5 (1) Preparation of minutes of board of liquidators meeting under

Article 369, paragraph (3) (Resolution of Board of Directors Meeting) of the Companies Act as applied mutatis mutandis pursuant to Article 180-15 of the Act shall be as set forth in this Article.

- (2) The minutes of board of liquidators meeting shall be prepared in writing or by Electromagnetic Records.
- (3) The minutes of board of liquidators meeting shall contain the following matters:
 - (i) the date and place of convocation of the board of liquidators meeting (including the information on the method of attendance, if directors, executive officers, accounting advisors, company auditors, accounting auditors or members were not present at such place attended the meeting);
 - (ii) if the meeting of board of liquidators falls under any of the following categories, such fact:
 - (a) a meeting called in response to the request from the liquidators as set forth in Article 366, paragraph (2) (Convener) of the Companies Act as applied mutatis mutandis pursuant to Article 180-15 of the Act;
 - (b) a meeting called by the liquidator pursuant to the provision of Article 366, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 180-15 of the Act;
 - (c) a meeting called in response to the request from the company auditors as set forth in Article 383, paragraph (2) (Duty to Attend Board of Directors Meetings) of the Companies Act as applied mutatis mutandis pursuant to Article 53-20 of the Act;
 - (d) a meeting called pursuant to the provision of Article 383, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 53-20 of the Act;
 - (iii) the substance of the proceeding of the board of liquidators meeting, as well as results thereof;
 - (iv) the name of the liquidators, if such liquidators have any special interest in the matters to be resolved;
 - (v) if, pursuant to any of the following provisions, any opinion or remark was raised at the board of liquidators meeting, the outline of the details of such opinions or remarks:
 - (a) Article 382 (Duty to Report to Directors) of the Companies Act as applied mutatis mutandis pursuant to Article 53-20 of the Act;
 - (b) Article 383, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 53-20 of the Act;
 - (c) Article 365, paragraph (2) (Restrictions on Competition and Transactions with Companies with Board of Directors) of the Companies Act as applied mutatis mutandis pursuant to Article 180-14, paragraph (9) of the Act;
 - (vi) the names of company auditors present at the board of liquidators meeting;

and

- (v) if the board of liquidators meeting was presided over by the chairperson, the name of such chairperson.
- (4) In the case referred to in the following items, the minutes of the board of liquidators meeting shall contain the matters respectively set forth in the relevant items:
- (i) when, pursuant to the provision of Article 370 (Omission of Resolution of Board of Directors Meetings) of the Companies Act as applied mutatis mutandis pursuant to Article 180-15 of the Act, the resolution of the board of directors meeting is deemed to have been made: the following matters
 - (a) the details of the matters which are deemed to have been resolved at the board of liquidators meeting;
 - (b) the name of the liquidator who had made a proposal of the matter set forth in item (a);
 - (c) the day when the resolution of board of liquidators meeting is deemed to have been made; and
 - (d) the name of the liquidator who took charge of duty of preparation of the minutes.
 - (ii) when, pursuant to the provision of Article 372, paragraph (1) (Omission of Report to Board of Directors Meetings) of the Companies Act as applied mutatis mutandis pursuant to Article 180-15 of the Act, the requirement of reporting to the board of liquidators meeting is deemed to have been exempted: the following matters
 - (a) the matters which are exempted from requirement of reporting to the board of liquidators meeting;
 - (b) the day when the requirement of reporting to the board of liquidators meeting was exempted; and
 - (c) the name of the liquidator who took charge of duty of preparation of the minutes.

(Inventory of Property)

Article 110-6 (1) The inventory of property to be prepared pursuant the provision of Article 492, paragraph (1) (Preparation of List of Property) of the Companies Act as applied mutatis mutandis pursuant to Article 180-17 of the Act shall be as set forth in this Article.

- (2) With regard to the property to be included in the inventory of property set forth in the preceding paragraph, the disposal price thereof as of the day on which the Liquidating Mutual Company has fallen under the cases listed in the items of Article 180 of the Act shall be included, except in the case where it is difficult to include the disposal price. In this case, with regard to the accounting books of the Liquidating Mutual Company, the price recorded in the

inventory of property shall be deemed to be the acquisition value.

- (3) The inventory of property set forth in paragraph (1) shall consist of the following sections, in which case, the sections listed item (i) and (ii) may be further divided into items that have been given appropriate titles indicating their details:
- (i) assets;
 - (ii) liabilities; and
 - (iii) net worth.

(Balance Sheet at the Time of Commencement of Liquidation)

Article 110-7 (1) The balance sheet to be prepared pursuant the provision of Article 492, paragraph (1) (Preparation of Inventory of Property) of the Companies Act as applied mutatis mutandis pursuant to Article 180-17 of the Act shall be prepared in the same manner as the balance sheet specified in the Appended Form No. 7 (or Appended Form No. 16-17, in case of a Low-Cost, Short-Term Insurer; or Appended Form No. 7-2, in case of a Company with Specified Transaction Account), based on the inventory of property.

- (2) if it is difficult to record the disposal price for any asset, an explanatory note on the policy of property valuation pertaining to said asset shall be indicated in the balance sheet set forth the preceding paragraph.

(Balance Sheet for Each Liquidating Administrative Year)

Article 110-8 (1) A balance sheet for each liquidating administrative year to be prepared pursuant the provision of Article 492, paragraph (1) (Preparation of Inventory of Property) of the Companies Act as applied mutatis mutandis pursuant to Article 180-17 of the Act shall be prepared in the same manner as the balance sheet specified in the Appended Form No. 7 (or Appended Form No. 16-17, in case of a Low-Cost, Short-Term Insurer; or Appended Form No. 7-2, in case of a Company with Specified Transaction Account), based on the accounting books for each liquidating administrative year.

- (2) The supplementary schedule for each liquidating administrative year to be prepared pursuant the provision of Article 494, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 180-17 of the Act shall be prepared in the same manner as the supplementary schedule specified in the Appended Form No. 7 (or Appended Form No. 16-17, in case of a Low-Cost, Short-Term Insurer; or Appended Form No. 7-2, in case of a Company with Specified Transaction Account).

(Business Report Pertaining to Each Liquidating Administrative Year)

Article 110-9 (1) The business report for each liquidating administrative year to be prepared pursuant the provision of Article 494, paragraph (1) of the

Companies Act (Preparation and Retention of Balance Sheet) as applied mutatis mutandis pursuant to Article 180-17 of the Act shall contain material matters related to status of execution of business affairs of liquidation.

- (2) The supplementary schedule for each liquidating administrative year to be prepared pursuant the provision of Article 494, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 180-17 of the Act shall contain material matters which supplement the details of the business report.

(Audit Report of Liquidating Mutual Company)

Article 110-10 (1) The audit under Article 495, paragraph (1) (Audit of Balance Sheet, etc.) of the Companies Act as applied mutatis mutandis pursuant to Article 180-17 of the Act shall be as set forth in this Article.

- (2) When the company auditor of the Liquidating Mutual Company has received the balance sheet and business report for each liquidating administrative year as well as supplementary schedules thereto, the company auditor of the Liquidating Mutual Company shall prepare an audit report containing the following matters (in case of an audit report to be prepared by the company auditor of a company with board of company auditors, the matters set forth in items (i) to (v) inclusive):

(i) the method of the company auditor's audit, and the details thereof;

(ii) an opinion as to whether the balance sheet for each liquidating administrative year and the supplementary schedules thereto adequately present all the material points regarding the status of properties of the Liquidating Mutual Company;

(iii) an opinion as to whether the business report for each liquidating administrative year and the supplementary schedules thereto adequately present the status of the Liquidating Mutual Company, in accordance with the laws and regulations and the articles of incorporation;

(iv) if there is any wrongful act or material facts in violation of laws and regulations, in connection with the execution of duties of the liquidator, such fact;

(v) if the company auditor was unable to conduct the investigation necessary for the audit, such fact and the reason therefor; and

(v) the day of preparation of the audit report.

- (3) The board of company auditors of the Liquidating Mutual Company shall prepare the audit report of the board of company auditors, based on the audit report prepared by the company auditor of the Liquidating Mutual Company under the preceding paragraph.

- (4) The audit report of board of company auditors of the Liquidating Mutual Company shall contain the following matters:

(i) the method and details of audit by company auditors and board of company

- auditors;
- (ii) the matters specified in items (ii) to (v) inclusive of paragraph (2); and
 - (iii) the day of preparation of the audit report.
- (5) A Specific Company Auditor shall, no later than the date when four weeks has passed from the date of receipt of the balance sheet under Article 110-8, paragraph (1) or the all business report under paragraph (1) of the preceding Article (if there is a date agreed upon between the Specified Liquidator (meaning the person specified in the following items, in accordance with the categories of the cases as respectively set forth therein; hereinafter the same shall apply in this Article) and Specific Company Auditors, such date), notify the Specified Liquidator of the details of the audit report (in case of a company with board of company auditors, limited to the audit report of the board of company auditors prepared under paragraph (3)).
- (i) if the person to receive the notification under this paragraph has been designated: such person designated as the person to receive the notification
 - (ii) in cases other than as set forth in the preceding paragraph: the liquidator who performed the duties of preparation of the balance sheet under Article 110-8, paragraph (1), the business report under paragraph (1) of the preceding Article, and the supplementary schedules thereto.
- (6) The balance sheet under Article 110-8, paragraph (1), the business report under paragraph (1) of the preceding Article, and the supplementary schedules thereto shall be deemed to have been audited by the company auditors on the day when the Specified Liquidator has received the notification of the details of the audit report under the preceding paragraph.
- (7) Notwithstanding the provision of the preceding paragraph, if the Specific Company Auditor fails make a notification of the details of the audit report under paragraph (5) no later than the time limit under that paragraph, the balance sheet under Article 110-8, paragraph (1), the business report under paragraph (1) of the preceding Article, and the supplementary schedules thereto shall be deemed to have been audited on the day when the notification should have been made.
- (8) The term "Specific Company Auditor" as provided in paragraphs (5) and (7) shall mean the persons specified in the following items, in accordance with the categories of Liquidating Mutual Companies as respectively set forth therein:
- (i) a company with company auditors (excluding a company with board of company auditors): a person set forth in any of the following sub-items (a) to (c), in accordance with the categories of the cases as respectively set forth therein:
 - (a) if there are two or more company auditors, and the company auditor who shall receive the notification of the details of the accounting audit report under paragraph (5) has been designated: the company auditor designated

to receive the notification

(b) if there are two or more company auditors, and the company auditor who shall receive the notification of the details of the audit report under paragraph (5) has not been designated: all company auditors

(c) the cases other than as set forth in sub-item (a) or (b): company auditors

(ii) a company with board of company auditors: a person set forth in the following sub-item (a) or (b), in accordance with the categories of the cases as respectively set forth therein:

(a) if the board of company auditors has designated the company auditor who shall receive notification of the details of the audit report under paragraph (5): the company auditor designated as the one who shall receive the notification

(b) the cases other than as set forth in sub-item (a): all company auditors

(Calculation of Members' Amount of Contribution)

Article 111 (1) The amount calculated in accordance with the formula to be specified by Cabinet Office Ordinance, as provided in Article 182, paragraph (3), shall be the total of the amount of contribution per insurance contract concluded between the members of the dissolved Mutual Company and the Mutual Company.

(2) The amount of contribution per each insurance contract as provided in the preceding paragraph shall be the total of the profits related to the member's insurance contract generated from investment of insurance premiums paid by the member and money received as the insurance premiums, less the amount allocated for expenditures such as payment of the insurance money, refund or any other benefits, expenditures of operating costs and any other costs, and then calculated in accordance with the amount of policy reserve, insurance money, insurance premiums and any other base amount for each insurance contract which fall under the relevant Insurance Contract Category.

(Calculation of Contribution of Withdrawn Members)

Article 112 The amount to be calculated in accordance with the formula to be specified by Cabinet Office Ordinance, as provided in Article 182, paragraph (4) of the Act, shall be the value of the residual asset of the dissolved Mutual Company, multiplied by the ratio of the amount set forth in item (ii) to the amount set forth in item (i).

(i) the amount of total assets as of the time of dissolution of the dissolved Mutual Company appraised by the same method as those used for the purpose of calculation of the total amount of members' contribution under paragraph (1) of the preceding Article, less the amount of assets to be secured for the purpose of performance of obligations of the dissolved Mutual

- Company as of the time of the dissolution appraised by the same method.
- (ii) the amount set forth in the preceding item, less the total of the members' contribution as provided in paragraph (1) of the preceding Article.

(Application for Authorization of Resolution of Disposition of Residual Assets)
Article 113 When a Mutual Company intends to obtain the authorization under Article 182, paragraph (6) of the Act, it shall submit to the Commissioner of the Financial Services Agency or Other Official a written application for authorization, together with the following documents:

- (i) a document certifying the ground for dissolution has occurred;
- (ii) the minutes of the general meeting of members or General Meeting of Representative Members;
- (iii) the document specifying the method of calculation of the amount of residual assets to be distributed to members; and
- (iv) the document specifying the method of calculation of the aggregate of the amount set forth in the preceding Article, for all of withdrawn members.

(Statement of Accounts)

Article 113-2 (1) The statement of accounts to be prepared pursuant to the provisions of Article 507, paragraph (1) (Completion of Liquidation Process, etc.) of the Companies Act as applied mutatis mutandis pursuant to Article 183, paragraph (1) of the Act shall contain the following information, in which case, the matters listed in item (i) and (ii) may be divided into appropriate sections:

- (i) the amount of income generated from the collection of claims, disposition of assets, or any other Act;
 - (ii) the amount of expenses for performance of obligations, liquidation expenses, and expenses incurred in relation to any other act;
 - (iii) the amount of residual assets (if any tax amount is payable, such tax amount, and the amount of property after deduction of said tax amount); and
 - (iv) the amount of the residual assets to be distributed to each member.
- (2) With regard to the matter listed in item (iv) of the preceding paragraph, the day of completion of distribution of the residual asset shall be noted.

(Notification of Custodian)

Article 114 When a person to preserve the books and materials is appointed pursuant to the provision of Article 508, paragraph (2) of the Companies Act (including the cases where applied mutatis mutandis pursuant to Article 183, paragraph (3) of the Act), the liquidator of the Insurance Company shall notify the Commissioner of the Financial Services Agency and Other Official the name of such person's trade name, name and address.

(Total Amount of Assets)

Article 114-2 The method to be specified by Cabinet Office Ordinance, as provided in Article 536, paragraph (1), item (ii) (Restrictions on Assignment of Business) of the Companies Act applied by replacing certain terms under Article 184 of the Act, shall be the method whereby the amount recorded in the asset section of the balance sheet prepared pursuant to the provision of Article 492, paragraph (1) (Preparation of List of Property) of the Companies Act as applied mutatis mutandis pursuant to Article 180-17 of the Act shall be regarded as the total amount of assets.

(Matters to be Determined upon Calling of Meeting)

Article 114-3 The matters to be specified by Cabinet Office Ordinance, as provided in Article 548, paragraph (1), item (iv) (Determination of Calling of Creditors' Meeting) of the Companies Act as applied mutatis mutandis by replacing certain terms under Article 184 of the Act, shall be as follows:

- (i) the matters to be stated in the Creditors' Meeting Reference Documents (excluding the matters set forth in item (i) of paragraph (1) of the Article, pursuant to the provision of the following Article);
- (ii) the time limit for exercise of voting rights in writing (limited to the timing on or before the day of the Creditors' Meeting (meaning the creditors' meeting to which the provisions of Part II, Chapter IX, Section 2, Subsection 8 (Creditors' Meeting) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act are applicable; hereinafter the same shall apply in this Section), but which shall be on or after the day when two weeks passes from the day of dispatching the notice under Article 549, paragraph (1) (Notice of Calling Creditors' Meeting) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act);
- (iii) a matter related to treatment of exercise of voting rights by an Agreement Claim Creditor, if there is a provision for the cases where a single Agreement Claim Creditor exercises the voting rights in duplicate for the same agenda pursuant to the provision of Article 556, paragraph (1) (Exercise of Voting Rights in Writing) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act (if the matters set forth in Article 548, paragraph (1), item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act have been prescribed, meaning Article 556, paragraph (1) or Article 557, paragraph (1) (Exercise of Voting Rights by Electromagnetic Methods) of the Companies Act), and where the accounts of such duplicate exercises of voting rights for the same agenda are not the same (excluding the cases set forth in the following item):
- (iv) when the treatment under Article 114-5, paragraph (1), item (iii) is to be prescribed, the details of such treatment;

- (v) if the matters set forth in Article 719, item (iii) of the Companies Act as applied mutatis mutandis pursuant to Article 61-8, paragraph (2) of the Act have been prescribed, the following matters:
- (a) the time limit for exercise of voting rights by Electromagnetic Method (limited to the timing on or before the day of the Creditors' Meeting, but which shall be on or after the day when two weeks passes from the day of dispatching the notice under Article 549, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act);
 - (b) if the Voting Form (meaning the Voting Form as set forth in Article 550, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act; the same shall apply in Article 114-5) provided in Article 550, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act (Issuance of Reference documents for Creditors' Meetings and Proxy Cards) is to be delivered (including provision by Electromagnetic Method in lieu of such delivery, as set forth in Article 550, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act) to an Agreement Claim Creditor (meaning an Agreement Claim Creditor provided in Article 517, paragraph (1) (Prohibition of Set-offs) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act; hereinafter the same shall apply in this Section) who has given a consent under Article 549, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act upon the Agreement Claim Creditor's request, such fact.

(Reference Documents for Creditors' Meeting)

Article 114-4 (1) The Reference Documents for Creditors' Meeting shall include the following matters:

- (i) the matters provided for pursuant to the provision of Article 548, paragraph (2) or (3) (Determination of Calling of Creditors' Meeting) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act, in relation to the Agreement Claim Credit (meaning the Agreement Claim Credit provided in Article 515, paragraph (3) (Suspension of Other Procedures) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act to whom the Reference Documents for Creditors' Meeting shall be delivered; and
 - (ii) the items on the agenda.
- (2) In addition to what is provided for in the preceding paragraph, Reference Documents for Creditors' Meeting may include any matter as may be deemed informative in exercising the voting rights by Agreement Claim Creditors.
- (3) If, among the matters to be stated in the Reference Documents for Creditors'

Meeting to be provided to Agreement Claim Creditors in connection with the same Creditors' Meeting (limited to the matters set forth in item (ii) of paragraph (1)), there is any matter already specified in other document or any information to be provided by way of the Electromagnetic Method, such matters need not be included in the Reference Documents for Creditors' Meeting to be provided to the Agreement Claim Creditors.

- (4) If, among the matters to be included in the Notice of Calling (meaning a notice under Article 549, paragraph (1) or (2) (Notice of Calling of Creditors' Meetings) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act; hereinafter the same shall apply in this Article and the following Article) to be sent to the Agreement Claim Creditors in connection with the same Creditors' Meetings, there is any matter stated in the Reference Documents for Creditors' Meeting, such matters need not be included in the Notice of Calling to be sent to the Agreement Claim Creditors.

(Voting Forms)

Article 114-5 (1) The matters to be contained in the Voting Form to be delivered pursuant to the provision of Article 550, paragraph (1) (Issuance of Reference documents for Creditors' Meetings and Proxy Cards) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act, or the matters to be provided by means of the Electromagnetic Methods as referred to in Article 551, paragraph (1) or (2) (Issuance of Reference documents for Creditors' Meetings and Proxy Cards) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act shall be as follows:

- (i) space to indicate answer whether the Agreement Claim Creditor consents to or dissents from the items on the agenda (if the space to indicate abstention is to be provided, including the answer whether the Agreement Claim Creditor intends to abstain from voting);
- (ii) if the matters set forth in Article 114-3, item (iii) have been prescribed, such matters;
- (iii) if, when the matters set forth in Article 114-3, item (iv) have been prescribed, and if a Voting Form has been submitted to the Convener (meaning the Convener as provided in Article 548, paragraph (1) (Determination of Calling of Creditors' Meeting) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act; hereinafter the same shall apply in this Article) without any information filled in the space set forth in item (i), such Agreement Claim Creditor is to be treated to have been given manifestation of the intention that the Agreement Claim Creditor consents to, dissents from the items or agenda or abstains from voting, the details of such treatment;
- (iv) the limitation on exercise period of the voting rights; and

- (v) the name of the Agreement Claim Creditor to exercise the voting rights; and the matters related to the Agreement Claim Creditor, as specified in Article 548, paragraph (2) or (3) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act.
- (2) If there is any provision on the matters listed in Article 114-3, item (v), sub-item (b), a Convener shall, upon the request of the Agreement Claim Creditor who has given consent pursuant to the provision of Article 549, paragraph (2) (Notice of Calling of Bondholders' Meetings) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act, provide such Agreement Claim Creditor a Voting Form as set forth in Article 550, paragraph (1) (Issuance of Reference documents for Creditors' Meetings and Proxy Cards) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act (including the provision by way of the Electromagnetic Method as set forth in Article 550, paragraph (2) of the Companies Act, as applied mutatis mutandis pursuant to Article 184 of the Act, which is to be implemented in lieu of such provision).
- (3) If, among the matters to be contained in the Notice of Calling to be provided to Agreement Claim Creditors in connection with the same Creditors' Meeting, there is any matter already stated in the Voting Form, such matter need not be contained in the Notice of Calling.
- (4) If, among the matters to be contained in the Voting Form to be provided to Agreement Claim Creditors in connection with the same Creditors' Meeting, there is any matter already stated in the Notice of Calling, such matter need not be contained in the Voting Form.

(Time Limit for Exercise of Voting Rights in Writing)

Article 114-6 The timing to be specified by Cabinet Office Ordinance, as provided in Article 556, paragraph (2) (Exercise of Voting Rights in Writing) of the Companies Act as applied mutatis mutandis by replacing certain terms under Article 184 of the Act, shall be the time limit for exercise as set forth in Article 114-3, item (ii).

(Time Limit for Exercise of Voting Rights by Electromagnetic Methods)

Article 114-7 The timing to be specified by Cabinet Office Ordinance, as provided in Article 557, paragraph (1) (Exercise of Voting Rights by Electromagnetic Methods) of the Companies Act as applied mutatis mutandis by replacing certain terms under Article 184 of the Act, shall be the time limit for exercise as set forth in Article 114-3, item (v), sub-item (a).

(Minutes of Creditors' Meeting)

Article 114-8 (1) Preparation of the minutes of Creditors' Meeting, as referred to

in Article 561 (Minutes) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act, shall be as set forth in this Article.

- (2) The minutes of Creditors' Meeting shall be prepared in writing or by means of Electronic Records.
- (3) The minutes of Creditors' Meeting shall contain the following matters:
- (i) the date and place of convocation of the Creditors' Meeting;
 - (ii) the substance of the proceeding of the Creditors' Meeting, as well as results thereof;
 - (iii) if, pursuant to the provision of Article 559 (Attendance of Creditors who Hold Security Interest) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act, any opinion was presented at the Creditors' Meeting, the outline of the details of such opinions;
 - (iv) if, pursuant to the provision of Article 562 (Report to Creditors' Meeting of Outcome of Investigations Liquidators) of the Companies Act as applied mutatis mutandis pursuant to Article 184 of the Act, any report or opinion was presented at the Creditors' Meeting, the outline of the details of such reports or opinions;
 - (v) the name of the liquidators present at the Creditor's Meeting;
 - (v) if the Creditors' Meeting was presided over by the chairperson, the name of the chairperson; and
 - (vii) the name of the person who performed the duties of preparation of the minutes.

Chapter IX Foreign Insurer

Section 1 General Rules

(Exception Regarding Place of Conclusion of Insurance Contracts)

Article 115 The cases to be specified by Cabinet Office Ordinance, as provided in Article 185, paragraph (6) of the Act, shall be as follows:

- (i) where the insurance contract falls in the category of a reinsurance contract; and
- (ii) where the insurance contract is the one wherein the insurer is a Foreign Insurance Company, etc. licensed under Article 185, paragraph (1) of the Act which is subject to the conditions under Article 188, paragraph (1) of the Act (referred to as "Conditionally Licensed Foreign Life Insurance Company, etc." in Article 136).

(Insurance Contracts Which May be Concluded by Foreign Insurance Company Without Branch Office, etc. in Japan)

Article 116 The insurance contracts to be specified by Cabinet Office Ordinance, as provided in Article 19, item (iv) of the Cabinet Order, shall be as follows:

- (i) an insurance contract which covers, in whole or part, launching into outer space, shipped cargos pertaining to the launch (including man-made satellites), means to ship the cargos and liabilities arising from the aforementioned;
- (ii) an insurance contract covering cargo located within Japan which is in the process of being shipped internationally (excluding cargos under Article 19, items (ii) and (iii) of the Cabinet Order); and
- (iii) an insurance contract covering, in whole or in part, injury or disease contracted by overseas tourists during an overseas tour period as provided in Article 3, paragraph (5), item (iii), death directly resulting therefrom, and luggage of such overseas tourists.

(Application for Permission of Application for Insurance Contract)

Article 117 (1) The person who intends to obtain the permission under Article 186, paragraph (2) of the Act shall submit to the Commissioner of the Financial Services Agency the written application for permission prepared in accordance with the Appended Form No. 9 in case of the insurance contract for underwriting of insurance under Article 3, paragraph (4), item (i) or (ii) of the Act (referred to as "Specific Life Insurance Contract" in the following paragraph); or in accordance with the Appended Form No. 10, in case of an insurance contract for underwriting the insurance under item (i), paragraph (5) of that Article (referred to as "Specific Non-Life Insurance Contract" in the following paragraph).

(2) In filing a written application for permission under the preceding paragraph, the following documents shall be attached:

- (i) policy conditions (including options) of the insurance contract for which the application is to be made;
- (ii) a written application form of the insurance contract for which the application is to be made;
- (iii) when the insurance contract for which the application is to be made falls under the categories of the Specified Life Insurance Contract (excluding a contract wherein the insurer is a party with specific qualification, and wherein the policyholder is the representative of an organization or of two or more insured who are parties to the same insurance contract), the document describing the physical conditions of the insured; or when it falls under the categories of the Specific Non-Life Insurance Contract, the drawing, photos or any other documents describing the object of the insurance.
- (iv) a document containing any other matters which would serve as reference information.

(Attachment to Written Applications for License to be Submitted by Foreign

Insurers)

Article 118 (1) The documents to be specified by Cabinet Office Ordinance, as provided in Article 187, paragraph (3) of the Act, shall be as follows:

- (i) a written statement of reasons;
 - (ii) business plan;
 - (iii) documents equivalent to the latest inventory of property, the balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. (in case of a Foreign Mutual Company, the document related to the disposition of surplus or treatment of loss and the statement of changes in shareholders' equity, etc.);
 - (iv) the resumé of the Representative in Japan (meaning the Representative in Japan as set forth in Article 187, paragraph (1), item (ii) of the Act; hereinafter the same shall apply in this Chapter) and the document certifying the Representative in Japan's authority of representation;
 - (v) the document describing the trade name, name and the voting rights of a party which holds the Foreign Insurer which is the applicant of the license under Article 185, paragraph (1) as its Subsidiary Company;
 - (vi) when the insurance for which the application for license is filed includes Third-Sector Insurance, a written opinion specifying the result of verification by the actuary in Japan of the Foreign Insurer that the matters related to the insurance contract for Third-Sector Insurance as specified in Article 187, paragraph (3), item (iv) of the Act are reasonable and fair in terms of actuarial methodology.
 - (vii) any other document specifying the matters which would serve as reference information for examination under Article 5, paragraph (1) of the Act as applied *mutatis mutandis* pursuant to Article 187, paragraph (5) of the Act.
- (2) In the business plan set forth in item (ii) of the preceding paragraph, the insurance solicitation plan, prospect for income and expenditure and the matters which serve the basis thereof.
- (3) The provision of Article 2, paragraph (15) of the Act shall apply *mutatis mutandis* to the voting rights provided in paragraph (1), item (v).

(Procedure for Application of License of Foreign Insurers)

Article 119 (1) An original of the written application for license under Article 187, paragraph (1) of the Act and its attachments shall be submitted to the Prime Minister, via the Commissioner of the Financial Services Agency.

- (2) A Foreign Insurer which intends to obtain a license under Article 185, paragraph (1) of the Act may request preliminary examination by submitting to the Prime Minister, via the Commissioner of the Financial Services Agency, the documents prepared in accordance with the provisions of Article 187, paragraphs (1) to (4) inclusive of the Act.

(Examination for License)

Article 119-2 When the Prime Minister, pursuant to the provision of Article 5, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 187, paragraph (5) of the Act, conducts examination for application of license provided in Article 185, paragraph (1) of the Act, the Prime Minister shall pay due regards to the following matters:

- (i) if the license for which the application has been filed falls under the category of a foreign life insurance business license as set forth in Article 185, paragraph (4) of the Act, the applicant is expected to generate current net income or current net surplus in a single business year, before the elapse of tenth business year after commencement of its business;
- (ii) if the license for which the application has been filed falls under the category of a foreign non-life insurance business license as set forth in Article 185, paragraph (5) of the Act, the applicant is expected to generate current net income or current net surplus in a single business year, before the elapse of fifth business year after commencement of its business;
- (iii) the indicator of the soundness of the applicant's business management is expected to be maintained at an appropriate level after grant of the license; and
- (iv) the matters set forth in the documents prescribed in Article 187, item (i) of the Act as attached to the written application for registration will assure sound and proper operation of business of the applicant.

(Matters to be Specified in Business Procedures)

Article 120 (1) An applicant for license under Article 185, paragraph (1) of the Act (hereinafter referred to as "License Applicant" in this Article to Article 122 inclusive) shall state the following matters in the documents set forth in Article 187, paragraph (3), item (ii) of the Act (excluding the documents under Article 187, paragraph (3), item (ii) related to the Application for Conditional License provided in Article 23, paragraph (1) of the Act (referred to as "Conditional License Applicant" in Article 123)).

- (i) categories of the insured, the scope of objectives of insurance and the type of insurance (including reinsurance) in Japan;
- (ii) the matters related to the insured amount and the insurance period;
- (iii) the matters related to insured and the choice of objectives of insurance in Japan, and procedures for conclusion of insurance contracts in Japan;
- (iv) the matters related to payment of insurance premiums; matters related to payment of Insurance Money and any other refund such as refunded insurance premiums;
- (v) the matters to be contained in the insurance policy certificate, application

- for insurance contract in Japan and documents to be attached thereto;
 - (vi) the matters related to options for insurance contract in Japan;
 - (vii) the matters concerning loan to be granted under policy conditions; and
 - (viii) the matters concerning insurance amount, insurance types or the handling of cases where the insurance period is to be modified.
- (2) When a License Applicant establishes a Special Account (meaning a special account to be established pursuant to the provision of Article 118, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act; hereinafter the same shall apply in this Chapter), such applicant shall, in addition to the matters set forth in the items of the preceding paragraph, state the following matters; provided, however, that if the insurance contract for which a Special Account is to be established falls under the cases set forth in the sub-items (a) to (i) inclusive of Article 164, item (i), it shall not be required to state the matters set forth in item (iii).
- (i) a type of insurance contract for which a Special Account is to be established;
 - (ii) types of properties in the Special Account, and the appraisal method for such properties; and
 - (iii) the day of transfer of all or part of insurance premiums to the Special Account.
- (3) When a License Applicant establishes a Reserve Account (meaning an account to be established under Article 63 as applied mutatis mutandis pursuant to Article 160; hereinafter the same shall apply in this Chapter), such applicant shall, in addition to the matters set forth in the items of paragraph (1), state the following matters:
- (i) a type of insurance contract for which a Reserve Account is to be established;
 - (ii) insurance premiums to be allocated to the Reserve Account; and
 - (iii) types of properties in the Reserve Account, and the method of appraisal of such properties.

(Matters to be Stated in General Policy Conditions)

Article 121 A License Applicant shall state the following matters in the documents set forth in Article 187, paragraph (3), item (iii) of the Act:

- (i) grounds for payment of insurance money;
- (ii) grounds which render an insurance contract in Japan invalid;
- (iii) grounds which release the insurer from performing the obligations under the insurance contract in Japan;
- (iv) method of identifying the scope of insurer's obligations and the timing of performance of such obligations (limited to those pertaining to insurance contracts in Japan);
- (v) disadvantage which a policyholder or an insured in Japan will suffer as a

- result of failure in performance of obligations under the policy conditions;
- (vi) grounds which give rise to cancellation of an insurance contract in Japan, in whole or part, and the rights conferred upon, and obligations imposed to, the parties when the cancellation takes effect; and
 - (vii) if any person has a right to receive policy dividend (meaning policy dividend as provided in Article 114, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199; hereinafter the same shall apply in this Chapter) or distribution of surplus to members, the scope of such rights.

(Matters to be Stated in Statement of Calculation Procedures for Insurance Premiums and Policy Reserve)

Article 122 A License Applicant shall state in the document referred to in Article 187, paragraph (3), item (iv) of the Act the matters listed in items (i) to (vi) inclusive and item (viii), in case of an application for life insurance business license under Article 185, paragraph (4) of the Act; or the matters set forth in items (i) to (iv) inclusive and items (vi) to (viii) inclusive (in case of item (iii), limited to an insurance contract for which an insurance premiums reserve is to be calculated or refund reserve is to be set aside; in case of item (iv), limited to an insurance contract wherein surplus or policy dividends will be distributed to members; and in case of item (vi), limited to an insurance contract for which insurance premiums reserve is to be calculated), in case of an application for non-life insurance business license under Article 185, paragraph (5).

- (i) the matters related to calculation method of insurance premiums (if the method requires a coefficient as the basis of such calculation, such coefficient shall be included);
- (ii) the matters related to the method of calculation (if the method requires a coefficient as the basis of such calculation, such coefficient shall be included) of policy reserve (meaning policy reserves as set forth in Article 116, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199; hereinafter the same shall apply in this Chapter to Chapter VIII inclusive);
- (iii) the matters related to the method of calculation of Policyholder Value and basis therefor;
- (iv) the matters related to calculation of policy dividend reserve and policy dividends as set forth in Article 146, paragraph (1) of the Act;
- (v) the matters related to setting aside of uncollected insurance premiums;
- (vi) the matters related to insurance amount, insurance type or the method of calculation in the case of modification to insurance period.
- (vii) the matters related to Net Insurance Premiums;
- (viii) any other matters necessary in relation to actuarial methodology.

(Matters to be Stated in Business Procedures of Conditional License Applicant)

Article 123 (1) A Conditional License Applicant shall state in the document set forth in Article 187, paragraph (3), item (ii) of the Act the categories of the insured, the scope of objectives of insurance and types of insurance (including reinsurance) in Japan.

(2) When a Conditional License Applicant entrusts the business operation or business handling service pertaining to the insurance business in Japan (limited to the agency for the business operation or agency for the business handling service as provided in Article 141) to an Insurance Company or a Foreign Insurance Company, etc., it shall, in addition to the matters set forth in the preceding paragraph, describe such business operation or business handling services.

(Criteria for Examination of Business Procedures, etc.)

Article 124 The criteria to be specified by Cabinet Office Ordinance, as provided in Article 5, paragraph (1), item (iii), sub-item (e) of the Act as applied mutatis mutandis pursuant to Article 187, paragraph (5) of the Act, shall be the criteria specified in the items of Article 11. In this case, the term "items of Article 74" in sub-item (a) of item (iii)-2 of that Article shall be deemed to be replaced with "items of Article 153."

(Criteria for Examination of Statement of Calculation Procedures for Insurance Premiums and Policy Reserve)

Article 125 The criteria to be specified by Cabinet Office Ordinance, as provided in Article 5, paragraph (1), item (iv), sub-item (c) of the Act, as applied mutatis mutandis pursuant to Article 187, paragraph (5), shall be the criteria as set forth in the items of Article 12.

(Notification of Deposit, etc.)

Article 126 (1) When a person who has concluded a contract under Article 190, paragraph (3) of the Act with a Foreign Insurance Company, etc. makes deposit in accordance with the order issued under paragraph (4) of that Article, such person shall make the deposit with the deposit office nearest to the head office or principal office of the Foreign Insurance Company, etc.

(2) A person who has completed the deposit pursuant to the provision of Article 190, paragraph (1), (2), (4) or (8) of the Act or Article 14, paragraph (6) or Article 15, paragraph (1) of the Ordinance on Deposits by Foreign Insurance Company, etc. (Cabinet Office Ordinance and Ordinance of Ministry of Justice No. 1 of 1996)(hereinafter referred to as a "Depositor" in this Article) shall submit to the Commissioner of the Financial Services Agency an original of the

certificate of deposit relevant to such deposit.

- (3) When the Commissioner of the Financial Services Agency has accepted the original of the certificate of deposit as set forth in the preceding paragraph, the Commissioner of the Financial Services Agency shall deliver a custody certificate to the Depositor.

(Counterparties to Contracts to be Substituted for Depositing in Whole or in Part)

Article 127 The financial institutions to be specified by Cabinet Office Ordinance, as provided in Article 25 of the Cabinet Order, shall be as follows:

- (i) a Life Insurance Company (including a Foreign Life Insurance Company, etc., and Underwriting Members of the person licensed under Article 219, paragraph (4) of the Act);
- (ii) a Non-Life Insurance Company (including a Foreign Non-Life Insurance Company, etc., and Underwriting Members of the person licensed under Article 219, paragraph (5) of the Act);
- (iii) the Long Term Credit Bank as provided in Article 2 (Definitions) of the Long Term Credit Bank Act; or
- (iv) a shinkin bank or federation of shinkin banks licensed under Article 4 of the Shinkin Bank Act (Business License).

(Notification of Conclusion, etc. of Contracts in Lieu of Deposit)

Article 128 (1) When any Foreign Insurance Company, etc. has concluded a contract under Article 190, paragraph (3) of the Act (hereinafter referred to as "Contract" in this Article to Article 130 inclusive; and (including cases where it has effected any amendment to the terms of such contracts upon the approval under Article 25, item (iii) of the Cabinet Order (hereinafter referred to as "Approval" in this Article to Article 130 inclusive) of the Commissioner of the Financial Services Agency), it shall submit such Contract to the Commissioner of the Financial Services Agency.

- (2) If a Foreign Insurance Company, etc. has effected the cancellation of the Contract with the Approval, it shall submit to the Commissioner of the Financial Services Agency a document certifying such fact.

Article 129 When a Foreign Insurance Company, etc. intends to obtain an Approval, it shall, no later than one month prior to the day when it intends to effect cancellation of the Contract pertaining to such Approval or to amend any terms thereunder, submit to the Commissioner of the Financial Services Agency a written application for approval, as well as a written statement of reasons and any document describing reference information.

(Commencement Day for Counting of Time Limit for Additional Deposit)

Article 130 The day to be specified by Cabinet Office Ordinance as provided in Article 190, paragraph (8) of the Act shall be the day specified in the following items, in accordance with the categories respectively set forth therein:

- (i) if the Foreign Insurance Company, etc. has changed any of the terms of the Contract with an Approval, as a result of which the amount of Deposit deposited as provided in Article 190, paragraph (10) of the Act (hereinafter referred to as "Deposited Amount" in this Section to Section 3 inclusive; and including the Contract Amount set forth in paragraph (3) of that Article) falls short of the amount set forth in Article 24 of the Cabinet Order: the day when the term of the Contract was changed;
- (ii) if the Foreign Insurance Company, etc. has cancelled the Contract with the Approval: the day of the cancellation of the Contract;
- (iii) when the procedures for execution of the right as set forth in Article 26 of the Cabinet Order was implemented: the day when the Foreign Insurance Company, etc. has received a copy of the payment consignment letter sent pursuant to the provision of Article 11, paragraph (2) of the Ordinance on Deposit by Foreign Insurance Companies, etc.; or
- (iv) if the conversion rate as provided in Article 132, paragraph (4) is changed, as a result of which the Deposit Amount falls short of the amount set forth in Article 24 of the Cabinet Order.

(Types of Securities Which May be Substituted for Deposit)

Article 131 (1) The Securities to be specified by Cabinet Office Ordinance, as provided in Article 190, paragraph (9) of the Act, shall be the following Securities:

- (i) national government bond securities (including the national government bond securities regarding which attribution of the rights is determined in accordance with the statement or record of the book-entry transfer account book as referred to in the Act on Transfer of Corporate Bonds, Shares, etc.; hereinafter the same shall apply in Article 131, paragraph (1), Article 188, paragraph (1), Article 211-14, Article 211-15, paragraph (1) and Article 226, paragraph (1));
- (ii) municipal bond securities;
- (iii) Government Guaranteed Bond Certificates (meaning corporate bonds or any other bonds, for which the government guarantees redemption of principal and interest payments; the same shall apply hereinafter); and
- (iv) corporate bond certificates and any other bond certificates (excluding registered bond certificates, short-term corporate bond, etc. and the bonds as set forth in the preceding three items), which are approved by the Commissioner of the Financial Services Agency to be substituted for payment

of the Deposit.

- (2) When a Foreign Insurance Company, etc. intends to obtain an Approval under item (iv) of the preceding paragraph, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, as well as a written statement of reasons and any document describing reference information.

(Value of Securities Which May be Substituted for Deposit)

Article 132 (1) The value of the Securities when the Securities are to be substituted for the Deposit pursuant to the provision of Article 190, paragraph (9) of the Act shall be the amount specified in the following items, in accordance with the categories of the Securities respectively set forth therein:

- (i) national government bond securities: the par value thereof;
 - (ii) municipal government bond securities: the amount calculated by discounting the par value of 100 yen to 90 yen;
 - (iii) Government Guaranteed Bond Certificates: the amount calculated by discounting the par value of 100 yen to 95 yen; and
 - (iv) corporate bond certificates or any other bond certificates approved under item (iv), paragraph (1) of the preceding Article: the amount specified by the Commissioner of the Financial Services Agency at the time of granting Approval, which shall not exceed the amount calculated by discounting the fact value of 100 yen to 90 yen.
- (2) With regard to the Securities issued by way of discounting, the issue value thereof plus the amount calculated in accordance with the following formula shall be deemed to be the par value thereof, and the provision of the preceding paragraph shall apply:
- $((\text{par value} - \text{issue value}) \div \text{the number of years falling on the period from the issue date to the maturity date}) \times \text{the number of years falling on the period from the issue date to the deposit date}$
- (3) For the purpose of calculation in accordance with the formula set forth in the preceding paragraph, if any fraction of less than one year arises with regard to the number of years falling on the period from the issue date and the maturity date and the number of years falling on the period from the issue date to the deposit date, or if any fraction of less than one yen arises with regard to the amount obtained by dividing the difference between par value and issue value by the number of years falling on the period from the issue date to the maturity date, such fraction shall be truncated.
- (4) If the face amount of the Securities as specified in the items of paragraph (1) of the preceding Article is denominated in foreign currencies, the conversion rate to Japanese currency shall be in accordance with the basic exchange rate or arbitrated exchange rate as provided in Article 7, paragraph (1) (Foreign

Exchange Rate) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949).

(Application for Authorization of Concurrent Holding of Positions of Directors, etc.)

Article 133 (1) When a Representative in Japan of a Foreign Insurance Company, etc. intends to obtain an authorization under Article 192, paragraph (5) of the Act, the Representative shall submit the written application for authorization with the following documents attached thereto, and submit it to the Commissioner of the Financial Services Agency via such Foreign Insurance Company, etc.; provided, however, that if the other company which will be engaged in ordinary business falls under the category of an Insurance Company or a Foreign Insurance Company, etc., it shall not be required to attach the document set forth in item (v).

(i) a written statement of reasons;

(ii) a document describing the method of handling ordinary business of such other company;

(iii) a document describing the relationship such as transactions between the Foreign Insurance Company, etc. and such other company;

(iv) articles of incorporation (including any document equivalent thereto) of such other company; the latest balance sheet, profit and loss statement, business report and statement of changes in shareholders' equity, etc. (in case of a mutual company, a document on disposition of surplus and treatment of loss and a statement of changes in funds, etc. (including the notes in reference thereto)), as well as any other document disclosing the matters related to the current status of business, properties, and profits and losses; and

(v) a document containing any other matters which would serve as reference information.

(2) When the application for authorization under the preceding paragraph is filed, the Commissioner of the Financial Services Agency shall examine whether the concurrent holding of position by the Representative in Japan pertaining to the application for authorization may give rise to any hindrance when such Representative in Japan engages in the ordinary business of the Insurance Company.

(Public Notice of Financial Statements)

Article 133-2 (1) When, pursuant to the provision of Article 819, paragraph (1) (Public Notice of What is Equivalent to a Balance Sheet) of the Companies Act as applied mutatis mutandis pursuant to Article 193, paragraph (2) of the Act, a Foreign Mutual Company gives public notice of the document equivalent to

the balance sheet (hereinafter referred to as the "Foreign Balance Sheet" in this Article), it shall omit the portion of the reference regarding the Foreign Balance Sheet (including the descriptions equivalent to the reference).

- (2) When, pursuant to the provision of Article 819, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 193, paragraph (2) of the Act, a Foreign Mutual Company gives public notice of the Foreign Balance Sheet, or when, pursuant to the provision of Article 819, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 193, paragraph (2) of the Act, a Foreign Mutual Company gives public notice of summary of the Foreign Balance Sheet, in which case the Foreign Balance Sheet is prepared in language other than Japanese, the Foreign Mutual Company is not required to give the public notice in Japanese.
- (3) With regard to a Foreign Mutual Company which does not have a Foreign Balance Sheet, the document which are prepared given the provisions of this Ordinance is to be applied to the Foreign Mutual Company shall be deemed as its Foreign Balance Sheet, and the provisions of preceding two paragraphs shall apply.

(Measures under Article 819, paragraph (3) of Companies Act as Applied Mutatis Mutandis Pursuant to Article 193, paragraph (2) of Insurance Business Act)

Article 133-3 The measure under Article 819, paragraph (3) (Public Notice of What is Equivalent to a Balance Sheet) of the Companies Act as applied mutatis mutandis pursuant to Article 193, paragraph (2) of the Act shall be implemented in accordance with the method set forth in Article 14-5, paragraph (1), item (i), sub-item (b) using the Automatic Public Transmission Server connect to the Internet.

Section 2 Business, Accounting, etc.

(Scope of Business Pertaining to Arrangement of System for Protection of Customers' Interests)

Article 133-4 The businesses to be specified by Cabinet Office Ordinance, as provided in Article 193-2, paragraph (1) of the Act, shall be Insurance-Related Businesses.

(Measures to Prevent Unreasonable Negative Impact on Customers' Interest)

Article 133-5 (1) When a Foreign Insurance Company, etc. or its Parent Financial Institution, etc. (meaning a Parent Financial Institution, etc. as provided in Article 193-2, paragraph (2) of the Act; hereinafter the same shall apply in this Article) or Subsidiary Financial Institution, etc. (meaning a

Subsidiary Financial Institution as provided in paragraph (3) of that Article; hereinafter the same shall apply in this Article) consummates any transaction, the Foreign Insurance Company, etc. shall implement the following measures so that the interests of the customers pertaining to the Insurance-Related Business carried by the Foreign Insurance Company, etc. or its Subsidiary Financial Institution, etc. would not be unreasonably impaired.

- (i) to arrange the system for identification of the Target Transactions in an appropriate manner;
 - (ii) to arrange the system by such means as set forth in the following, so as to protect the Customer's interest in an appropriate manner:
 - (a) to segregate the section in charge of the Target Transactions from the section in charge of the transactions with the customers;
 - (b) to amend the conditions or method of the Target Transactions or the transaction with the customers;
 - (c) to suspend the Target Transactions or the transaction with the customers;
 - (d) to disclose to the customers the fact that the Target Transaction has a potential risk of unreasonably negative impact on the customers' interests;
 - (iii) to articulate policies for implementation of the measures under the preceding item items, and to announce the outline thereof in an appropriate manner;
 - (iv) to preserve the following records:
 - (a) records of identification of Target Transactions implemented under the system as set forth in item (i);
 - (b) records of measures for assurance of customers' interests in an appropriate manner, implemented under the system as set forth in item (ii).
- (2) The record provided in item (iv) of the preceding paragraph shall be kept for five years from the date of preparation thereof.
- (3) The term "Target Transactions" in paragraph (1) shall mean the transaction consummated by a Foreign Insurance Company, etc. or its Parent Financial Institution, etc. or Subsidiary Financial Institution which poses risk of unreasonable negative impact on the interest of customers pertaining to the Foreign Insurance Company, etc. or its Parent Financial Institution, etc. or Subsidiary Financial Institution.

(Inevitable Grounds Related to Transactions, etc. with Persons in Specified Relationship)

Article 134 The inevitable grounds to be specified by Cabinet Office Ordinance, as provided in the proviso to Article 194 of the Act, shall be as follows:

- (i) where the Foreign Insurance Company, etc. consummates a transaction which, in light of ordinary terms and conditions for transaction consummated by said Foreign Insurance Company, etc., would be disadvantageous to such

Foreign Insurance Company, etc. with a Specified Insurance Company (meaning a Specified Insurance Company as provided in Article 54, item (i)) which falls under the category of the Person in Specified Relationship (meaning the Person in Specified Relationship as provided in the main clause of Article 194 of the Act; hereinafter the same shall apply in this Article and Article 135), and where the continuance of operation or business of the Specified Insurance Company would be impaired unless such transaction is consummated;

- (ii) where the aggravation in status of business management of the Person in Specified Relationship of the Foreign Insurance Company, etc. would give negative impact on soundness of business management of the Foreign Insurance Company, etc., where the Foreign Insurance Company, etc. consummates a transaction which, in light of ordinary terms and conditions for transaction consummated by said Foreign Insurance Company, etc., would be disadvantageous to such Foreign Insurance Company, etc. with the Person in Specified Relationship for the purpose of reasonable business improvement of such Person in Specified Relationship, and where the consummation of the transaction is expected to be reasonable and essential in terms of improvement of the status of business management of the Person in Specified Relationship.
- (iii) in addition to what is provided for in the preceding two items, where the consummation by the Foreign Insurance Company, etc. of the transaction which, in light of ordinary terms and conditions for transaction consummated by said Foreign Insurance Company, etc., would be disadvantageous to such Foreign Insurance Company, etc. with the Person in Specified Relationship falls under the case where such transaction is necessary as specified by the Commissioner of the Financial Services Agency in advance.

(Application for Approval of Transaction by Foreign Insurance Company, etc. and Persons in Specified Relationship)

Article 134-2 (1) When a Foreign Insurance Company, etc. intends to obtain an approval under the proviso to Article 194 of the Act, it shall submit to the Commissioner of the Financial Services Agency the written application for approval, attaching a written statement of reasons and any other document containing any other matters which would serve as reference information.

(2) When the application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency shall examine as to whether the Foreign Insurance Company, etc. has any inevitable reason provided in the preceding Article for consummating the transaction or conducting the activities set forth in the items of Article 194.

(Transaction with Persons in Specified Relationship, etc.)

Article 135 The transactions or conducts to be specified by Cabinet Office

Ordinance, as provided in Article 194, item (ii) of the Act, shall be as follows:

- (i) transactions carried out with a Customer of the Person in Specified Relationship, wherein the Foreign Insurance Company, etc. carries out with a person other than a Customer of the Person in Specified Relationship who is deemed to be similar to a Customer of the Person in Specified Relationship, in light of the type and size of its business and its financial conditions, etc., under conditions that are disadvantageous to the Foreign Insurance Company, etc. compared to those for ordinary transactions with a Customer of the Person in Specified Relationship for the same type and the same volume under similar circumstances (limited to transactions on condition that the Person in Specified Relationship and a Customer of the Person in Specified Relationship concludes a contract pertaining to the business to be conducted by the Person in Specified Relationship);
- (ii) transactions that are deemed be more disadvantageous to the Person in Specified Relationship, compared to conditions for transactions that the Foreign Insurance Company, etc. carries out with a person other than the Person in Specified Relationship who is deemed to be similar to the Person in Specified Relationship, in light of the type and size of its business and its financial conditions, etc., for the same type and the same volume under similar circumstances; or
- (iii) transactions or acts conducted so as to evade the prohibitions under Article 194 of the Act, irrespective of the name under which such transactions or acts are to be conducted.

(Time Limit for Submission of Closing Financial Statements)

Article 136 (1) A Foreign Insurance Company, etc. shall, within four months from the end of the business year (or no later than the date specified by the Commissioner of the Financial Services Agency, in case of a Conditionally Licensed Foreign Insurance Company, etc.), submit to the Commissioner of the Financial Services Agency the inventory of assets, the balance sheet, profit and loss statement and business report (hereinafter referred to as "Account Settlement Documents" in this Article) prepared for its head office or principal office.

- (2) Notwithstanding the provision of Article 2 and Article 3, if the Closing Financial Statements in Japanese are not written in Japanese, attaching the translation of the summary of the Closing Financial Statements shall be sufficient; and if the amounts are indicated in foreign currencies, noting the conversion rate into Japanese currency shall be sufficient.
- (3) If, due to any inevitable ground, a Foreign Insurance Company, etc. is unable

to submit its Closing Financial Statements within the time limit provided in paragraph (1), it may, with an approval from the Commissioner of the Financial Services Agency in advance, postpone the submission.

- (4) When a Foreign Insurance Company, etc. intends to obtain the approval under the preceding paragraph, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons.
- (5) The provisions of the preceding two paragraphs shall apply mutatis mutandis to the documents to be kept at the principal establishment in Japan pursuant to the provision of Article 196, paragraphs (1) and (2) of the Act.

(Format of Balance Sheet, etc. for Insurance Business in Japan)

Article 137 A Foreign Insurance Company, etc. shall prepare the document set forth in the items of Article 196, paragraph (3) of the Act and supplementary schedules thereto in accordance with the Sections Nos. 3, 4, 1 and 2 of the Appended Form No. 12 (or the Appended Form No. 12-2, in case of a Foreign Insurance Company, etc. to which Article 166, paragraph (1), item (vi) is applicable and which has made a notification under Article 209 of the Act (hereinafter referred to as "Foreign Insurance Company Which Made Notification of Specified Account"), respectively.

(Assets, etc. to be Retained in Japan)

- Article 138 (1) The amount calculated in accordance with the provision of Cabinet Office Ordinance, as provided in Article 197 of the Act, shall be the amount of the policy reserve, plus the Reserve for Outstanding Claims (meaning the Reserve for Outstanding Claims; hereinafter the same shall apply in this Section).
- (2) The amount to be specified by Cabinet Office Ordinance, as provided in Article 197 of the Act, shall be the amount of the deposit, plus the amount equivalent to the equity capital.
- (3) A Foreign Insurance Company, etc. shall, pursuant to the provision of Article 197 of the Act, retain in Japan the asset equivalent to the total of the amounts set forth in paragraph (1) and the preceding paragraph, in accordance with the provisions of the following items:
- (i) cash; deposit and savings with Japanese financial institutions;
 - (ii) Securities listed in the items of Article 2, paragraph (1) (Definitions) of the Financial Instruments and Exchange Act (including the Securities pertaining to the safe custody contract concluded with financial institutions for the purpose of investment of assets, which are specified by the Commissioner of the Financial Services Agency);
 - (iii) loan claims held against persons having domicile or residence in Japan;

- (iv) loan claims held against persons not having domicile or residence in Japan, for which the loan contract provides that the place of redemption of principals and payment of interest are to be performed in Japan and that the court having jurisdiction over the location of the principal branch in Japan of the Foreign Insurance Company, etc. shall be the court of jurisdiction;
- (v) trust properties accepted by a Japanese financial institution;
- (vi) security deposit deposited with a person having domicile or residence in Japan; and
- (vii) fixed tangible assets located in Japan.

(Preparation of Account Books)

Article 138-2 The accounting books to be prepared by a Foreign Mutual Company pursuant to the provision of Article 54-2, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 198, paragraph (1) of the Act shall be prepared by means of written documents or Electromagnetic Records.

(Balance Sheet as of Date of Incorporation)

Article 138-3 The balance sheet to be prepared pursuant to the provision of Article 54-3, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 198, paragraph (1) of the Act shall be prepared based on the accounting books of the Foreign Mutual Company as of the date of incorporation thereof.

(Restriction on Method of Asset Investment of Foreign Insurance Company, etc.)

Article 139 The methods to be specified by Cabinet Office Ordinance, as provided in Article 97, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be the method set forth in the items of Article 47.

(Restriction on Method of Asset Investment of Foreign Insurance Company, etc. provided in Article 97-2, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Insurance Business Act)

Article 140 (1) The assets to be specified by Cabinet Office Ordinance, as provided in Article 97-2, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be the following assets out of the net assets (if a Special Account or Reserve Account is to be established, assets that have been accounted for under the Special Account or Reserve Account shall be excluded; hereinafter the same shall apply in this Article and Article 140-3):

- (i) domestic shares (if they are assets pertaining to an insurance contract under which the amount of Insurance Money, etc. is to be indicated in a foreign currency, shares whose amount is to be indicated in the foreign currency out of said assets) (including capital contributions listed in Article

- 47, item (vi)-2);
- (ii) real property (including real property specified by the Commissioner of the Financial Services Agency as funds for acquiring other real property);
 - (iii) foreign currency denominated assets (if they are assets pertaining to an insurance contract under which the amount of Insurance Money, etc. is to be indicated in a foreign currency, foreign currency denominated assets other than said foreign currency) (excluding assets whose amount converted into yen (if they are assets pertaining to an insurance contract under which the amount of Insurance Money, etc. is to be indicated in a foreign currency, whose amount converted into the foreign currency) is determined under a contract for futures foreign exchange transactions and the like);
 - (iv) bonds, loans, and loaned Securities (limited to those specified by the Commissioner of the Financial Services Agency); and
 - (v) assets invested by the methods equivalent to those listed in items (i) to (viii) inclusive of Article 47.
- (2) The amount calculated in accordance with Cabinet Office Ordinance, as provided in Article 97-2, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be the amount set forth in the following items, in accordance with the categories of the assets as respectively set forth therein; provided, however, that this shall not apply when approved by the Commissioner of the Financial Services Agency:
- (i) the assets in Japan listed in item (i) of the preceding paragraph: the amount calculated by multiplying the amount of the net assets (if the assets are Available-for-Sale Securities, and when the sum of their amounts recorded in the balance sheet exceeds the sum of their book values, the sum of their book values; hereinafter the same shall apply in this paragraph and Article 140-3) by thirty percent;
 - (ii) the assets listed in item (ii) of the preceding paragraph: the amount calculated by multiplying the amount of the net assets in Japan by twenty percent;
 - (iii) the assets listed in item (iii) of the preceding paragraph: the amount calculated by multiplying the amount of the net assets in Japan by thirty percent;
 - (iv) the assets listed in item (iv) of the preceding paragraph: the amount calculated by multiplying the amount of the net assets in Japan by ten percent; or
 - (v) the assets listed in item (v) of the preceding paragraph: the amount calculated by multiplying the amount of the net assets in Japan by three percent.
- (3) Notwithstanding the provisions of the preceding two paragraphs, when a Reserve Account is to be established, with regard to the following assets out of

the assets that have been accounted for under the Reserve Account (referred to as "Reserve Account Assets" in this Article and Article 140-3), the amount shall be that which is calculated by multiplying the total amount of Reserve Account Assets (if the assets are Available-for-Sale Securities, and when the sum of their amounts recorded in the balance sheet exceeds the sum of their book values, the sum of their book values; the same shall apply in Article 140-3, paragraph (2)) by ratios as respectively set forth in the following items (if the assets are those specified by the Commissioner of the Financial Services Agency, by ratios specified thereby); provided, however, that this shall not apply when approved by the Commissioner of the Financial Services Agency:

- (i) domestic shares (if they are Reserve Account Assets pertaining to an insurance contract under which the amount of Insurance Money, etc. is to be indicated in a foreign currency, shares whose amount is to be indicated in the foreign currency out of said assets) (including capital contributions listed in Article 47, item (vi)-2): thirty percent
 - (ii) foreign currency denominated assets (if they are Reserve Account Assets pertaining to an insurance contract under which the amount of Insurance Money, etc. is to be indicated in a foreign currency, foreign currency denominated assets other than said foreign currency) (excluding assets whose amount converted into yen (if they are Reserve Account Assets pertaining to an insurance contract under which the amount of Insurance Money, etc. is to be indicated in a foreign currency, whose amount converted into the foreign currency) is determined under a contract for futures foreign exchange transactions and the like): thirty percent
- (4) The amount calculated as specified by Cabinet Office Ordinance, as referred to in Article 97-2, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act as the amount of asset investment that shall not be exceeded shall be calculated, with regard to Available-for-Sale Securities, as the sum of their book values when the sum of their amounts recorded in the balance sheet exceeds the sum of their book values.
- (5) When a Foreign Insurance Company, etc. intends to obtain approval set forth in the proviso to paragraph (2) and the proviso to paragraph (3), it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons and a document containing any other matters which would serve as reference information attached thereto.

(Other Persons Having Special Relationship with the Same Person)

Article 140-2 Persons who have a special relationship to be specified by Cabinet Office Ordinance, as provided in Article 97-2, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be the persons provided in the items of Article 48-2, paragraph (1).

(Restrictions on the Amount of Asset Investment Provided in Article 97-2, Paragraph (2) of the Insurance Business Act as Applied Mutatis Mutandis Pursuant to Article 199 of the Insurance Business Act)

Article 140-3 (1) The amount to be specified by Cabinet Office Ordinance as the amount of asset investment in relation to the same person as a Foreign Insurance Company, etc. as provided in Article 97-2, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be as follows:

- (i) the amount obtained by adding up the amounts of assets in Japan as listed in the following sub-items (a) to (e) (if the assets concerned are [Available-for-Sale] Securities, and the total amount recorded in the balance sheet exceeds the total amount of book value, the total amount of book value) pertaining to investment in relation to the same person, out of the net assets:
 - (a) corporate bonds (excluding Short-Term Bonds) and shares (including capital contributions) issued by the same person;
 - (b) loans (excluding loans to be granted under policy conditions, call loans, and other loans specified by the Commissioner of the Financial Services Agency) and loaned Securities (excluding the amount corresponding to the amount of collateral of loaned Securities secured by cash) to the same person;
 - (c) deposits (excluding current deposits and ordinary deposits) to the same person;
 - (d) guarantees of debt in relation to the same person; and
 - (e) the amount calculated in accordance with the criteria specified by the Commissioner of the Financial Services Agency as assets for investment relating to Derivative Transactions to the same person;
- (ii) when a Reserve Account is to be established, the amount obtained by adding up the amounts of assets listed in sub-items (a) to (e) of the preceding item, out of the Reserve Account Assets.

(2) The amount calculated in accordance with Cabinet Office Ordinance, as provided in Article 97-2, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be the amount set forth in the following items, in accordance with the categories of the amounts of asset investment as respectively set forth therein; provided, however, that this shall not apply when approved by the Commissioner of the Financial Services Agency:

- (i) the amount of asset investment provided in item (i) of the preceding paragraph: the following amount in accordance with the categories of the amounts of asset investment as respectively set forth in the following sub-items:
 - (a) the amount pertaining to investment to the Same Investment Target: the

- amount calculated by multiplying the amount of the net assets in Japan by ten percent (with regard to loans provided in item (i), sub-item (b) of the preceding paragraph and guarantee of debts provided in sub-item (d) of that item (hereinafter referred to as "Loans, etc." in sub-item (b)), the amount calculated by multiplying the amount of the net assets by three percent);
- (b) the amount pertaining to investment to the same person: the amount calculated by multiplying the amount of the net assets in Japan by ten percent (with regard to Loans, etc., the amount calculated by multiplying the amount of the net assets by three percent);
- (ii) the amount of asset investment in cases provided in item (ii) of the preceding paragraph: the following amount in accordance with the categories of the amounts of asset investment as respectively set forth in the following sub-items:
- (a) the amount pertaining to investment to the Same Investment Target: the amount calculated by multiplying the amount of Reserve Account Assets by ten percent (with regard to assets specified by the Commissioner of the Financial Services Agency, the amount calculated by multiplying by ratios specified thereby); and
- (b) the amount pertaining to investment to the same person: the amount calculated by multiplying the amount of Reserve Account Assets by ten percent (with regard to assets specified by the Commissioner of the Financial Services Agency, the amount calculated by multiplying by ratios specified thereby).
- (3) When a Foreign Insurance Company, etc. intends to obtain approval set forth in the proviso to the preceding paragraph, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons and a document containing any other matters which would serve as reference information attached thereto.

(Representing Businesses or Carrying Out Services on Behalf of Others Permitted for Foreign Insurance Company, etc.)

Article 141 The business agency service or business handling service to be specified by Cabinet Office Ordinance, as provided in Article 98, paragraph (1), item (i) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be as follows:

- (i) business handling service for the affairs set forth in Article 51, item (i);
- (ii) agency service for conclusion of insurance contracts, damage assessment or any other business pertaining to insurance business on behalf of other Insurance Companies (including Foreign Insurers), Low-Cost, Short-Term Insurer or shipowners mutual insurance association, which is reasonable to

be performed by Foreign Insurance Company, etc. from the standpoint of enhancement of convenience of policyholders in Japan;

- (iii) Bank Agency Business, etc.
- (iv) agency service for monetary loan to other Insurance Companies (including Foreign Insurance Companies, etc.) or any other parties engaged in financial business; business handling service related to such loan;
- (v) handling services concerning the deposit or revocation of money pertaining to the business of the deposit or loan of funds to be conducted by a Bank, etc. through cash dispensers or automated teller machines (excluding services falling under item (iii));
- (vi) acting as an agent for the conclusion of Investment Advisory Contracts or performing the handling services concerning these contracts on behalf of a Financial Instruments Business Operator, etc.; and
- (vii) acting as an agent for the following businesses, or carrying out services pertaining to these businesses on behalf of a trust company, foreign trust company, or Life Insurance Company, etc. Carrying Out Insurance Money Trust Business (excluding businesses falling under those prescribed in Article 99, paragraph (1) of the Act):
 - (a) the conclusion of trust contracts;
 - (b) the conclusion of contracts to accept the entrustment of businesses listed in the items of Article 1, paragraph (1).

(Application, etc. for Approval for Representing Businesses or Carrying Out Services on Behalf of Others)

Article 141-2 (1) When a Foreign Insurance Company, etc. intends to obtain approval set forth in Article 98, paragraph (2) of the Act as applied *mutatis mutandis* pursuant to Article 199 of the Act, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with the following documents attached thereto:

- (i) a written statement of reasons;
 - (ii) a document stating the details of the business or the services for which the Insurance Company acts as an agent or carrying out affairs; and
 - (ii) a document containing any other matters which would serve as reference information.
- (2) When an application for the approval under the preceding paragraph has been made, the Commissioner of the Financial Services Agency shall examine whether the application conforms the following standards:
- (i) in light of the status of securing officers or employees having sufficient knowledge and experience concerning the Agency Business, etc., as well as the system for operating said Agency Business, etc., that it is deemed that the Foreign Insurance Company, etc. that has made the application for the

approval can perform said Agency Business, etc. properly, fairly, and effectively;

- (ii) when the Insurance Company conducts the Agency Business, etc. on behalf of other Insurance Companies (including Foreign Insurers; hereinafter the same shall apply in this Article), that said Agency Business, etc. poses no risk of impeding fair and free competitions among Insurance Companies; and
- (iii) when the Insurance Company conducts the Agency Business, etc. on behalf of other Insurance Companies, Low-Cost, Short-Term Insurers, or shipowners mutual insurance associations, that said Agency Business, etc. poses no risk of impeding proper, fair and effective performance of the businesses of those other Insurance Companies, Low-Cost, Short-Term Insurers, or shipowners mutual insurance associations.

(Scope of Certificates for Monetary Claims)

Article 142 The certificates to be specified by Cabinet Office Ordinance, as provided in Article 98, paragraph (1), item (iv) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be the certificates specified in the items of Article 52.

(Securities Equivalent to Specified Company Bonds)

Article 142-2 The securities to be specified by Cabinet Office Ordinance, as provided in Article 98, paragraph (1), item (iv)-2 of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be the certificates provided in the items of Article 52-2.

(Derivative Transactions)

Article 142-2-2 The transactions to be specified by Cabinet Office Ordinance, as provided in Article 98, paragraph (1), items (vi) or (vii) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be the transactions provided in the items of Article 52-2-2.

(Financial Derivative Transactions)

Article 142-3 (1) The equivalent transactions to be specified by Cabinet Office Ordinance, as provided in Article 98, paragraph (1), item (viii) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be the transactions specified in the items of Article 52-3, paragraph (1).

(2) The transactions which are found unlikely to damage the soundness of management of a Foreign Insurance Company, etc., to be specified by Cabinet Office Ordinance, as provided in Article 98, paragraph (1), item (viii) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be those set forth in the items of Article 52-3, paragraph (1).

(3) The transactions to be specified by Cabinet Office Ordinance, as provided in Article 98, paragraph (1), item (ix) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be the transactions provided in the items of Article 52-3, paragraph (3).

(Business Incidental to Securities-Related Business)

Article 142-4 The transactions to be specified by Cabinet Office Ordinance, as provided in Article 99, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be the transactions provided in the items of Article 52-4.

(Acquisition, etc. of Carbon Dioxide Equivalent Quotas)

Article 142-5 The transactions to be specified by Cabinet Office Ordinance, as provided in Article 99, paragraph (2), item (iv) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be the transactions provided in the items of Article 52-4-2.

(Business Report, etc.)

Article 143 (1) An interim business report as provided in Article 110, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act (hereinafter referred to as "Interim Business Report" in this Article) shall reflect the status of business and properties for the period between the day of commencement of the business year in Japan and September 30 of said business year, and shall be submitted within three months from the end of said period, in accordance with the Appended Form No. 11 (or the Appended Form No. 11-2, in case of a Foreign Insurance Company, etc. with Special Transaction Account), and categorized by interim business report, interim balance sheet, interim profit and loss statement, interim cash flow statement, interim statement of changes in shareholders' equity and a document disclosing the status of solvency margin for Insurance Money, etc.

(2) A business report as provided in Article 110, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be submitted within three months from the end of the business year in Japan, in accordance with the Appended Form No. 12 (or the Appended Form No. 12-2, in case of a Foreign Insurance Company, etc. with Special Transaction Account), and categorized by business report, supplementary schedule, a document concerning the matters related to the shareholders meeting, balance sheet, profit and loss statement, cash flow statement, interim statement of changes in shareholders' equity, documents concerning Securities, etc. and a document disclosing the status of solvency margin for Insurance Money, etc. in Japan.

(3) The provision of Article 59, paragraphs (6) and (7) shall apply mutatis

mutandis to the case where a Foreign Insurance Company, etc. postpones the submission of its Interim Business Report or business report. In this case, the term "paragraph (1), (2), (4) or (5)" in paragraph (6) of that Article shall be deemed to be replaced with "Article 143, paragraph (1) or (2)."

(Public Inspection of Explanatory Documents Disclosing Status of Business and Properties)

Article 143-2 (1) The matters to be specified by Cabinet Office Ordinance, as provided in Article 111, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act shall be as follows (limited to those written in Japanese):

(i) the following matters related to the overview of Foreign Insurance Company, etc.:

(a) the name and job title of the Representative Person in Japan;

(b) the following matters related to ten or more shareholders or equity holders of the Foreign Insurance Company, etc., in accordance with the descending order of the number of the shares or equity held:

1. name (if the holder of the shares, etc. is a corporation or any other organization, the name or such organization);

2. the number or amount of share or equity held by each shareholder or equity holder;

3. the ratio of the number of shares or equity held by each shareholder or equity holder to the total number of the shares issued or the total amount of equity contribution.

(ii) the overview of the business in Japan of the Foreign Insurance Company, etc. for the Most Recent Business Year;

(iii) the balance sheet, profit and loss statement and cash flow statement for the business in Japan of the Foreign Insurance Company, etc. for the latest two business years; and

(iv) in addition to the matters specified in the preceding three items, the matters equivalent to those provided in Article 59-2, paragraph (1), items (ii) to (vi) inclusive.

(2) A Foreign Insurance Company, etc. shall, in addition to the explanatory documents disclosing the matters provided in the preceding paragraph, keep at its Branch, etc. (meaning the Branch, etc. as provided in Article 185, paragraph (1) of the Act; hereinafter the same shall apply in this Article) in Japan and make available for public inspection the documents (including the documents written in non-Japanese language) disclosing the matters related to business and properties of such Foreign Insurance Company, etc., or a holding company which has such Foreign Insurance Company, etc. as its Subsidiary Company and which is incorporated under the laws and regulations of a foreign

state (referred to as "Foreign Insurance Holding Company" in the following paragraph).

- (3) If the documents provided in the preceding paragraph is written in a Non-Japanese language, a Foreign Insurance Company, etc. shall, in addition to such documents, prepare the Japanese version of the overview of the Foreign Insurance Company, etc. or the Foreign Insurance Holding Company as well as the balance sheet and profit and loss statement, and keep them at the Branch, etc. in Japan of the Foreign Insurance Company, etc. and make them available for public inspection.
- (4) The place to be specified by Cabinet Office Ordinance, provided in Article 111, paragraphs (1) and (4) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be Branch, etc. in Japan of the Foreign Insurance Company, etc. (excluding Branch in Japan of the Foreign Insurance Company, etc.)
- (5) The measures to make available for many and unspecified people the information constituting the public notice as provided in Article 111, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act is the method to provide recipients access to the details of information recorded into a file stored on a computer used by the sender via telecommunications line, and to record the information in a file stored on a computer used by such recipient.

Article 143-3 (1) The explanatory documents prepared pursuant to the provision of Article 111, paragraphs (1) and (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act (including the documents provided in paragraphs (2) and (3) of the preceding Article; hereinafter referred to in "Explanatory Documents, etc." in this paragraph and the following paragraph) shall be made available for public inspection within six months from the end of the business year of the Foreign Insurance Company, etc., and shall be kept accessible for the period before the commencement of public inspection of each of the explanatory documents pertaining to the business year immediately after the relevant business year.

- (2) when, due to any inevitable ground, a Foreign Insurance Company, etc. is unable to make available for public inspection the explanatory documents by the period provided in the preceding paragraph, it may, with an approval from the Commissioner of the Financial Services Agency in advance, postpone the submission.
- (3) When a Foreign Insurance Company, etc. intends to obtain the approval under the preceding paragraph, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons.

- (4) When the application for approval under the preceding paragraph has been filed, the Commissioner of the Financial Services Agency shall examine whether the Foreign Insurance Company, etc. which has filed the application has any inevitable reason for postponing the public inspection under paragraph (1).

(Application for Authorization of Recording of Gain on Assessment of Shares with Market Price)

Article 144 (1) When a Foreign Insurance Company, etc. intends to obtain an authorization under Article 112, paragraph (1) of the Act, it shall submit to the Commissioner of the Financial Services Agency the written application for authorization as well as the following documents:

- (i) the issues, quantities, acquisition value, market price and assessment value of the shares to be revaluated;
 - (ii) the document specifying the amount of profit to be recorded upon the revaluation;
 - (iii) a document specifying the reserves provided in the following Article, for which the profit recorded upon the revaluation is to be reserved, as well as the amount to be reserved; and
 - (iv) a document containing any other matters which would serve as reference information.
- (2) When the application for authorization under the preceding paragraph is filed, the Commissioner of the Financial Services Agency shall examine whether the reserve by the Foreign Insurance Company, etc. which has filed an application for the authorization (hereinafter referred to as the "Applicant Foreign Insurance Company, etc." in this paragraph) of the amount specified in the items of the following Article based upon the profits recorded by revaluation of shares with market price would facilitate assurance and improvement of profit of Policyholders, etc.

(Reserve of Gain on Valuation of Shares with Market Price)

Article 145 The reserves to be specified by Cabinet Office Ordinance, as provided in Article 112, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be as follows:

- (i) in case of a Foreign Life Insurance Company, etc., the policy reserve, or policy dividend reserve as set forth in the following Article;
 - (ii) in case of a Foreign Non-Life Insurance Company, etc., the policy reserve;
- and

(Policy Dividend Reserve)

Article 146 (1) The reserve to be set aside by a Foreign Insurance Company, etc.

for the purpose of allocation to the policy dividend shall be the policy dividend reserve.

- (2) A Foreign Life Insurance Company, etc. may not transfer to the policy dividend reserve under the preceding paragraph the amount in excess of the total of the following amount.
- (i) the amount of Reserved Dividend (meaning the dividend distributed to policyholders, which are reserved with interests);
 - (ii) the amount of Unpaid Dividend (meaning the unpaid dividends distributed to policyholders, which exclude the Reserved Dividend as provided in the preceding item) (in case of the account closing period, including the amounts scheduled to be distributed in the subsequent business year);
 - (iii) the amount of Dividend Payable on Expiry (meaning the dividend payable at the time of expiry of the insurance contract, calculated based on the presumption that all insurance contracts have expired); and
 - (iv) any other amount calculated in accordance with the formula designated in the document set forth in Article 4, paragraph (2), item (iv) of the Act as the amount equivalent to those set forth in the preceding three items.

(Assets Covered by Price Fluctuation Reserve)

Article 147 The assets to be specified by Cabinet Office Ordinance, as provided in Article 115, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be as follows; provided, however, that the assets belonging to the special account, assets pertaining to the business set forth in Article 99, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act and properties belonging to the special transaction account shall not be included.

(Application for Authorization of Exemption from Reserving Price Fluctuation Reserve)

- Article 148 (1) When a Foreign Insurance Company, etc. intends to obtain an authorization under the proviso to Article 115, paragraph (1) or the proviso to paragraph (2) of that Article as applied mutatis mutandis pursuant to Article 199 of the Act, it shall submit to the Commissioner of the Financial Services Agency a written application for authorization, attaching thereto a balance sheet and profit and loss statement for the insurance business in Japan and its supplementary schedules or documents equivalent thereto.
- (2) When the application under the preceding paragraph is filed, the Commissioner of the Financial Services Agency shall examine whether there exists any inevitable grounds, in light of status of business or properties of the Foreign Insurance Company, etc. which has filed the application for authorization.

(Contracts Covered by Regular Policy Reserve)

- Article 149 (1) The insurance contract to be specified by Cabinet Office Ordinance, as provided in Article 116, paragraph (2) of the Act as applied *mutatis mutandis* pursuant to Article 199 of the Act, shall be an insurance contract in Japan concluded by a Foreign Insurance Company, etc. on or after the enforcement of the Act, but which does not fall under any of the contracts specified in the following sub-items:
- (i) insurance contract in Japan wherein the policy reserve fluctuates depending on the value of the properties belonging to the special account;
 - (ii) insurance contracts in Japan under which the insurance premiums reserve under item (i), paragraph (1) of the following Article are not be set aside;
 - (iii) insurance contract in Japan which provides that the Insurance Company may amend the coefficients serving the basis of calculation of the policy reserve and insurance premiums in accordance with the policy conditions;
 - (iv) in addition to those specified in the preceding three items, insurance contracts in Japan to be designated by the Commissioner of the Financial Services Agency as the insurance contract not suitable for adding necessary provisions as to the criteria for the coefficients serving the basis of calculation of the policy reserve as provided in Article 116, paragraph (2) of the Act as applied *mutatis mutandis* pursuant to Article 199 of the Act.
- (2) Notwithstanding the preceding paragraph, among the insurance contracts in Japan concluded by a Foreign Insurance Company, etc. on or after the day to be specified by the Commissioner of the Financial Services Agency (or insurance contracts whose insurance period starts on or after the day to be specified by Cabinet Office Ordinance, if the Insurance Company is a Foreign Non-Life Insurance Company, etc.; the same shall apply in the following paragraph), the insurance contracts to be specified by Cabinet Office Ordinance, as provided in Article 116, paragraph (2) of the Act as applied *mutatis mutandis* pursuant to Article 199 of the Act, shall be deemed not to fall under any of the following items:
- (i) insurance contract in Japan wherein the policy reserve fluctuates depending on the value of the properties belonging to the special account;
 - (ii) insurance contracts in Japan under which the Insurance Premium Reserve under item (i), paragraph (1) of the following Article, or refund reserve under Article 70, paragraph (1), item (iii) are not be set aside; or insurance contracts under which the Insurance Premium Reserve under sub-item (a), item (i) of that paragraph are not to be calculated;
 - (iii) insurance contract in Japan which provides that the Insurance Company may amend the coefficients serving the basis of calculation of the policy reserve and insurance premiums in accordance with the policy conditions

- (limited to the insurance contracts under which the policy conditions guarantees the minimum interest rate exceeding the scheduled interest rate serving the basis of calculation of the policy reserve at the time of conclusion of the insurance, as determined by the Commissioner of the Financial Services Agency pursuant to the provision of Article 116, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act; and
- (iv) in addition to the contracts specified in the preceding three paragraphs, any contract in Japan to be designated by the Commissioner of the Financial Services Agency as the insurance contract not suitable for adding necessary provisions as to the criteria for the coefficients serving the basis of calculation of the policy reserve as provided in Article 116, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act.
- (3) Notwithstanding the preceding two paragraphs, among the insurance contracts in Japan concluded by a Foreign Insurance Company, etc. on or after the day to be specified by the Commissioner of the Financial Services Agency, the insurance contracts to be specified by Cabinet Office Ordinance, as provided in Article 116, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be deemed not to fall under any of the following items:
- (i) insurance contract in Japan wherein the policy reserve fluctuates depending on the value of the properties belonging to the special account, and which does not provide for minimum guarantee of the amount of Insurance Money, etc.;
- (ii) insurance contracts under which the Insurance Premium Reserve under item (i), paragraph (1) of the following Article, or refund reserve under Article 150, paragraph (1), item (ii) or Article 151, paragraph (1), item (iii) are not be set aside; or insurance contracts under which the Insurance Premium Reserve under sub-item (a), item (i) of that paragraph are not to be calculated;
- (iii) insurance contract which provides that the Foreign Insurance Company, etc. may amend the coefficients serving the basis of calculation of the policy reserve and insurance premiums in accordance with the policy conditions (limited to the insurance contracts under which the policy conditions guarantees the minimum interest rate exceeding the scheduled interest rate serving the basis of calculation of the policy reserve at the time of conclusion of the insurance, as determined by the Commissioner of the Financial Services Agency pursuant to the provision of Article 116, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act; and
- (iv) in addition to the contracts specified in the preceding three items, contracts to be designated by the Commissioner of the Financial Services Agency as the insurance contract not suitable for adding necessary

provisions as to the criteria for the coefficients serving the basis of calculation of the policy reserve as provided in Article 116, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act

(Policy Reserve of Foreign Life Insurance Company, etc.)

Article 150 (1) A Foreign Life Insurance Company, etc. shall, for each accounting period and for each of the categories respectively set forth in the following items, calculate and set aside as the policy reserve the amounts respectively set forth therein, based on the insurance premiums received before the relevant accounting period and in accordance with the formula specified in the documents set forth in Article 187, paragraph (3), item (iv) of the Act.

- (i) Insurance Premium Reserve: amount calculated in accordance with actuarial methodology, with an objective of preparation for performance of future obligations under insurance contracts in Japan (excluding the amount to be set aside as the refund reserve as referred to in item (ii)-2);
- (ii) Outstanding Insurance Premiums: the amount calculated as the amount equivalent to the liability corresponding to the Unexpired Period (meaning the insurance period specified under an insurance contract which have not passed as of the time of the account closing period; the same shall apply in the following Article) (excluding the amount to be set aside as the refund reserve as referred to in the following item);
- (ii)-2 refund reserve: the amount to be appropriated to the refund, when the insurance contract in Japan provides that all or part of the amount of proceeds from investment of insurance premiums or money received as insurance premiums will be refunded; and
- (iii) Contingency Reserve: the amount calculated for covering risks which may accrue in the future, so as to secure performance of the future obligations under the insurance contracts.

(2) With regard to the insurance contracts in effect in Japan at the time of the account closing period for which the insurance premiums were not paid before the account closing period, and for which the payment of insurance premiums cannot be expected between the account closing period and the day when the insurance contracts ceases to be effective, the amount calculated as the amount necessary for payment of the Death Insurance Money, etc. (meaning the insurance money payable upon the death or the occurrence of any of the events set forth in Article 3, paragraph (4), item (ii), sub-items (a) to (e) inclusive of the Act) for the period between the account closing period and the day when the insurance contracts ceases to be in effect shall be set aside as the Outstanding Insurance Premiums under item (ii) of the preceding paragraph.

(3) Insurance premiums not paid until the account closing period pertaining to the business year in Japan may not be recorded in the asset section of the

balance sheet.

- (4) Insurance Premium Reserve under item (i) of paragraph (1) and refund reserve under item (ii)-2 of that paragraph shall be set aside in accordance with the provisions of the following items:
- (i) Insurance Premiums Reserve under paragraph (1), item (i) and refund reserve under item (ii)-2 of that paragraph, which pertain to the insurance contracts provided in the preceding Article, may not be less than the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency pursuant to the provision of Article 116, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act.
 - (ii) Insurance Premiums Reserve under item (i) of paragraph (1) and refund reserve under item (ii)-2 of that paragraph, which pertain to any other insurance contract in Japan than as provided in the preceding Article (excluding insurance contracts for which a special account has been established) may not be less than the amount calculated in accordance with the Level Premium System.
 - (iii) With regard to Insurance Premiums Reserve under item (i) of paragraph (1) and refund reserve under item (ii)-2 of that paragraph, which pertain to any other insurance contract in Japan than as provided in the preceding Article, and for which a special account has been established, the outstanding balance of the income and expenditure in the special account shall be reserved.
 - (iv) If, in light of the status of business or properties of a Foreign Life Insurance Company, etc. or distinctiveness of insurance contracts and other factors, there exists any special circumstance, the provision of item (i) shall not apply to the insurance contract provided in the preceding Article (excluding the insurance contract for which a special account has been established and wherein the minimum amount of Insurance Money, etc. is guaranteed); and the provision of item (ii) shall not apply to the other insurance contract than as provided in the that Article (excluding the insurance contract for which a special account has been established); provided, however, that even in such case, the amount of the Insurance Premium Reserve and refund reserve shall be reasonable and fair from the standpoint of actuarial methodology.
- (5) If the policy reserve set aside pursuant to the provisions of paragraphs (1), (2) and the preceding paragraph is found to likely to be insufficient to cover the performance of the future obligations, additional Insurance Premiums Reserve and refund reserve shall be set aside, by way of amendment to the documents specified in Article 187, paragraph (3), item (iv) of the Act.
- (6) Contingency Reserve under item (iii) of paragraph (1) shall be set aside in

accordance with the following categories:

- (i) Contingency Reserve for covering the Insurance Risk as specified in Article 162, item (i);
 - (i)-2 Contingency Reserve for covering the Insurance Risk of Third-Sector Insurance as specified in Article 162, item (i)-2;
 - (ii) Contingency Reserve for covering the Scheduled Insurance Risk as specified in Article 162, item (ii); and
 - (iii) Contingency Reserve for covering the Minimum Guarantee Risk as specified in Article 62, item (ii)-2.
- (7) Contingency Reserve under item (iii), paragraph (1) shall be set aside in accordance with the standards for reserving and reversal; provided, however, that if, in light of the status of business or properties of the Foreign Life Insurance Company, etc., there is any inevitable ground, reserving not in accordance with the standard of reserve to be specified by the Commissioner of the Financial Services Agency and reversal not in accordance with the standard of reversal to be specified by the Commissioner of the Financial Services Agency.

(Policy Reserve of Foreign Non-Life Insurance Company, etc.)

Article 151 (1) A Foreign Non-Life Insurance Company, etc. shall, for each accounting period and for each of the categories respectively set forth in the following items, calculate and set aside as the policy reserve the amounts respectively set forth therein; provided, however, that this shall not apply to the setting aside of policy reserve pertaining to the contract for automobile damage liability insurance as defined in Article 5 (Compulsory Conclusion of Contract for Liability Insurance or Liability Mutual Aid Insurance) of the Automobile Liability Security Act and the earthquake insurance contract as provided in Article 2, paragraph (2) (Definitions) of the Act on Earthquake Insurance) (hereinafter referred to as "Policy Reserve for Automobile Damage Liability Insurance, etc.").

- (i) Regular Policy Reserve: the total of the following amounts in accordance with the categories respectively set forth therein
 - (a) Insurance Premium Reserve: amount calculated in accordance with actuarial methodology, with an objective of preparation for performance of future obligations under insurance contracts (excluding the amount to be set aside as the refund reserve as referred to in item (iii));
 - (b) Outstanding Insurance Premiums: the amount calculated as the amount equivalent to the liability corresponding to the Unexpired Period, on the basis of the insurance premiums received (excluding the amount to be allocated for the refund reserve; hereinafter the same shall apply in this paragraph) (however, for the type of contract for which it is deemed

- reasonable to use the amount other than the insurance premiums received and which are to be specified by the Commissioner of the Financial Services Agency, the amount calculated in accordance with the formula to be separately designated by the Commissioner of the Financial Services Agency);
- (ii) Extraordinary Contingency Reserve: the amount calculated based on the insurance premiums received, in preparation of the compensation of losses arising from extraordinary natural disaster (for the type of contract for which it is deemed reasonable to use the amount other than the insurance premiums received and which are to be specified by the Commissioner of the Financial Services Agency, the amount calculated in accordance with the formula to be separately designated by the Commissioner of the Financial Services Agency);
 - (ii)-2 Contingency Reserve: the amount calculated for covering risks which may accrue in the future, so as to secure performance of the future obligations under the insurance contracts.
 - (iii) refund reserve: the amount to be appropriated to the refund, when the insurance contract in Japan provides that all or part of the amount of proceeds from investment of insurance premiums or money received as insurance premiums will be refunded; and
 - (iv) policy dividend reserve, etc.: the amount of the policy dividend reserve under Article 64, paragraph (1) and any other amount equivalent thereto.
- (2) Regular policy reserve under item (i) of the preceding paragraph (limited to the amount pertaining to the Insurance Premiums Reserve under sub-item (a) of that item) and refund reserve under item (iii) of that paragraph shall be set aside in accordance with the provisions of the following items:
- (i) Insurance Premiums Reserve under sub-item (a), item (i) of the preceding paragraph and refund reserve under item (iii) of that paragraph, which pertain to an insurance contract provided in Article 149, paragraphs (2) and (3), may not be less than the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency pursuant to the provision of Article 116, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act.
 - (ii) Insurance Premiums Reserve under sub-item (a) of item (i) of the preceding paragraph, which pertain to any other insurance contract than as provided in Article 149, paragraphs (2) and (3) (excluding the insurance contract pertaining to the insurance under Article 3, paragraph (5), item (i) of the Act (if the terms and conditions of the insurance contracts consist of combination of the insurance under that item and any other insurance, the insurance contract pertaining to the portion of the insurance under that item) and also excluding insurance contracts for which a special account has been

- established; the same shall apply in item (iv)) may not be less than the amount calculated in accordance with the Level Premium System.
- (iii) With regard to refund reserve under item (iii) of that paragraph, which pertains to any other insurance contract than as provided in Article 149, paragraphs (2) and (3), and for which a special account has been established, the outstanding balance of the income and expenditure in the special account shall be reserved.
- (iv) If, in light of the status of business or properties of a Foreign Non-Life Insurance Company, etc. or distinctiveness of insurance contracts and other factors, there exists any special circumstance, the provision of item (i) shall not apply to the insurance contract provided in Article 149, paragraphs (2) and (3) (excluding the insurance contract for which a special account has been established and wherein the minimum amount of Insurance Money, etc. is guaranteed); and the provision of item (ii) shall not apply to any other insurance contract than as provided in paragraphs (2) and (3) of that Article; provided, however, that even in such case, the amount of the Insurance Premium Reserve and refund reserve shall be reasonable and fair from the standpoint of actuarial methodology.
- (3) When the policy reserve set aside pursuant to the provisions of the preceding two paragraphs is found to likely to be insufficient to cover the performance of the future obligations, additional regular policy reserve and refund reserve shall be set aside, by way of amendment to the documents specified in Article 187, paragraph (2), item (iv) of the Act.
- (4) A Foreign Non-Life Insurance Company, etc. shall calculate the amount set forth in the items of paragraph (1) (excluding the Contingency Reserve under item (ii)-2 of that paragraph) in accordance with the method specified in the documents referred to in Article 187, paragraph (2), item (iv) of the Act and also in accordance with the formula to be specified by the Commissioner of the Financial Services Agency; and shall calculate the amount of liability reserve for the Policy Reserve for Automobile Damage Liability Insurance, etc. in accordance with the method specified in the documents referred to in Article 187, paragraph (2), item (iv) of the Act.
- (5) Contingency Reserve under item (ii)-2 of paragraph (1) shall be set aside in accordance with the following categories:
- (i) Contingency Reserve for covering the Insurance Risk of Third-Sector Insurance as specified in Article 162, item (i)-2; and
 - (ii) Contingency Reserve for covering the Scheduled Insurance Risk as specified in Article 162, item (ii).
- (7) Contingency Reserve under item (ii)-2, paragraph (1) shall be set aside in accordance with the method specified in the documents referred to in Article 187, paragraph (2), item (iv) of the Act and also in accordance with the

standards for reserve and reversal to be specified by the Commissioner of the Financial Services Agency; provided, however, that if, in light of the status of business or properties of the Foreign Non-Life Insurance Company, etc., there is any inevitable ground, reserving not in accordance with the standard of reserve to be specified by the Commissioner of the Financial Services Agency and reversal not in accordance with the standard of reversal to be specified by the Commissioner of the Financial Services Agency.

(Insurance Money, etc. Equivalent to Amount Due and Payable)

Article 152 The case to be specified by Cabinet Office Ordinance, as provided in Article 117, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be the Insurance Money refund or any other benefit, for which the occurrence of the insured event has not been reported but the Foreign Insurance Company, etc. finds that insured event provided in the insurance contracts has occurred.

(Insurance Contracts Which Requires Special Account)

Article 153 The insurance contract to be specified by Cabinet Office Ordinance, as provided in Article 118, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be as follows:

- (i) Performance-linked Insurance Contracts as provided in Article 118, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act (meaning the following insurance contracts; the same shall apply in Article 154-2, paragraphs (1) and (3));
 - (a) an insurance contract wherein the Insurance Company undertakes the policyholder to pay all or part of the Insurance Money, etc. based on the outcome of investment of money received as the insurance premiums, and wherein the amount solely based on the outcome of the investment are paid as all or part of the Insurance Money, etc. (excluding the contract specified in sub-item (b));
 - (b) an insurance contract wherein the Insurance Company undertakes the policyholder to pay all or part of the Insurance Money, etc. based on the outcome of investment of money received as the insurance premiums, under which policyholder or the insured is to pay the insurance premiums equivalent to the shortfall when the policy reserve (excluding the Contingency Reserve under Article 69, paragraph (1), item (iii); the same shall apply in the following item) falls short of the amount necessary for the payment of the Insurance Money, etc. at the time of payment thereof, and for which the shortfall amount is not to be borne by the Insurance Company.
- (ii) an insurance contract wherein the Insurance Company undertakes the

- policyholder to pay the Insurance Money, etc. taking into consideration the profit and loss accrued from investment of money received as the insurance premiums, under which policyholder or the insured is to pay the insurance premiums equivalent to the shortfall when the policy reserve falls short of the amount necessary for the payment of the Insurance Money, etc. at the time of payment thereof (excluding the insurance contract set forth in sub-item (b) of the preceding item); and
- (iii) an insurance contract wherein the Insurance Company undertakes the policyholder to pay the Insurance Money, etc. taking into consideration the profit and loss accrued from investment of money received as the insurance premiums, but excluding the contracts set forth in sub-items (a) and (b) of item (i) and in the preceding item.

(Exception to Transfer among Accounts)

Article 154 The cases to be specified by Cabinet Office Ordinance, as provided in Article 118, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be the acceptance of insurance premiums, payment of insurance money, refund or any other benefits, loan to policyholders or repayment thereof, borrowing from other account than special account and repayment thereof, or any other transfer of money equivalent thereto, which are specified in the documents under Article 187, paragraph (3), item (ii) of the Act.

(Method of Management of Properties Belonging to Special Account and Other Matters Necessary in Relation to Special Account)

Article 154-2 (1) A Foreign Insurance Company, etc. (when item (i) applies, a Foreign Insurance Company, etc. as well as a party entrusted by said Foreign Insurance Company, etc.) shall manage the properties belonging to the special account, in accordance with the following methods.

- (i) to manage the properties belonging to the Designated Special Account by making a clear distinction from those belonging to the General Account and also from properties belonging to the special account other than the Designated Special Account, by such means as segregating the place of custody; and
- (ii) to manage the properties belonging to the Designated Special Account in the manner whereby the policyholder pertaining to the Designated Special Account can be identified, depending upon the types of Performance-Linked Insurance Contract for which the Designated Special Account is established.
- (2) When a Foreign Insurance Company, etc. entrust the third party to manage the properties belonging to the Designated Special Account, it shall put in place a sufficient system to ensure that such entrusted third party will manage

the properties belonging to the Designated Special Account in accordance with the provision of item (i) of the preceding paragraph.

(3) A Foreign Insurance Company, etc. shall, for the purpose of making clear the business handling and calculation pertaining to the Designated Special Account, prepare the accounting books set forth in items (i) and (ii) in accordance with the Appended Forms, and shall keep them for the period specified in the following items in accordance with the categories of the accounting books as respectively set forth therein.

(i) ledger of Designated Special Account: ten year from the last day of the insurance business year for the Performance-Linked Insurance Contract (limited to the portion pertaining to the Designated Special Account; hereinafter the same shall apply in this item) or from the last day of the insurance period for the Performance-Linked Insurance Contract

(ii) master ledger of Designated Special Account: five years from the preparation thereof; and

(iii) business entrustment contract for Designated Special Account: five years from the termination of the entrustment contract.

(Foreign Non-Life Insurance Company, etc. which Require Appointment of Actuary in Japan)

Article 155 The Foreign Non-Life Insurance Company, etc. which fall under the requirements to be specified by Cabinet Office Ordinance, as provided in Article 120, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be all Foreign Non-Life Insurance Companies, etc., except for Foreign Non-Life Insurance Company, etc. which only underwrites the insurance contracts set forth in the following items:

(i) contracts for automobile damage liability insurance as defined in Article 5 (Compulsory Conclusion of Contract for Liability Insurance or Liability Mutual Aid Insurance) of the Automobile Liability Security Act; and

(ii) earthquake insurance contracts as provided in Article 2, paragraph (2) (Definitions) of the Act on Earthquake Insurance

(Matters Which Require Participation of Actuary in Japan)

Article 156 The matters to be specified by Cabinet Office Ordinance, as provided in Article 120, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be as follows: the actuarial methodology pertaining to the following, in case of a Foreign Life Insurance Company, etc.; or the actuarial methodology pertaining to those set forth in the following items (i) to (iv) inclusive, (vi) and (ix) in relation to the insurance contracts other than those set forth in the items of the preceding Article, in case of a Foreign Non-Life Insurance Company, etc.

- (i) the method of calculation of insurance premiums applicable in Japan;
- (ii) the method of calculation of policy reserve;
- (iii) the method of calculation of the policy dividends;
- (iv) the method of calculation of Policyholder Value in Japan;
- (v) calculation of uncollected insurance premiums in Japan;
- (vi) calculation of the Reserve for Outstanding Claims;
- (vii) planning of insurance solicitation in Japan;
- (viii) preparation of rules of salaries, etc. payable to Life Insurance Solicitors;
and
- (ix) any other matters necessary for the actuary in Japan in performing the duties.

(Persons Qualified as Actuary in Japan)

Article 157 The person who satisfies the requirements to be specified by Cabinet Office Ordinance, as provided in Article 120, paragraph (2) as applied mutatis mutandis pursuant to Article 199 of the Act, shall be as follows: the person who satisfies any of the requirements under the items of Article 78, paragraph (1), in case of a Life Insurance Company; or the person who satisfies any of the requirements under the items of Article 78, paragraph (2).

(Matters Which Require Verification by an Actuary in Japan)

Article 157-2 The matters to be specified by Cabinet Office Ordinance, as provided in Article 121, paragraph (1), item (iii) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be the matters set forth in the following item (i), in case of a Foreign Life Insurance Company, etc.; or the following matters, in case of a Foreign Non-Life Insurance Company, etc.:

- (i) whether continuance of the insurance business in Japan is difficult, judging from a reasonable estimate of future income and expenditure based on actuarial methodology; and
- (ii) whether the Reserve for Outstanding Claims for insurance contracts other than those set forth in the items of Article 155 (limited to the amount set forth in Article 73, paragraph (1), item (ii)) has been set aside in compliance with the sound actuarial methodology.

(Verification by Actuary in Japan)

Article 158 An actuary in Japan of a Foreign Insurance Company, etc. shall, for each account closing period, verify the matters set forth in the items of Article 121, paragraph (1) as applied mutatis mutandis pursuant to Article 199 of the Act, in accordance with the following requirements and any other requirements to be specified by the Commissioner of the Financial Services Agency.

- (i) that the policy reserves have been appropriately set aside pursuant to the

- provision of Article 150 or Article 151.
- (ii) that the distribution of policy dividends has been properly implemented pursuant to the provision of Article 62 as applied mutatis mutandis pursuant to Article 160.
 - (iii) that, judging from the amount of liabilities asset in Japan as of the certain time in the future calculated based upon reasonable estimation, the amount of asset in Japan as of the certain time in the future calculated based upon reasonable estimation is expected to fall short of the appropriate level in terms of continuance of insurance business; and
 - (iv) in case of a Foreign Non-Life Insurance Company, etc., that the Reserve for Outstanding Claims pertaining to the insurance contracts other than those set forth in the items of Article 155 (limited to the amount set forth in Article 73, paragraph (1), item (ii) as applied mutatis mutandis pursuant to Article 160) have been properly set aside pursuant to the provision of Article 73.

(Contracts to be Verified in Relation to Policy Reserve)

Article 159 The insurance contracts to be specified by Cabinet Office Ordinance, as provided in Article 121, paragraph (1), item (i) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, shall be all insurance contracts unwritten by the Foreign Life Insurance Company, etc., in case of a Foreign Life Insurance Company, etc.; or all insurance except as set forth in the items of Article 76, in case of a Foreign Non-Life Insurance Company, etc.

(Mutatis Mutandis Application of Provisions Concerning Business and Accounting)

Article 160 The provisions of Article 49, Article 50, Articles 52-5 to 53-12 inclusive and Article 59-7 shall apply mutatis mutandis to a Foreign Insurance Company, etc.; the provision of Article 62 shall apply mutatis mutandis to the case where a Foreign Insurance Company, etc. distributes policy dividends; the provision of Article 63 shall apply mutatis mutandis to an account established in Japan by a Foreign Insurance Company, etc. for the purpose of assurance of distribution of policy dividend in a fair and equitable manner; the provision of Article 66 shall apply mutatis mutandis to the Price Fluctuation Reserve under Article 115, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act which is to be set aside by a Foreign Insurance Company, etc. in Japan; the provision of Article 71 shall apply mutatis mutandis to the case where a Foreign Insurance Company, etc. reinsures its insurance contracts in Japan; the provision of Article 73 shall apply mutatis mutandis to Reserve for Outstanding Claims to be set aside by a Foreign Insurance Company, etc. for each account closing period pertaining to its business year in Japan; the provision of Article 79 shall apply mutatis mutandis to an actuary

in Japan of a Foreign Insurance Company, etc.; and the provision of Article 82 shall apply mutatis mutandis to a written opinion submitted by an actuary in Japan of a Foreign Insurance Company, etc. to the Representative Person in Japan of such Foreign Insurance Company, etc. In the aforementioned cases, the term "Article 47, Article 48, Article 48-3 and Article 48-5" in Article 49 shall be deemed to be replaced with "Article 139, Article 140 and Article 140-3"; the term "Article 47, Article 48, Article 48-3, Article 48-5 and the preceding Article" in Article 50 shall be deemed to be replaced with Article 139, Article 140 and Article 140-3, as well as Article 49 as applied mutatis mutandis pursuant to Article 160"; the term "policyholders" in Article 53 shall be deemed to be replaced with "policyholders in Japan"; the term "Article 74, item (i), sub-item (a) and item (iii)" in paragraph (1) of that Article shall be deemed to be replaced with "Article 153, item (i), sub-item (a) and item (iii)"; the term "an insurance contract listed in Article 74, item (i), sub-item (a) and item (iii) (excluding insurance contracts listed in Article 83, item (i), sub-items (b) and (d); the same shall apply in items (v) to (vii))" in item (i) of that paragraph shall be deemed to be replaced with "an insurance contract listed in Article 74, item (i), sub-item (a) and item (iii)"; the term "Article 4, paragraph (2), item (iii) of the Act" in item (vii)-2 of that paragraph shall be deemed to be replaced with "Article 187, paragraph (3), item (iii)"; the term "business" and "customers" in Article 53-2 shall be deemed to be replaced with "business in Japan" and "customers in Japan," respectively; the term "Article 98 of the Act" in item (i), paragraph (1) of that Article shall be deemed to be replaced with "Article 98 of the Act as applied mutatis mutandis pursuant to Article 199 of the Act"; the term "business office or any other office" in paragraph (3) of the Article shall be deemed to be replaced with "Branch, etc. (meaning a Branch, etc. as provided in Article 185, paragraph (1) of the Act; the same shall apply hereinafter) in Japan"; the terms "business office or any other office" and "customers" in Article 53-3 shall be deemed to be replaced with "Branch, etc. in Japan" and "customers in Japan," respectively; the terms "business" and "customers" in Article 53-3-2 shall be deemed to be replaced with "business in Japan" and "customers in Japan," respectively; the term "business" in Article 53-3-3 shall be deemed to be replaced with "business in Japan"; the term "Person in Specified Relationship" and "customers" in Article 53-4 shall be deemed to be replaced with "Person in Special Relationship" (meaning a Person in Special Relationship as provided in Article 194, paragraph (1) of the Act; the same shall apply hereinafter)" and "customers in Japan, respectively; the term "business office or any other office" and "Person in Specified Relationship" in Article 53-5 shall be deemed to be replaced with "Branch Office, etc. in Japan" and "Person in Special Relationship," respectively; the term "Person in Specified Relationship (meaning Person in Specified Relationship provided in

Article 53-4, paragraph (2))" and "customers" in Article 53-6 shall be deemed to be replaced with "Person in Special Relationship" and "customers in Japan," respectively; the term "Article 97, Article 98 or Article 99 of the Act," "business" and "customers" in Article 53-7 shall be deemed to be replaced with "Article 97, Article 98 or Article 99 of the Act as applied mutatis mutandis pursuant to Article 199 of the Act," "business in Japan" and "customers in Japan," respectively; the term "insurance" in paragraph (2) of that Article shall be deemed to be replaced with "insurance pertaining to the insurance business in Japan"; the term "Customer" in Article 53-8 shall be deemed to be replaced with "customers in Japan"; the term "fund demander" in Article 53-9 shall be deemed to be replaced with "fund demander in Japan"; the terms "business" and "customers" in Article 53-10 shall be deemed to be replaced with "business in Japan" and "customers," respectively; the term "business" in Article 53-11 shall be deemed to be replaced with "business in Japan"; the term "customers" in item (iii) of that Article shall be deemed to be replaced with "customers in Japan"; the term "Policyholders, etc." in items (iv) and (v) of that Article shall be deemed to be replaced with "Policyholders, etc. in Japan"; the terms "Article 111, paragraph (6) of the Act," "business of the Insurance Company and its Subsidiary Company, etc." in Article 59-7 shall be deemed to be replaced with "Article 111, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act" and "business in Japan of the Foreign Insurance Company, etc.," respectively; the term "insurance contracts" in the main clause of Article 62 shall be deemed to be replaced with "insurance contracts in Japan"; the term "policyholders" in item (i) of that Article shall be deemed to be replaced with "policyholders in Japan"; the term "Article 4, paragraph (2), item (ii) of the Act" in Article 30-3, paragraph (3) as applied mutatis mutandis pursuant to Article 63 shall be deemed to be replaced with "Article 187, paragraph (3), item (ii) of the Act"; the term "assets held as of the each account closing period" and "book value" in Article 66 shall be deemed to be replaced with "assets held in Japan as of the each account closing period pertaining to the business year in Japan" and "book value as of the account closing period pertaining to the business year in Japan," respectively; the term "insurance contracts" in Article 71, paragraph (2) shall be deemed to be replaced with "insurance contracts in Japan"; the terms "insurance contracts," "Insurance Money, etc.," "each account closing period," and "the preceding Article" in Article 73, paragraph (1) shall be deemed to be replaced with "insurance contracts in Japan," "insurance money, refunds or any other benefits," "each account closing period pertaining to the business year in Japan" and "Article 152," respectively; the term "Article 4, paragraph (2), item (iv) of the Act" in paragraph (2) of that Article shall be deemed to be replaced with "Article 187, paragraph (3), item (iv) of the Act"; the term "the preceding Article" in Article

79, paragraph (1) shall be deemed to be replaced with "Article 157"; the term "to the board of directors meeting at which the financial statements are to be approved" in Article 82, paragraph (1) shall be deemed to be replaced with "no later than three weeks prior to the time limit for submission of business report"; the term "trade name or name" in item (i) of that paragraph shall be deemed to be replaced with "trade name or name"; the term "the preceding Article" in item (iii) of that paragraph shall be deemed to be replaced with "Article 159"; the term "the matters related to policy dividends or distribution of surplus to members" in item (iv) of that paragraph shall be deemed to be replaced with "the matters related to policy dividends"; the term "the matters related to transfer to policy dividend reserve under Article 64, paragraph (1) or to members' dividend reserve under Article 30-5, paragraph (1), item (i)" in item (v) of that paragraph shall be deemed to be replaced with "policy dividend reserve under Article 146, paragraph (1)"; the term "Article 79-2" in item (vi) of that paragraph shall be deemed to be replaced with "Article 157-2"; and the term "board of directors meeting" in paragraph (2) of that Article shall be deemed to be replaced with "Representative Person in Japan of the Foreign Insurance Company, etc."

Section 3 Supervision

(Deposits, etc. Used for Requirement for Soundness)

Article 161 (1) The amount of deposits or any other amount to be specified by Cabinet Office Ordinance, as provided in Article 202, item (i) of the Act, shall be the amount obtained by deducting the amount calculated as exclusion from deferred tax assets by the method specified by the Commissioner of the Financial Services Agency, from the following amounts:

- (i) the amount of deposit (meaning the contracted amount as referred to in Article 190, paragraph (3) of the Act);
- (ii) the amount of Price Fluctuation Reserve under Article 115, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act;
- (iii) the amount of Contingency Reserve under Article 150, paragraph (1), item (iii) or Article 151, paragraph (1), item (ii)-2;
- (iii)-2 the amount of Extraordinary Contingency Reserve (including the risk reserve under Article 7, paragraph (1) (Calculation Formula for Earthquake Risk Policy Reserve) of the Ordinance for Enforcement of the Act on Earthquake Insurance) under Article 151, paragraph (1), item (ii);
- (iv) the amount of general loan-loss reserves;
- (v) with regard to available-for sale securities owned in Japan by the Foreign Insurance Company, etc., the amount of difference between the total of the amount recorded in the balance sheet and the book value thereof, multiplied

- by the ratio to be specified by the Commissioner of the Financial Services Agency;
- (vi) with regard to lands owned in Japan by the Foreign Insurance Company, etc., the amount of difference between the Market Value and book value thereof, multiplied by the ratio to be specified by the Commissioner of the Financial Services Agency; and
 - (vii) any other amount equivalent to the equity capital, as designated by the Commissioner of the Financial Services Agency.
- (2) The term "Market Value" as referred to in item (vi) of the preceding paragraph shall mean the value set forth in Article 86, paragraph (2).

(Amount Equivalent to Risk Not Normally Predictable)

Article 162 The amount equivalent to the risk not normally predictable that may accrued from the occurrence of the insured event for which the insurance is underwritten, as provided in Article 202, item (ii) of the Act, or any from other ground shall be the amount calculated by the method specified by the Commissioner of the Financial Services Agency based upon the following amounts:

- (i) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Insurance Risk (excluding the following amounts);
- (i)-2 the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Third-Sector Insurance Risk;
- (ii) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Scheduled Interest Rate Risk;
- (ii)-2 the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Minimum Guarantee Risk (meaning the risk where, in connection with an insurance contract in Japan for which a special account is established and for which the minimum amount of Insurance Money, etc. is guaranteed, the value of the properties in the special account as of the time of payment of the Insurance Money, etc. falls short of the minimum amount of the Insurance Money, etc. guaranteed by the insurance contract, which accrues from fluctuation in value of properties in the special account beyond the normally predictable range); and
- (iii) the total of the amount set forth in the following sub-items (a) to (f) inclusive, which is the amount equivalent to the Asset Investment Risk (meaning the risk related to investment, etc. of assets, which may accrue from fluctuation in price of securities or any other assets held, beyond the

normally predictable range or any other grounds; the same shall apply in Article 211-60);

- (a) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Price Fluctuation, etc. Risk (meaning the risk which may accrue from fluctuation in price of securities or any other assets held, beyond the normally predictable range or any other grounds);
- (b) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Credit Risk (meaning the risk which may accrue from the counterparties' default in regard to securities or any other any other assets held in Japan, beyond the normally predictable range, or any other grounds);
- (c) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Subsidiary Company, etc. Risk;
- (d) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Derivative Transactions Risk; and
- (e) The amount calculated by the method specified by the Commissioner of the Financial Services Agency as the amount corresponding to the credit spread risk.
- (f) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency, as the amount corresponding to the risks set forth in sub-items (a) to (d) inclusive.
- (iv) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Management Risk in Japan (meaning the risk which may accrue in the course of business management in Japan beyond the normally predictable range, but which do not fall under the category as set forth in the preceding items; the same shall apply in Article 162).

Article 163 Deleted

(Notification of Change in Matters Specified in Business Rules, etc.)

Article 164 The matters to be specified by Cabinet Office Ordinance, as provided in Article 123, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 207 of the Act, shall be as follows:

- (i) the matters specified in the documents set forth in Article 187, paragraph (3), items (ii) to (iv) inclusive of the Act, which pertains to the following insurance contracts of a Foreign Life Insurance Company, etc.:

- (a) Government Pension Investment Fund Insurance Contract;
 - (b) Defined Contribution Pension Insurance Contract;
 - (c) Entrepreneur-type Defined-Benefit Corporate Pension Insurance Contract;
 - (d) Fund-type Defined-Benefit Corporate Pension Insurance Contract;
 - (e) Group Pension Insurance Contract;
 - (f) Group Life Insurance Contract;
 - (g) Farmers Pension Fund Life Insurance Contract;
 - (h) Workers' Property Accumulation Benefit Insurance Contract; and
 - (i) Workers' Property Accumulation Fund Insurance Contract.
- (ii) with regard to the insurance contracts provided in the paragraphs of Article 149, the matters related to the calculation method and coefficients serving the basis of calculation of Insurance Premium Reserve Under Article 150, paragraph (1), item (i) and Article 151, paragraph (1), item (i), sub-item (a), the Outstanding Insurance Premiums under Article 150, paragraph (1), item (ii) and Article 151, paragraph (1), item (i), sub-item (b), the refund reserve under Article 150, paragraph (1), item (ii) and Article 151, paragraph (1), item (iii), Contingency Reserve under Article 150, paragraph (1), item (iii) and Article 151, paragraph (1), item (ii)-2 and Extraordinary Contingency Reserve under Article 151, paragraph (1), item (ii), all of which shall be the amount not less than the amount to be calculated in accordance with the method specified by the Commissioner of the Financial Services Agency pursuant to the provision of Article 116, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act and based on the coefficients serving the basis of calculation thereof;
- (iii) the matters specified in the documents set forth in Article 187, paragraph (3), items (iii) and (iv) of the Act, which pertains to the following contracts of the Non-life Insurance Company; the matters specified in the items of Article 120, paragraph (1); the matters provided in Article 120, paragraph (2); and the matters specified in Article 120, paragraph (3) and the items of paragraph (4) of that Article:
- (a) Fire insurance Contract;
 - (b) Secured Claim Fire insurance Contract;
 - (c) Forest Fire insurance Contract;
 - (d) Exhibition General Insurance Contract;
 - (e) Marine insurance Contract;
 - (f) Transportation Insurance Contract and Small Cargo Transportation Insurance Contract;
 - (g) Travel Accident Handling Expenses Insurance Contract and Travel Special Compensation Insurance Contract;
 - (h) Workers' Asset Saving Damage Benefit Insurance Contract;

- (i) Workers' Asset Saving Fund Non-Life Insurance Contract;
- (j) Defined Contribution Pension Non-Life Insurance Contract;
- (k) Automobile insurance Contract Covering More than Ten Automobiles;
- (l) Automobile-for-Sale Insurance Contract;
- (m) Damage Liability Insurance Contract;
- (n) Passenger Damage Liability Insurance Contract;
- (o) Workers' Accident Compensation Liability Insurance Contract;
- (p) Aircraft Insurance Contract;
- (q) Housing Loan Guarantee Insurance Contract;
- (r) Guarantee Bond Insurance Contract;
- (s) Glass Insurance Contract;
- (t) Machine Insurance Contract;
- (u) Machine Assembly Insurance Contract;
- (v) Construction Work Insurance Contract and Civil Engineering Insurance Contract;
- (w) Civil Structure Insurance Contract;
- (x) Movables General Insurance Contract;
- (y) Yachts and Motor Boats Insurance Contract;
- (z) Computer General Insurance Contract;
- (aa) Traveler's Check General Insurance Contract;
- (bb) Franchise Stores General Insurance Contract;
- (cc) Tenant General Insurance Contract;
- (dd) Theft Insurance Contract and Credit Card Theft Insurance Contract;
- (ee) Wind or Flood Non-Life Insurance Contract;
- (ff) Racehorses, etc. Insurance Contract;
- (gg) Boiler and Turbo-set Insurance Contract;
- (hh) Intellectual Property Litigation Expenses Insurance Contract;
- (ii) Business Activities Non-Life Insurance Contract.

Section 4 Abolition of Insurance Business, etc.

- (Application for Authorization of Abolition of Insurance Business in Japan)
- Article 165 When a Foreign Insurance Company, etc. intends to obtain an approval under Article 208 of the Act, it shall submit to the Commissioner of the Financial Services Agency the written application for authorization, attaching thereto the following documents:
- (i) a written statement of reasons;
 - (ii) the latest daily financial statements for insurance business in Japan;
 - (iii) a document specifying the matters related to details of assets and liabilities pertaining to insurance business in Japan;
 - (iv) a document specifying the policy for treatment of claims and obligations

- pertaining to insurance business in Japan; and
- (v) any other document containing the matters which would be informative.

(Matters Requiring Notification by Foreign Insurance Company, etc.)

Article 166 (1) The cases to be specified by Cabinet Office Ordinance, as provided in Article 209, item (ix) of the Act, shall be as follows:

- (i) cases of any change to the party which has the Foreign Insurance Company, etc. as its Subsidiary Company;
- (ix) cases where, in relation to the Contingency Reserve under Article 150, paragraph (1), item (iii), the Foreign Insurance Company, etc. intends to make reserve or reversal not in accordance with the requirements for reserve as designated by the Commissioner of the Financial Services Agency provided in paragraph (7) of that Article;
- (x) cases where, pursuant to the provision of Article 151, paragraph (4), the Commissioner of the Financial Services Agency designates as the case where a Foreign Non-Life Insurance Company, etc. is required to make a notification with the Commissioner of the Financial Services Agency when implementing the calculation the amount of policy reserve;
- (x)-2 cases where, in relation to the Contingency Reserve under Article 151, paragraph (1), item (ii)-2, the Foreign Insurance Company, etc. intends to make reserve or reversal not in accordance with the requirements for reserve as designated by the Commissioner of the Financial Services Agency provided in paragraph (6) of that Article;
- (xi) cases where the Foreign Insurance Company, etc. intends to conclude a reinsurance contract specified by the Commissioner of the Financial Services Agency as provided in Article 71, paragraph (2) as applied mutatis mutandis pursuant to Article 160, or to cancel the contract before the expiration of the contract term;
- (xii) cases where the Foreign Insurance Company, etc. intends to take out any Subordinated Loan; or where it intends to issue Subordinated Corporate Bond;
- (xiii) where the Foreign Insurance Company, etc. intends to make an accelerated repayment of the Subordinated Loan, or where it intends to make an accelerated redemption of Subordinated Corporate Bonds (including in the case of payment or redemption with regard to a loan or corporate bonds without a fixed due date).
- (vi)-2 cases where, for the purpose of the calculation of the amount set forth in Article 162, item (ii)-2, the Foreign Insurance Company, etc. intends to use the formula specified by the Insurance Company in accordance with the requirements specified by the Commissioner of the Financial Services Agency;

- (vi)-2-2 cases where the Foreign Insurance Company, etc. ceased to use the formula specified by the Insurance Company as provided in the preceding item, or to effect any material amendment to such formula;
 - (vi)-2-3 cases where the Foreign Insurance Company, etc. intends to amend the type of transactions for which accounting is to be handled as the Specified Transaction or any other matters pertaining to the documents specified in the items of the following paragraph (limited to the case where the amendment to be made is minor);
 - (vi)-3 cases where the Foreign Insurance Company, etc. intends to establish any account which is similar to a Designated Transaction Account;
 - (vi)-3-2 cases where the Foreign Insurance Company, etc. intends to abolish any account which is similar to a Designated Transaction Account;
 - (vi)-4 cases where the Foreign Insurance Company, etc. has started to make available for public inspection the documents prepared pursuant to the provision of Article 111, paragraph (1) or (2) as applied mutatis mutandis pursuant to Article 199 of the Act; and
 - (xvii) cases where it has come to the knowledge of the Foreign Insurance Company, etc. that any Deplorable Event has occurred to it.
- (3) For filing the notification under Article 209 of the Act, a Foreign Insurance Company, etc. shall submit to the Commissioner of the Financial Services Agency the notification, attaching thereto a written statement of reasons and any other document which would be informative (when item (vi)-3 of the preceding paragraph applies, the documents specified in the following items):
- (i) a document describing the type of transactions for which accounting is to be handled as the Specified Transaction, and the name of the section in charge of such transactions;
 - (ii) a document describing the section in charge of calculation of market value, etc. (meaning the calculation of the profit or loss from the Specified Transactions, or price of properties subject to such transactions);
 - (iii) a document describing the policy for segregation of Specified Transaction from other transactions, and for segregation of properties subject to Specified Transactions from any other properties (including the accounting policy related to segregation from transactions consummated prior to the creation of the Specified Transaction Account and from the properties subject to such transactions);
 - (iv) a document describing the matters related to treatment of internal transaction (meaning a transaction of a single Foreign Insurance Company, etc. consummated between a Specified Transaction Account and any other accounts, as specified in items (v) to (xiv) inclusive of Article 53-6-2, paragraph (2) (including a transaction to be treated as a Specific Transaction pursuant to the provision of item (xvi) of that paragraph as being similar or

- closely connected to the transaction)(including the matters related to the cancellation of such internal transactions);
- (v) a document describing the matters related to treatment of intra-account transfer (meaning the activities set forth in the items of Article 53-6-2, paragraph (3) (including the transactions provided in paragraph (4) of that Article);
- (3) The notification to be filed, when item (ii) of paragraph (1) applies, shall be filed no later than three weeks prior to the time limit for submission of the business report on insurance business in Japan, and shall be filed together with the balance sheet and profit and loss statement for the insurance business in Japan, supplementary schedules thereto, or any other documents similar to any of the aforementioned documents.
- (4) A Deplorable Event as provided in item (xvii), paragraph (1) shall mean the case where the Foreign Insurance Company, etc. or its Representative Person in Japan or employees (excluding the persons who fall under the category of the Life Insurance Solicitors and Non-Life Insurance Solicitors), their respective Life Insurance Solicitors or Non-Life Insurance Solicitors or such solicitors' respective officers or employees 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 performance of the Insurance Company;
 - (ii) an act in violation of the Act on Regulation of Receiving of Capital Subscription, Deposits, and Interest Rates, etc.;
 - (iii) an act in violation of Article 300, paragraph (1) of the Act, or Article 38, items (iii) to (vii) inclusive or Article 39, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 300-2 of the Act; or an act which fall under Article 307, paragraph (1), item (iii) of the Act;
 - (iv) loss of cash, bills, checks, securities or any other valuable item equivalent to one million yen or more for each item (including the case of theft and depreciation or appreciation), which pertains to insurance business in Japan;
 - (vi) any other act similar to those set forth in the preceding items, which would give actual or potential negative impact on the Foreign Insurance Company, etc. in carrying out its business operation in Japan in a sound and appropriate manner.
- (5) A notification, when paragraph (1), item (xvii) is applicable, shall be filed within thirty days from the day when the Foreign Insurance Company, etc. finds the occurrence of the Deplorable Event.

(Documents to be Kept in Relation to Transfer of Insurance Contracts)
Article 166-2 The documents to be specified by Cabinet Office Ordinance, as

provided in Article 136-2, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act, shall be as follows:

- (i) contract documents pertaining to the contract under Article 135, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act;
- (ii) the balance sheet of the transferor company provided in Article 135, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act (hereinafter referred to as "Transferor Company" in this Section); and
- (iii) the balance sheet of the transferee company provided in Article 135, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act (hereinafter referred to as "Transferee Company" in this Section) (or the balance sheet for insurance business in Japan, in case of a Foreign Insurance Company, etc.)

(Matters Subject to Public Notice of Transfer of Insurance Contracts in Japan)
Article 166-3 The matters to be specified by Cabinet Office Ordinance, as provided in Article 137, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act, shall be the trade name or name of the Transferee Company, and the location of its head office, principal office or principal establishment in Japan.

(Amount of Claim Pertaining to Insurance Contracts Concluded in Japan)
Article 167 The amount to be specified by Cabinet Office Ordinance, as provided in Article 137, paragraph (4) of the Act (including the cases where applied mutatis mutandis pursuant to Article 251, paragraph (2) of the Act) as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act, shall be the amount set forth in item (i), in case of a Life Insurance Company; or the total of the amounts set forth in items (ii) and (iii), in case of a Non-Life Insurance Company.

- (i) the amount to be reserved for the insured, as of the time of the public notice under Article 137, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act (hereinafter referred to as the "Public Notice" in this Article);
- (ii) the amount of the insurance premiums corresponding to the Unexpired Period (meaning the insurance period specified in an insurance contract which have not been passed as of the time of the public notice); and
- (iii) the amount to be reserved as the refund reserve as set forth in Article 151, paragraph (1), item (iii), as of the time of the public notice.

(Application for Authorization of Transfer of Insurance Contracts in Japan)

- Article 168 (1) The application for authorization under Article 139, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act shall be filed by way of submitting to the Commissioner of the Financial Services Agency the written application for authorization under the joint name of the Transferor and the Transferee, within one month from the passage of the period under Article 137, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act.
- (2) For filing the written application for authorization under the preceding paragraph, the following document shall be attached:
- (i) a written statement of reasons;
 - (ii) contract documents pertaining to the contract under Article 135, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act;
 - (iii) the minutes of Shareholders Meeting, etc. of the Transferee Company (excluding Foreign Insurance Company, etc.);
 - (iv) the balance sheet of the Transferor Company (in case of a Foreign Insurance Company, etc., the balance sheet for the insurance business in Japan);
 - (v) the inventory of assets of the Transferor Company;
 - (vi) with regard to each type of insurance contract in Japan wherein the insurer is the Transferor Company, the document describing the respective number of policyholders, the number of insurance contracts, the total of the insured amount, and the amount of policy reserve, in which the distinction between the insurance contracts to be transferred (hereinafter referred to as the "Transferred Contracts") and the contracts which are not the Transferred Contracts;
 - (vii) the document describing the amount of the policy reserve and any other types of reserve as well as the method of calculation thereof, for each type of Transferred Contract;
 - (viii) the document describing the quantity and value, for each type of properties to be transferred associated with the Transferred Contract pursuant to the provision of Article 135, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act;
 - (ix) with regard to each type of insurance contract wherein the insurer is the Transferor Company (or insurance contracts in Japan, in case of a Foreign Insurance Company, etc.), the document describing the respective number of policyholders, the number of insurance contracts, the total of the insured amount, and the amount of policy reserve (or policy reserve under Article 116, paragraph (1), in case of a Foreign Insurance Company, etc.);
 - (x) a document certifying that the public notice under Article 137, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210,

- paragraph (1) of the Act has been given;
- (xi) a document certifying that the number of policyholders who stated their objections under Article 137, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act or the amount pertaining to such policyholders as provided in the preceding Article has not the certain ratio as set forth in Article 137, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 251, paragraph (2) of the Act);
 - (xii) a document certifying that the public notice under Article 250, paragraph (4) of the Act, if any, has been given; and
 - (xiii) any other document containing the matters which would serve as reference information for examination under Article 139, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act.

(Matters Subject to Ex-Post Facto Public Notice of Transfer of Insurance Contract in Japan)

Article 169 The matters to be specified by Cabinet Office Ordinance, as provided in the first sentence of Article 140, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act, shall be as follows:

- (i) the status of progress of the procedures provided in Article 137, paragraphs (1) to (4) inclusive as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act;
- (ii) the Transferee's the trade name or name of the Transferee Company, and the location of its head office, principal office or principal establishment in Japan.

(Mutatis Mutandis Application of Provisions Concerning Validity of Transfer of Insurance Contracts in Japan)

Article 170 The provision of Article 92 shall apply mutatis mutandis to transfer of insurance contracts in Japan of a Foreign Insurance Company, etc. In this case, the term "documents under Article 4, paragraph (2), items (ii) to (iv) inclusive of the Act (hereinafter collectively referred to as the "Business Manual, etc." in this paragraph)" and "Article 187, paragraph (3), items (ii) to (iv) inclusive of the Act" in paragraph (1) of that Article shall be deemed to be replaced with "documents under Article 4, paragraph (2), items (ii) to (iv) inclusive of the Act" and "documents under Article 187, paragraph (3), items (ii) to (iv) inclusive of the Act (hereinafter collectively referred to as the "Business Manual, etc. in Japan" in this paragraph)"; the term "Transferor Company," "Business Manual, etc." and "Article 139, paragraph (1) of the Act"

shall be deemed to be replaced with "Transferor Company as provided in Article 135, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act," "Business Manual, etc. in Japan," and "Article 139, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act," respectively; the term "Transferee Company" in paragraph (2) of that Article shall be deemed to be replaced with "Transferee Company as provided in Article 135, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act.

(Foreign Insurance Company, etc. Not Allowed to Accept Entrustment of Business and Property Management in Japan)

Article 171 The companies to be specified by Cabinet Office Ordinance, as provided in Article 144, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act, shall be a Foreign Insurance Company, which has established an office of a person acting as an agent for underwriting insurances pertaining to its insurance business in Japan, as set forth in Article 185, paragraph (1) of the Act.

(Application for Authorization of Entrustment of Business and Property Management in Japan)

Article 172 (1) An application for authorization under Article 145, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act shall be made by way of submitting to the Commissioner of the Financial Services Agency a written application for authorization under the joint names of the Entrusting Company (meaning the Foreign Insurance Company, etc. entrusting business and property management service in Japan; hereinafter the same shall apply in this Article and the following Article) and Entrusted Company (meaning the Entrusted Company as provided in Article 144, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act; hereinafter the same shall apply in this Article and the following Article).

- (2) The following documents shall be attached to a written application for authorization under the preceding paragraph:
- (i) a written statement of reasons;
 - (ii) a contract document pertaining to the Management Entrustment Contract (meaning the contract set forth in Article 144, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act; the same shall apply in the following Article);
 - (iii) the minutes of Shareholders' Meeting, etc. of the Entrusted Company (excluding a Foreign Insurance Company, etc.);
 - (iv) the balance sheet of the Entrusting Company in connection with its

- insurance business in Japan (in case of a Foreign Insurance Company, etc., the balance sheet for the insurance business in Japan);
- (v) a document describing the status of profit and loss from the business and properties for which management service is to be entrusted;
- (vi) the method whereby the Entrusted Company carries out management of the business and properties of the Entrusting Company, and the method for indication under Article 148, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act;
- (vii) any other document containing the matters which would serve as reference information for examination under Article 145, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act.

(Application for Authorization of Amendment or Cancellation of Management Entrustment Contract)

- Article 173 (1) An application for authorization under Article 149, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 210, paragraph (1) of the Act shall be made by way of submitting to the Commissioner of the Financial Services Agency a written application for authorization under the joint names of the Entrusting Company and the Entrusted Company.
- (2) For filing the written application for authorization under the preceding paragraph, the following documents shall be attached:
- (i) a written statement of reasons;
 - (ii) in case of filing an application for authorization of the amendment to the matters set forth in the Management Entrustment Contract, the amended Management Entrustment Contract;
 - (iii) the minutes of Shareholders' Meeting, etc. of the Entrusted Company (excluding Foreign Insurance Company, etc.);
 - (iv) the balance sheet of the Entrusting Company in connection with its insurance business in Japan and the balance sheet of the Entrusted Company (in case of a Foreign Insurance Company, etc., the balance sheet for the insurance business in Japan);
 - (v) a document describing the status of profit and loss from the business and properties for which management services are entrusted;
 - (vi) in case of filing an application for authorization of amendment to the scope of business and properties in Japan to be entrusted, a document describing the status of profit and loss from the business and properties for which management service in Japan will be entrusted after the amendment; and
 - (vii) a document containing any other matters which would serve as reference information.

(Request for Appointment of Liquidator by Interested Parties)

Article 174 When an interested party makes a request for appointment or dismissal of liquidator pursuant to the provision of Article 212, paragraph (2) of the Act, such party shall attach to the written application a document certifying that the party falls under the category of the interested party.

(Application for Permission for Performance during Period for Notifying Claims)

Article 175 (1) The application for permission under Article 500, paragraph (2) (Restrictions on Performance of Obligations) of the Companies Act applied by replacing certain terms under Article 178 of the Act as applied mutatis mutandis pursuant to Article 212, paragraph (4) of the Act shall be made by submission of the written application for permission with the names of the all liquidators affixed thereon.

(2) In filing a written application for permission under the preceding paragraph, the following documents shall be attached:

- (i) a written statement of reasons; and
- (ii) the document certifying that the instant case requires the permission under the preceding paragraph.

(Matters Concerning Liquidation of Properties of Foreign Insurance Company, etc.)

Article 175-2 Except for those that are not applicable by their nature, the provisions of Article 110-2, Articles 110-4 to 110-7 inclusive and Articles 114-2 to 114-8 inclusive shall apply mutatis mutandis to the matters to be specified by Cabinet Office Ordinance, pursuant to the provisions of Article 482, paragraph (3), item (iv) (Execution of Business), Article 489, paragraph (6), item (vi) (Authority, etc. of Board of Liquidators), Article 492, paragraph (1) (Preparation of List of Property), Article 536, paragraph (1), item (ii) (Restrictions on Assignment of Business), Article 548, paragraph (1), item (iv) (Determination of Calling of Creditors' Meeting), Article 550, paragraph (1), Article 551, paragraphs (1) and (2) (Issuance of Reference documents for Creditors' Meetings and Proxy Cards), Article 556, paragraph (2) (Voting in Writing), Article 557, paragraph (1) (Voting through Use of Electromagnetic Means) and Article 561 (Minutes) of the Companies Act as applied mutatis mutandis by replacing certain terms under Article 212, paragraph (4) of the Act.

(Amount to be Refunded from Liquidating Foreign Insurance Company, etc.)

Article 176 The amount to be specified by Cabinet Office Ordinance, as provided in Article 177, paragraph (3) of the Act as applied mutatis mutandis pursuant

to Article 212, paragraph (5) of the Act, shall be the amount set aside as the refund reserve prescribed in Article 150, paragraph (1), item (ii)-2 or Article 151, paragraph (1), item (iii).

(Matters Concerning Liquidation of Property of Foreign Mutual Company, etc.)
Article 176-2 Except for those that are not applicable by their nature, the provisions of Article 110-2, Articles 110-4 to 110-7 inclusive and Articles 114-2 to 114-8 inclusive shall apply mutatis mutandis to the matters to be specified by Cabinet Office Ordinance, pursuant to the provisions of Article 482, paragraph (3), item (iv) (Execution of Business), Article 489, paragraph (6), item (vi) (Authority, etc. of Board of Liquidators), Article 492, paragraph (1) (Preparation of List of Property), Article 536, paragraph (1), item (ii) (Restrictions on Assignment of Business), Article 548, paragraph (1), item (iv) (Determination of Calling of Creditors' Meeting), Article 550, paragraph (1), Article 551, paragraphs (1) and (2) (Issuance of Reference Documents for Creditors' Meetings and Proxy Cards), Article 556, paragraph (2) (Voting in Writing), Article 557, paragraph (1) (Voting through Use of Electromagnetic Means) and Article 561 (Minutes) of the Companies Act as applied mutatis mutandis pursuant to Article 822 (Liquidation of a Foreign Company's Property in Japan) of the Companies Act, as further applied mutatis mutandis by replacing certain terms under Article 213 of the Act.

(Notification of Status of Liquidation of Foreign Insurance Company, etc.)
Article 177 The provision of Article 110 shall apply mutatis mutandis to a liquidator of the liquidating Foreign Insurance Company, etc.

Section 5 Miscellaneous Provisions

(Matters Related to Commercial Registration)
Article 177-2 The measures to be specified by Cabinet Office Ordinance, as provided in the provisions set forth in the following items shall be the characters, numbers, marks or any other types of symbols or a combination thereof created for the purpose of the online identification of the portion of the Automatic Public Transmission Server to be used for the purpose of implementing the measure under such paragraph, which enables recipients of the information to browse the details of such information by inputting it into the computers they use.
(i) Article 933, paragraph (2), item (iv) of the Companies Act as applied mutatis mutandis pursuant to Article 215 of the Act: the measures provided in Article 819, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 193, paragraph (2) of the Act

- (ii) Article 933, paragraph (2), item (vi), sub-item (a) of the Companies Act as applied mutatis mutandis pursuant to Article 215 of the Act: the electronic public notice to be given by a Foreign Mutual Company.

(Matters Requiring Notification on Establishment of Liaison Office by Foreign Insurer Without License)

Article 178 (1) The matters to be specified by Cabinet Office Ordinance, as provided in Article 218, paragraph (1) of the Act, shall be as follows:

- (i) the following matters concerning the Foreign Insurer without license, referred to in Article 185, paragraph (1) of the Act:
 - (a) trade name or name;
 - (b) the location of the head office or principal office, or the domicile;
 - (c) the business details;
- (d) the following matters concerning the liaison offices or any other establishments to be established in Japan: (d) the following matters concerning the liaison offices or any other establishments to be established in Japan:
 - (a) the names of establishments;
 - (b) the name and address of the person in charge of such establishment;
 - (c) the reason to establish such establishments; and
 - (d) the scheduled day for the establishment.

(2) When a Foreign Insurer without license, referred to in Article 185, paragraph (1) of the Act, intends to file a notification under Article 218, paragraph (1) of the Act, it shall submit to the Commissioner of the Financial Services Agency a notification with the following documents (if the Foreign Insurer is an individual person, limited to the document set forth in item (i)):

- (i) a document specifying the number of establishments such as branch offices and secondary offices;
- (ii) a document specifying the total amount of stated capital, contribution or funds; and
- (iii) a document specifying the job title and name of the officer authorized to represent the Foreign Insurer.

Section VI Special Provisions for Specified Corporations

(Attachment to Written Application for License to be Submitted by Specified Corporations)

Article 179 (1) The documents to be specified by Cabinet Office Ordinance, as provided in 220, paragraph (3) of the Act, shall be as follows:

- (i) a written statement of reasons;
- (ii) business plan;

- (iii) documents prepared for the head office or principal office which are equivalent to the latest inventory of assets, the balance sheet, profit and loss statement and a statement of change in shareholders' equity, etc.;
 - (iv) the latest inventory of assets, the balance sheet, and profit and loss statement for the insurance business of the Underwriting Member;
 - (v) a resumé of the representative in Japan of the Specified Corporation and Underwriting Member as set forth in Article 220, paragraph (1), item (iii) of the Act, and the document certifying that such person has been vested with an authority of representation;
 - (vi) rules of the Specified Corporation (meaning the Specified Corporation as provided in Article 219, paragraph (1) of the Act; the same shall apply hereinafter);
 - (vii) when the insurance for which the application for license is filed covers Third-Sector Insurance, a written opinion specifying the result of verification by the actuary in Japan of the Specified Corporation that the matters related to the insurance contract for Third-Sector Insurance as specified in Article 220, paragraph (3), item (iv) of the Act are reasonable and fair in terms of actuarial methodology.
 - (viii) any other document specifying the matters which would serve as reference information for examination under Article 221, paragraph (1) of the Act.
- (2) In the business plan set forth in item (ii) of the preceding paragraph, the insurance solicitation plan, prospect for income and expenditure and the matters which serve the basis thereof.

(Procedure for Application of License of Specified Corporations)

- Article 180 (1) An original of the written application for license under Article 220, paragraph (1) of the Act and its attachments shall be submitted to the Prime Minister, via the Commissioner of the Financial Services Agency.
- (2) A Specified Corporation which intends to obtain a license under Article 219, paragraph (1) of the Act may request preliminary examination by submitting to the Prime Minister, via the Commissioner of the Financial Services Agency, the documents prepared in accordance with the provisions of Article 220, paragraphs (1) to (4) inclusive of the Act.

(Parties to Hold Deliberations)

- Article 181 The parties to be specified by Cabinet Office Ordinance, as provided in Article 220, paragraph (3), item (v) of the Act, shall be the parties permitted under the rules of the Specified Corporations to hold a deliberation with policyholders to fix the terms and conditions of the insurance contract.

(Matters to be Stated in Business Manual, etc.)

Article 182 (1) An applicant of license under Article 219, paragraph (1) of the Act (hereinafter referred to as a "License Applicant" in this Article) shall state the following matters in the documents as referred to in Article 220, paragraph (3), item (ii) of the Act:

- (i) categories of the insured, the scope of objectives of insurance and the type of insurance (including reinsurance) in Japan;
 - (ii) the matters related to the insured amount and the insurance period;
 - (iii) the matters related to insured and the choice of objectives of insurance in Japan, and procedures for conclusion of insurance contracts in Japan;
 - (iv) the matters related to payment of insurance premiums; matters related to payment of Insurance Money and any other refund such as refunded insurance premiums;
 - (v) the matters to be contained in the insurance policy certificate, application for insurance contract in Japan and documents to be attached thereto;
 - (vi) the matters related to options for insurance contract in Japan;
 - (vii) the matters concerning loan to be granted under policy conditions;
 - (viii) the matters concerning insurance amount, insurance types or the handling of cases where the insurance period is to be modified; and
 - (ix) the matters concerning the method of guarantee of obligations under the insurance contract concluded by an Underwriting Member, which shall be assumed jointly and severally with the Underwriting Member for each insurance contract up to the maximum limitation of the amount (including the contracted amount as provided in Article 223, paragraph (3) of the Act) of the deposit provided in paragraph (11) of that Article (hereinafter referred to as "Deposit" in this Section).
- (2) When a License Applicant establishes a Special Account, such applicant shall, in addition to the matters set forth in the items of the preceding paragraph, state the following matters:
- (i) a type of insurance contract for which a Special Account is to be established; and
 - (ii) types of properties in the Special Account, and the appraisal method for such properties.
- (3) When a License Applicant establishes a Reserve Account, such applicant shall, in addition to the matters set forth in the items of paragraph (1), state the following matters:
- (i) a type of insurance contract for which a Reserve Account is to be established;
 - (ii) insurance premiums to be allocated to the Reserve Account; and
 - (iii) types of properties in the Reserve Account, and the method of appraisal of such properties.

(4) A License Applicant shall state the matters specified in the items of Article 121 in the documents set forth in Article 220, paragraph (2), item (iii) of the Act:

(5) A License Applicant shall state the following matter in the documents specified in Article 220, paragraph (3), item (iv) of the Act: the matters specified in Article 122, items (i) to (vi) inclusive and item (viii), in case of an application for a specified life insurance business license as referred to in Article 219, paragraph (4) of the Act; or the matters specified in Article 121, items (i), (ii), (vii) and (viii), in case of an application for a specified non-life insurance business license as referred to in Article 219, paragraph (5) of the Act.

(License Examination)

Article 182-2 When the Prime Minister conducts an examination provided in Article 221 of the Act which pertains to the license application under Article 219, paragraph (1) of the Act, the Prime Minister shall take into account the following circumstances:

- (i) if the license for which the application has been filed falls under the category of a specified life insurance business license as set forth in Article 219, paragraph (4) of the Act, the applicant is expected to generate current net income or current net surplus in a single business year, before the elapse of tenth business year after commencement of its business;
- (ii) if the license for which the application has been filed falls under the category of a specified non-life insurance business license as set forth in Article 219, paragraph (5) of the Act, the applicant is expected to generate current net income or current net surplus in a single business year, before the elapse of fifth business year after commencement of its business;
- (iii) the indicator of the soundness of the applicant's business management in Japan is expected to be maintained at an appropriate level after grant of the license;
- (iv) the matters set forth in the documents prescribed in Article 220, paragraph (3), item (i) of the Act as attached to the written application for registration will assure sound and proper operation of business of the applicant; and

(Notification, etc. of Deposits)

Article 183 The provision of Article 126, paragraph (1) shall apply mutatis mutandis to a person who concludes with the licensed specified corporation (meaning a licensed specified corporation as provided in Article 223 of the Act; the same shall apply hereinafter) a contract under Article 223, paragraph (3) of the Act; and the provision of Article 126, paragraphs (2) and (3) shall apply to a person who makes a deposit pursuant to the provisions of Article 223,

paragraph (1), (2), (4) or (9) of the Act or Article 14, paragraph (6) or Article 15, paragraph (1) of the Ordinance on Deposits by Licensed Specified Corporations (Ordinance of Ministry of Justice and Ministry of Finance No. 2 of 1996).

(Counterparties to Contracts to be Substituted for Depositing in Whole or in Part)

Article 184 The financial institutions to be specified by Cabinet Office Ordinance, as provided in Article 32 of the Cabinet Order, shall be the financial institutions listed in the items of Article 127.

(Notification of Conclusion, etc. of Contracts in Lieu of Deposit)

Article 185 (1) When any licensed specified corporation has concluded a contract under Article 223, paragraph (3) of the Act (hereinafter referred to as "Contract" in this Article to Article 187 inclusive; and (including cases where it has effected any amendment to the terms of such contracts upon the approval under Article 32, item (iii) of the Cabinet Order (hereinafter referred to as "Approval" in this Article to Article 187 inclusive) of the Commissioner of the Financial Services Agency), it shall submit such Contract to the Commissioner of the Financial Services Agency.

(2) If a licensed specified corporation has effected the cancellation of the Contract with the Approval, it shall submit to the Commissioner of the Financial Services Agency a document certifying such fact.

Article 186 When a licensed specified corporation intends to obtain an Approval, it shall, no later than one month prior to the day when it intends to effect cancellation of the Contract pertaining to such Approval or to amend any terms thereunder, submit to the Commissioner of the Financial Services Agency a written application for approval, as well as a written statement of reasons and any document describing reference information.

(Commencement Day for Counting of Time Limit for Additional Deposit)

Article 187 The day to be specified by Cabinet Office Ordinance as provided in Article 223, paragraph (9) of the Act shall be the day specified in the following items, in accordance with the categories respectively set forth therein:

- (i) if the licensed specified corporation has changed any of the terms of the Contract with an Approval, as a result of which the amount of Deposit (including the Contract Amount set forth in paragraph (3) of that Article) falls short of the amount set forth in Article 31 of the Cabinet Order: the day when the term of the Contract was changed;
- (ii) if the licensed specified corporation has cancelled the Contract with the Approval: the day of the cancellation of the Contract;

- (iii) if the procedures for execution of the right as set forth in Article 33 of the Cabinet Order was implemented: the day when the licensed specified corporation has received a copy of the payment consignment letter sent pursuant to the provision of Article 11, paragraph (2) of the Ordinance on Deposit by Licensed Specified Corporations; or
- (iv) when the conversion rate as provided in Article 132, paragraph (4) as applied mutatis mutandis pursuant to paragraph (3) of the following Article is changed, as a result of which the Deposit Amount falls short of the amount set forth in Article 31 of the Cabinet Order: the day of such change.

(Types of Securities Which May be Substituted for Deposit)

Article 188 (1) The Securities to be specified by Cabinet Office Ordinance, as provided in Article 223, paragraph (10) of the Act, shall be the following Securities:

- (i) national government bond securities;
 - (ii) municipal bond securities;
 - (iii) Government Guaranteed Bond Certificates; and
 - (iv) corporate bond certificates and any other bond certificates (excluding registered bond certificates, short-term corporate bond, etc. and the bonds as set forth in the preceding three items), which are approved by the Commissioner of the Financial Services Agency to be substituted for payment of the Deposit.
- (2) When a licensed specified corporation intends to obtain an Approval under item (iv) of the preceding paragraph, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, as well as a written statement of reasons and any document describing reference information.
- (3) The provision of Article 132 shall apply mutatis mutandis to value of the Securities, when, pursuant to the provision of Article 223, paragraph (10) of the Act, the deposited money is substituted by Securities. In this case, the term "item (iv), paragraph (1) of the preceding Article" in Article 132, paragraph (1), item (iv) shall be deemed to be replaced with "Article 188, paragraph (1), item (iv)" and the term "the items of paragraph (1) of the preceding Article" shall be deemed to be replaced with "the items of Article 188, paragraph (1)."

(Notification of Change in Matters Specified in Business Rules, etc.)

Article 189 The matters to be specified by Cabinet Office Ordinance, as provided in Article 225, paragraph (1) of the Act, shall be the matters specified in Article 220, paragraph (3), items (iii) and (iv) of the Act, the matters listed in the items of Article 182, paragraph (1), the matters provided in Article 182, paragraph (2), and the matters specified in the items of Article 182, paragraph

(3), which pertain to the following contracts.

- (i) Fire insurance Contract;
- (ii) Secured Claim Fire insurance Contract;
- (iii) Forest Fire insurance Contract;
- (iv) Exhibition General Insurance Contract;
- (v) Marine insurance Contract;
- (vi) Transportation Insurance Contract and Small Cargo Transportation Insurance Contract;
- (vii) Travel Accident Handling Expenses Insurance Contract and Travel Special Compensation Insurance Contract;
- (viii) Workers' Asset Saving Damage Benefit Insurance Contract;
- (ix) Workers' Asset Saving Fund Non-Life Insurance Contract;
- (x) Defined Contribution Pension Non-Life Insurance Contract;
- (xi) Automobile insurance Contract Covering More than Ten Automobiles;
- (xii) Automobile-for-Sale Insurance Contract;
- (xiii) Damage Liability Insurance Contract;
- (xiv) Passenger Damage Liability Insurance Contract;
- (xv) Workers' Accident Compensation Liability Insurance Contract;
- (xvi) Aircraft Insurance Contract;
- (xvii) Housing Loan Guarantee Insurance Contract;
- (xviii) Guarantee Bond Insurance Contract;
- (ixx) Glass Insurance Contract;
- (xx) Machine Insurance Contract;
- (xxi) Machine Assembly Insurance Contract;
- (xxii) Construction Work Insurance Contract and Civil Engineering Insurance Contract;
- (xxiii) Civil Structure Insurance Contract;
- (xxiv) Movables General Insurance Contract;
- (xxv) Yachts and Motor Boats Insurance Contract;
- (xxvi) Computer General Insurance Contract;
- (xxvii) Traveler's Check General Insurance Contract;
- (xxviii) Franchise Stores General Insurance Contract;
- (ixxx) Tenant General Insurance Contract;
- (xxx) Theft Insurance Contract and Credit Card Theft Insurance Contract;
- (xxxi) Wind or Flood Non-Life Insurance Contract;
- (xxxii) Racehorses, etc. Insurance Contract;
- (xxxiii) Boiler and Turbo-set Insurance Contract;
- (xxxiv) Intellectual Property Litigation Expenses Insurance Contract; and
- (xxxv) Business Activities Non-Life Insurance Contract.

(Deposits, etc. Used for Requirement for Soundness)

- Article 190 (1) The amount of deposits or any other amount to be specified by Cabinet Office Ordinance, as provided in Article 228, item (i) of the Act, shall be the amount obtained by deducting the amount calculated as exclusion from deferred tax assets by the method specified by the Commissioner of the Financial Services Agency, from the following amounts:
- (i) the amount of deposit (meaning the contracted amount as referred to in Article 223, paragraph (3) of the Act);
 - (ii) the amount of Price Fluctuation Reserve under Article 115, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act;
 - (iii) the amount of Contingency Reserve under Article 150, paragraph (1), item (iii) or Article 151, paragraph (1), item (ii)-2;
 - (iii)-2 the amount of Extraordinary Contingency Reserve (including the risk reserve under Article 7, paragraph (1) (Calculation Formula for Earthquake Risk Policy Reserve) of the Ordinance for Enforcement of the Act on Earthquake Insurance) under Article 151, paragraph (1), item (ii);
 - (iv) the amount of general loan-loss reserves;
 - (v) with regard to available-for sale securities owned in Japan by the Underwriting Member, the amount of difference between the total of the amount recorded in the balance sheet and the book value thereof, multiplied by the ratio to be specified by the Commissioner of the Financial Services Agency;
 - (vi) with regard to lands owned in Japan by the Underwriting Member, the amount of difference between the Market Value and book value thereof, multiplied by the ratio to be specified by the Commissioner of the Financial Services Agency; and
 - (vii) any other amount equivalent to the equity capital, as designated by the Commissioner of the Financial Services Agency.
- (1) The amount equivalent to the risk not normally predictable that may accrued from the occurrence of the insured event for which the insurance is underwritten, by the Underwriting Member as provided in Article 228, item (ii) of the Act or any from other ground shall be the amount calculated by the method specified by the Commissioner of the Financial Services Agency based upon the amounts specified in the items of Article 162:
- (2) The term "Market Value" as referred to in item (vi) of paragraph (1) shall mean the value set forth in Article 86, paragraph (2).

(Application for Authorization of Abolition of General Agent)

Article 191 When a licensed specified corporation intends to obtain an approval under Article 233 of the Act, it shall submit to the Commissioner of the Financial Services Agency the written application for authorization, attaching thereto the following documents:

- (i) a written statement of reasons;
- (ii) the latest daily financial statements for insurance business in Japan of the Underwriting Member;
- (iii) a document specifying the matters related to details of assets and liabilities pertaining to insurance business in Japan of the licensed specified corporation and Underwriting Member;
- (iv) a document specifying the policy for treatment of claims and obligations pertaining to insurance business in Japan of the Underwriting Member; and
- (v) any other document containing the matters which would be informative.

(Notification of Licensed Specified Corporation)

Article 192 (1) The cases to be specified by Cabinet Office Ordinance, as provided in Article 234, item (viii) of the Act, shall be as follows:

- (ix) cases where, in relation to the Contingency Reserve under Article 150, paragraph (1), item (iii), the licensed specified corporation intends to make reserve or reversal not in accordance with the requirements for reserve as designated by the Commissioner of the Financial Services Agency provided in paragraph (7) of that Article;
- (ii) cases where, pursuant to the provision of Article 151, paragraph (4), the Commissioner of the Financial Services Agency designates as the case where a licensed specified corporation is required to make a notification with the Commissioner of the Financial Services Agency when implementing the calculation the amount of policy reserve of its Underwriting Member;
- (ii)-2 cases where, in relation to the Contingency Reserve under Article 151, paragraph (1), item (ii)-2, the licensed specified corporation intends to make reserve or reversal not in accordance with the requirements for reserve as designated by the Commissioner of the Financial Services Agency provided in paragraph (6) of that Article;
- (iii) cases where the licensed specified corporation intends to conclude a reinsurance contract specified by the Commissioner of the Financial Services Agency as provided in Article 71, paragraph (2) as applied mutatis mutandis pursuant to Article 160, or to cancel the contract before the expiration of the contract term;
- (v) cases where the licensed specified corporation intends to take out any Subordinated Loan; or where it intends to issue Subordinated Corporate Bond;
- (v) where the licensed specified corporation intends to make an accelerated repayment of the Subordinated Loan, or where it intends to make an accelerated redemption of Subordinated Corporate Bonds (including in the case of payment or redemption with regard to a loan or corporate bonds without a fixed due date).

- (v)-2 cases where, pursuant to the provision of Article 190, paragraph (2) and for the purpose of the calculation of the amount set forth in Article 162, item (ii)-2, the Foreign Insurance Company, etc. intends to use the formula specified by the Insurance Company in accordance with the requirements specified by the Commissioner of the Financial Services Agency;
 - (v)-3 cases where the licensed specified corporation ceased to use the formula specified by the Insurance Company as provided in the preceding item, or to effect any material amendment to such formula;
 - (xvii) cases where it has come to the knowledge of the licensed specified corporation that any Deplorable Event has occurred to it.
- (3) For filing the notification under Article 234 of the Act, a licensed specified corporation shall submit to the Commissioner of the Financial Services Agency the notification, attaching thereto a written statement of reasons and any other document which would be informative:
- (3) The notification to be filed, when item (ii) of paragraph (1) applies, shall be filed no later than three weeks prior to the time limit for submission of the business report on insurance business in Japan, and shall be filed together with the balance sheet and profit and loss statement for the insurance business in Japan, supplementary schedules thereto, or any other documents similar to any of the aforementioned documents.
- (4) A Deplorable Event as provided in paragraph (1), item (xvii) shall mean the case where any director, executive officer, company auditor or employee of the licensed specified corporation, Underwriting Members or General Agencies (excluding the persons who fall under the category of the Life Insurance Solicitors and Non-Life Insurance Solicitors), their respective Life Insurance Solicitors or Non-Life Insurance Solicitors or such solicitors' respective officers or employees 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 performance of the licensed specified corporation and its Underwriting Members;
 - (ii) an act in violation of the Act on Regulation of Receiving of Capital Subscription, Deposits, and Interest Rates, etc.;
 - (iii) an act in violation of Article 300, paragraph (1) of the Act, or Article 38, items (iii) to (vii) inclusive or Article 39, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 300-2 of the Act; or an act which fall under Article 307, paragraph (1), item (iii) of the Act;
 - (iv) loss of cash, bills, checks, securities or any other valuable item equivalent to one million yen or more for each item (including the case of theft and depreciation or appreciation), which pertains to insurance business in Japan;
 - (vi) any other act similar to those set forth in the preceding items, which would

give actual or potential negative impact on the Underwriting Member in carrying out its business operation in Japan in a sound and appropriate manner.

- (5) A notification, when paragraph (1), item (xvii) is applicable, shall be filed within thirty days from the day when it comes to the knowledge of the licensed specified corporation the fact of occurrence of any Deplorable Event.

(Amount to be Refunded from Liquidating Underwriting Member)

Article 193 The amount to be specified by Cabinet Office Ordinance, as provided in Article 177, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 235, paragraph (5) of the Act, shall be the amount set aside as the refund reserve prescribed in Article 150, paragraph (1), item (ii)-2 or Article 151, paragraph (1), item (iii).

(Mutatis Mutandis Application of Provisions Concerning Liquidation of Specified Corporations, etc.)

Article 194 (1) The provision of Article 174 shall apply mutatis mutandis to the case where the interested party requests appointment or dismissal of liquidators pursuant to the provision of Article 235, paragraph (2) of the Act; the provision of Article 175 shall apply mutatis mutandis to an application for permission under Article 500, paragraph (2) (Restriction of Repayment of Debts) of the Companies Act applied by replacing certain terms under Article 178 of the Act as applied mutatis mutandis pursuant to Article 235, paragraph (4) of the Act; and the provision of Article 177 of the Act shall apply mutatis mutandis to liquidators or a licensed specified corporation in liquidation and underwriting members in liquidation.

- (2) Except for those that are not applicable by their nature, the provisions of Article 110-2, Articles 110-4 to 110-7 inclusive and Articles 114-2 to 114-8 inclusive shall apply mutatis mutandis to the matters to be specified by Cabinet Office Ordinance, pursuant to the provisions of Article 482, paragraph (3), item (iv) (Execution of Business), Article 489, paragraph (6), item (vi) (Authority, etc. of Board of Liquidators), Article 492, paragraph (1) (Preparation of List of Property), Article 536, paragraph (1), item (ii) (Restrictions on Assignment of Business), Article 548, paragraph (1), item (iv) (Determination of Calling of Creditors' Meeting), Article 550, paragraph (1), Article 551, paragraphs (1) and (2) (Issuance of Reference documents for Creditors' Meetings and Proxy Cards), Article 556, paragraph (2) (Voting in Writing), Article 557, paragraph (1) (Voting through Use of Electromagnetic Means) and Article 561 (Minutes) of the Companies Act as applied mutatis mutandis by replacing certain terms under Article 235, paragraph (4) of the Act.

(Matters to be Notified in Relation to General Agency)

Article 195 The matters to be specified by Cabinet Office Ordinance, as provided in Article 239 of the Act, shall be as follows:

- (i) to the effect that the applicant intends to become a General Agency;
- (ii) the trade name;
- (iii) the amount of stated capital;
- (iv) resumés of directors (resumés of directors and executive officers, in case of a company with committees)
- (v) if the applicant is a company with accounting advisors, the resumés of the accounting advisors;
- (vi) if the applicant is a company with company auditors (including a stock company which provides in its articles of incorporation that the scope to be audited by its company auditor shall be limited to accounting audit), the resumés of company auditors;
- (vii) the location of the head office and branch offices;
- (viii) the business details; and
- (ix) the method of management of properties in Japan of Underwriting Members.

Chapter X Modification of Contract Conditions

(Notice of Modification of Contract Conditions)

Article 196 When an Insurance Company (including a Foreign Insurance Company, etc.; hereinafter the same shall apply in this Chapter) intends to make a notice under Article 240-2, paragraph (1) of the Act, it shall submit to the Commissioner of the Financial Services Agency a written notice, with the following documents attached thereto:

- (i) a written statement of reasons;
- (ii) the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. (in case of a Mutual Company, a document related to disposition of surplus or treatment of loss and the statement of changes in members' equity) and any other document disclosing the recent status of business, properties and profit and loss (in case of a Foreign Insurance Company, etc., limited to the documents pertaining to its insurance business in Japan);
- (vi) a document stating any other matters which would serve as reference information.

(Matters to be Stated in Notice of Calling of Shareholders Meeting, etc. Pertaining to Modification of Contract Conditions)

Article 197 The matters to be specified by Cabinet Office Ordinance, as provided in Article 240-5, paragraph (3) of the Act, shall be as follows:

- (i) to the effect that the Modification of Contract Conditions is inevitable;
- (ii) the details of the Modification of Contract Conditions;
- (iii) the estimate of status of business and properties (in case of a Foreign Insurance Company, etc., the business and properties in Japan; hereinafter the same shall apply in this Chapter) after the Modification of Contract Conditions;
- (iv) the matters concerning treatment of obligations against the creditors other than the fund and policyholders, etc. (in case of a Foreign Insurance Company, etc., policyholders, etc. in Japan; hereinafter the same shall apply in this Chapter);
- (v) the matters concerning responsibility for management; and
- (vi) any other matters required for the Modification of Contract Conditions.

(Keeping of Documents Pertaining to Modification of Contract Conditions)

Article 198 The matters to be specified by Cabinet Office Ordinance, as provided in Article 240-7, paragraph (1) of the Act, shall be the matters set forth in the items of the preceding Article.

(Appointment, etc. of Insurance Inspector)

Article 199 When the Commissioner of the Financial Services Agency appoints an Insurance Inspector pursuant to the provision of Article 240-8, paragraph (1) of the Act, or when the Commissioner of the Financial Services Agency dismisses an Insurance Inspector pursuant to the provision of paragraph (3) of that Article, the Commissioner of the Financial Services Agency shall notify the inspected company set forth in paragraph (5) of that Article of the fact or appointment or dismissal as well as such Insurance Inspector's trade name or name.

(Approval for Modification of Contract Conditions)

Article 200 When an Insurance Company intends to obtain an approval under Article 240-11, paragraph (1) of the Act, it shall submit to the Commissioner of the Financial Services Agency the written application for approval, with the following documents (excluding the document set forth in item (ii), in case of a Foreign Insurance Company, etc.) attached thereto:

- (i) a written statement of reasons;
- (ii) the minutes of Shareholders Meeting, etc.
- (iii) the document indicating the details of the amendment to contract terms for which the resolution under Article 240-5, paragraph (1) of the Act (the details of the decision of the Modification of Contract Conditions, in case of a

- Foreign Insurance Company, etc.) has been adopted;
- (iv) the documents set forth in the items of the preceding Article; and
 - (v) a document stating any other matters which would serve as reference information.

(Written Notices Pertaining to Modification of Contract Conditions)

Article 201 The documents to be specified by Cabinet Office Ordinance, as provided in Article 240-12, paragraph (2) of the Act, shall be as follows:

- (i) a document explaining the reason that the Modification of Contract Conditions is inevitable;
- (ii) the estimate of status of business and properties after the Modification of Contract Conditions;
- (iii) the matters concerning treatment of obligations against the creditors other than the fund and policyholders, etc.;
- (v) the matters concerning responsibility for management; and
- (v) any other document specifying the matters required for the Modification of Contract Conditions.

(Amount of Claim Pertaining to Insurance Contract)

Article 202 The amount to be specified by Cabinet Office Ordinance, as provided in Article 241-12, paragraph (4) of the Act, shall be the amount set forth in item (i), in case of a Life Insurance Company; the total of the amounts set forth in items (ii) and (iii), in case of a Non-Life Insurance Company; and the amount set forth in item (ii), in case of a Low-Cost, Short-Term Insurer Low-Cost, Short-Term Insurer.

- (i) the amount to be reserved for the insured, as of the time of the public notice under Article 240-12, paragraph (1) of the Act (hereinafter referred to as the "Public Notice" in this Article);
- (ii) the amount of the insurance premiums corresponding to the Unexpired Period (meaning the insurance period specified in an insurance contract which have not been passed as of the time of the public notice); and
- (iii) the amount to be reserved as the refund reserve as set forth in Article 70, paragraph (1), item (iii) or Article 151, paragraph (1), item (iii), as of the time of the public notice.

(Matters Subject to Public Notice after Modification of Contract Conditions)

Article 203 The matters to be specified by Cabinet Office Ordinance, as provided in Article 240-13, paragraph (1) of the Act, shall be the progress of procedures provided in Article 240-12, paragraphs (1) to (4) inclusive of the Act.

Article 204 Deleted

Chapter XI Shareholders

Section 1 Insurance Major Shareholders

(Submission of Written Notice of Holding the Insurance Company's Voting Rights)

Article 205 (1) A person who, pursuant to the provision of Article 271-3, paragraph (1) of the Act, is required to submit a Written Notice of Holding the Insurance Company's Voting Rights as provided in that paragraph (hereinafter referred to as a Written Notice of Holding the Insurance Company's Voting Rights in this paragraph and Article 208) shall prepare the Written Notice of Holding the Insurance Company's Voting Rights in accordance with the Appended Form No. 13 and submit it to the Commissioner of the Financial Services Agency.

(2) The cases to be specified by Cabinet Office Ordinance and the day to be specified by Cabinet Office Ordinance, as provided in Article 271-3, paragraph (1) of the Act, shall be the cases set forth in the following items, and the days set forth in the following items in accordance with the categories respectively set forth therein:

(i) cases where there is no increase in the number of voting rights held (excluding the case referred to in item (iii)): the earlier of the following days: the day when five days (Sundays and the holidays provided in Article 37-5-2 of the Cabinet Order shall not be counted; hereinafter the same shall apply in this item and Article 207, paragraph (2), item (i)) passes from the day when it comes to the knowledge of the shareholder that such party has come to fall under the category of a Major Holder of the Insurance Company's Voting Rights (meaning a Major Holder of Insurance Company's Voting Rights as provided in Article 271-3, paragraph (1) of the Act; hereinafter the same shall apply in this Article and Article 207, paragraph (2), items (ii) and (iii)); or the day when five days passes from the fifteenth day of the month immediately after the month in which the day when the shareholder becomes the Major Holder of the Insurance Company's Voting Rights falls (if the day falls prior to the day when one month has passed from the day when the shareholder becomes the Major Holder of the Insurance Company's Voting Rights, the day when one month has passed from the day when such shareholder becomes the Major Holder of the Insurance Company's Voting Rights);

(ii) cases (excluding the cases set forth in the following item) where the party which has become the Major Holder of the Insurance Company's Voting Rights is a foreign national or a foreign corporation (including a person specified in Article 2-2, paragraph (1), item (i) of the Act; the same shall

apply in the following item, and in Article 207, paragraph (2), items (ii) and (iii): the day when one month has passed from the day when such party becomes the Major Holder of the Insurance Company's Voting Rights;

(iii) cases where the party which has become the Major Holder of the Insurance Company's Voting Rights is a foreign national or a foreign corporation, and where the voting rights held by such party is not increased: the earlier of the following dates: the day when it comes to the knowledge of such party that it has become the Major Holder of the Insurance Company's Voting Rights; or the day when one month has passed from the fifteenth day of the month immediately after the month in which the day when the party becomes the Major Holder of the Insurance Company's Voting Rights falls (if the day falls prior to the day when two months passes from the day when the shareholder becomes the Major Holder of the Insurance Company's Voting Rights, the day when two months passes from the day when such shareholder becomes the Major Holder of the Insurance Company's Voting Rights).

(Voting Rights Deemed to be Held by State, etc.)

Article 206 For the purpose of judgment of holding the voting rights specified in the following items, the parties respectively set forth therein shall be deemed to be a corporation referred to in Article 37-5 of the Cabinet Order.

- (i) a Partner Bank provided in Article 7, paragraph (1), item (i) of the Supplementary Provisions to the Deposit Insurance Act (Act No. 34 of 1971): the voting rights represented by the shares subject to the acquisition, etc. under the agreement provided in Article 22, paragraph (1) of the Supplementary Provisions to that Act; the voting rights represented by the shares subject to the issuance of shares, etc. provided in Article 4, paragraph (2) of the Act on Emergency Measures for Early Strengthening of Financial Functions (Act No. 143 of 1998); and the voting rights represented by the shares subject to the issuance of preferred shares, etc. provided in Article 4, paragraph (1), item (i) of the former Act on Emergency Measures for Stabilization of Financial Functions (Act No. 5 of 1998) which shall remain in effect pursuant to the provisions of Article 5 of the Supplementary Provisions to the Act on Emergency Measures for the Revitalization of the Financial Functions (Act No. 132 of 1998);
- (ii) an Agreement Claim Servicing Company as provided in Article 74, item (i) of the Agricultural and Fishery Cooperation Savings Insurance Act (Act No. 53 of 1973): the voting rights represented by the shares subject to consignment of asset purchase under Article 77, paragraph (1) of that Act.
- (iii) a Partner Bank as provided in Article 1-2-3, item (i) of the Supplementary Provisions to the Act: the voting rights represented by the shares subject to asset purchase in accordance with the agreement, as provided in Article 1-2-

12, paragraph (1) of the Supplementary Provisions to the Act.

(Submission of Change Report)

Article 207 (1) A party which, pursuant to the provision of Article 271-4, paragraph (1) of the Act, is required to submit a Change Report as provided in that paragraph (hereinafter referred to as a "Change Report" in this paragraph, paragraph (3) and the following Article) shall prepare the Change Report in accordance with the Appended Form No. 13 and submit it to the Commissioner of the Financial Services Agency.

(2) The cases to be specified by Cabinet Office Ordinance and the day to be specified by Cabinet Office Ordinance, as provided in the main clause of Article 271-4, paragraph (1) of the Act, shall be the cases set forth in the following items, and the days set forth in the following items in accordance with the categories respectively set forth therein:

(i) cases where there is no increase or decrease in the number of voting rights held (limited to the case where the Proportion of Voting Rights Held (meaning the Proportion of Voting Rights Held as provided in Article 271-3, paragraph (1), item (i) of the Act; hereinafter the same shall apply in this Article and the following Article) has increased or decreased by one percent or more; and excluding the case referred to in item (iii)): the day after the passage of five days from the day when it comes to the knowledge of the party that the Proportion of Voting Rights Held increased or decreased by one percent or more, or the day after the passage of five days from the fifteenth day of the month immediately after the month including the day when the Proportion of Voting Rights Held increased or decreased by one percent or more, whichever comes earlier;

(ii) cases (excluding the cases set forth in the following item) where the party which has become the Major Holder of the Insurance Company's Voting Rights is a foreign national or a foreign corporation: a day when one month has passed from the day of the change to the matters specified in the items of Article 271-3, paragraph (1) of the Act;

(iii) cases where the party which has become the Major Holder of the Insurance Company's Voting Rights is a foreign national or a foreign corporation, and where the voting rights held by such party is not increased or decreased (limited to the case where the Proportion of Voting Rights Held increased or decreased by one percent or more): the day after the passage of one month from the day when it comes to the knowledge of the party that the Proportion of Voting Rights Held increased or decreased by one percent or more, or the day after the passage of five days from the fifteenth day of the month immediately after the month including the day when the Proportion of Voting Rights Held increased or decreased by one percent or more, whichever

comes earlier;

- (3) The cases to be specified by Cabinet Office Ordinance, as provided in the proviso to Article 271-4, paragraph (1) of the Act, shall be the case where the Change Report informing the decrease of Proportion of Voting Rights Held by one percent or more has been submitted, in which case the Proportion of Voting Rights Held stated in the Change Report is five percent or less.

(Submission of Written Notice of Holding the Insurance Company's Voting Rights for Voting Rights Subject to Special Provisions)

Article 208 (1) A person who, pursuant to the provision of Article 271-5, paragraph (1) of the Act, is required to submit a Written Notice of Holding the Insurance Company's Voting Rights, or a person who, pursuant to the provision of paragraph (2) of that Article, is required to submit a Change Report shall prepare the Written Notice of Holding the Insurance Company's Voting Rights in accordance with the Appended Form No. 13-2 and submit to the Commissioner of the Financial Services Agency.

- (2) The persons to be specified by Cabinet Office Ordinance, as provided in Article 271-5, paragraph (1) of the Act, shall be as follows:
- (i) a Bank, Long Term Credit Bank, The Shoko Chukin Bank Limited, a Financial Instruments Business Operator (limited to operators engaged in Securities-Related Business and Investment Management Business), Trust Company and Foreign Trust Company (limited to those licensed under Article 3 (License) or Article 53, paragraph (1) (License) of the Trust Business Act), Insurance Company, The Norinchukin Bank, and the Management Organization for Postal Savings and Postal Life Insurance;
 - (ii) a party engaged in banking business, Securities-Related Business, Investment Advisory Business, Trust Business or insurance business in foreign state in accordance with the laws and regulations of that state, which does not fall under any of the parties set forth in the preceding item; and
 - (iii) a party whose joint holder is any of the parties set forth in the preceding two items (hereinafter referred to as "Bank, etc." in this item and paragraph (4)), which does not fall under the category of a Bank, etc.
- (3) The number to be specified by Cabinet Office Ordinance, as provided in Article 271-5, paragraph (1) of the Act, is ten percent.
- (4) The case to be specified by Cabinet Office Ordinance, as provided in Article 271-5, paragraph (1) of the Act, shall be the case where the Bank, etc. has a joint holder which does not fall under the category of a Bank, etc., and where the Proportion of Voting Rights Held by said joint holder exceeds one percent, if calculated based on the presumption that such joint holder has no joint holder which is a Bank, etc.
- (5) The requirement to be specified by Cabinet Office Ordinance, as provided in

Article 271-5, paragraph (2), item (ii) of the Act, shall be the increase or decrease by 2.5 percent or more in the Proportion of Voting Rights Held as specified in the Written Notice of Holding the Insurance Company's Voting Rights which already submitted or required to be submitted pursuant to the provision of paragraph (1) of that Article.

- (6) The cases to be specified by Cabinet Office Ordinance and the day to be specified by Cabinet Office Ordinance, as provided in Article 271-5, paragraph (2), item (iv) of the Act, shall be the cases set forth in the following items, and the days set forth in the following items in accordance with the categories respectively set forth therein:
- (i) cases where the Proportion of Voting Rights Held as of the last day of the month immediately after the month containing the Cut-Off Date (meaning the Cut-Off Date as provided in Article 271-5, paragraph (3) of the Act; hereinafter the same shall apply in this Article) for the Change Report is increased or decreased by 2.5 percent or more from that specified in the Change Report: fifteenth day of the month immediately after the month in which such last day falls;
 - (ii) cases where the Proportion of Voting Rights Held specified in the Change Report is the proportion as of the last day of the month which is not the month in which the Cut-Off Date falls; where the Proportion of the Voting Rights Held as of the Cut-Off Date in the month immediately subsequent thereto has increased or decreased by one percent or more of the Proportion of the Voting Rights Held specified in the Change Report; or where there has been any other change to a material matter to be stated in the Written Notice of Holding the Insurance Company's Voting Rights: fifteenth day of the month immediately after the month in which such last day falls;
 - (iii) cases where the Proportion of Voting Rights Held specified in the Change Report is the proportion as of the last day of the month which is not the month in which the Cut-Off Date falls; and where the Proportion of the Voting Rights Held as of the last day of the subsequent month which is not the month in which the Cut-Off Date falls has increased or decreased by 2.5 percent or more of the Proportion of the Voting Rights Held as specified in the Change Report: fifteenth day of the month in which the last day of the subsequent month which is not the month in which the Cut-Off Date falls;
 - (iv) cases where the Proportion of Voting Rights Held as of the Cut-Off Date after the day which served the basis of calculation of the Proportion of Voting Rights Held already submitted or required to be submitted pursuant to the provision of Article 271-4, paragraph (1) of the Act has increased or decreased by one percent or more of the Proportion of Voting Rights Held as specified in the Change Report; or where there has been any other change to a material matter to be stated in the Written Notice of Holding the Insurance

Company's Voting Rights: fifteenth day of the month immediately after the month in which such last day falls;

- (v) cases where the Proportion of Voting Rights Held as of the last day of the month other than the month in which the Cut-Off Date falls, which comes after the day serving the basis of calculation of the Proportion of Voting Rights Held already submitted or required to be submitted pursuant to the provision of Article 271-4, paragraph (1) of the Act has increased or decreased by 2.5 percent or more of the Proportion of Voting Rights Held as specified in the Change Report: fifteenth day of the month immediately after the month in which such last day falls;
 - (vi) cases where the Proportion of Voting Rights Held as of the Cut-Off Date after the day which served the basis of calculation of the Proportion of Voting Rights Held already submitted or required to be submitted pursuant to the provision of Article 271-3, paragraph (1) of the Act has increased or decreased by one percent or more of the Proportion of Voting Rights Held as specified in the Change Report; or where there has been any other change to a material matter to be stated in the Written Notice of Holding the Insurance Company's Voting Rights: fifteenth day of the month immediately after the month in which such Cut-Off Date falls; and
 - (vii) cases where the Proportion of Voting Rights Held as of the last day of the month other than the month in which the Cut-Off Date falls, which comes after the day serving the basis of calculation of the Proportion of Voting Rights Held already submitted or required to be submitted pursuant to the provision of Article 271-3, paragraph (1) of the Act has increased or decreased by 2.5 percent or more of the Proportion of Voting Rights Held as specified in the Change Report: fifteenth day of the month immediately after the month in which such last day falls.
- (7) A party which intends to make a notification of Cut-Off Date or change thereof shall prepare a written notification in accordance with the Appended Form No. 13-3, and submit it to the Commissioner of the Financial Services Agency or Other Competent Official.

(Application for Authorization to be Granted When Any Party Intends to Become a Holder of Voting Rights in Insurance Company Not Less Than Major Shareholders Threshold)

Article 209 (1) When a company or any other judicial person which, by way of transaction or conducts specified in the items of Article 271-10, paragraph (1) of the Act, intends to become a holder of voting rights in a single Insurance Company not less than the Major Shareholder Threshold and to obtain the authorization under that paragraph, it shall submit to the Commissioner of the Financial Services Agency the written application for authorization, attaching

thereto the following documents:

- (i) a written statement of reasons;
- (ii) the following documents concerning the corporation (when, due to the grounds that the corporation is a foreign corporation or any other ground, a part of the following documents are not available, the documents equivalent to such documents):
 - (a) articles of incorporation;
 - (b) certificate of registered matters of the corporation;
 - (c) resumés of directors and company auditors (or resumés of directors and executive officers, in case of a company with committees);
 - (d) resumés of accounting advisors, in case of a company with accounting advisors;
 - (e) a document specifying the name, domicile or residence, nationality and occupation of the holder of the voting rights in excess of five percent of the voting rights held by all shareholders or all equity holders (if the party is a corporation or any other type of organization, its name, location of the principal office and the details of the business engaged), as well as a document specifying the number of voting rights held by such holder;
 - (f) if the transaction or conducts specified in the items of Article 271-10, paragraph (1) of the Act for which the authorization is sought is subject to a resolution of the shareholders meeting or board of directors meeting (including an organ similar thereto), the minutes of the relevant shareholders meeting or the board of directors meeting (including a document certifying that the organ similar thereto has taken the necessary procedures);
 - (g) a document specifying the location of the principal office;
 - (h) a document specifying the details of the business;
 - (i) the latest balance sheet, profit and loss statement and a statement of change in shareholders' equity, etc. (in case of a Mutual Company, a document concerning disposition of surplus and treatment of loss, as well as a statement of changes in funds, etc.), and any other document disclosing the current status of business, property, profit and loss of the corporation;
 - (j) a document specifying the organizational functions for holding the voting rights in the Insurance Company;
 - (k) a document specifying the number of voting rights in Insurance Company already held, and the number of voting rights in Insurance Company to be acquired or held after the authorization is granted;
 - (l) a document specifying the name, location of the principal office or any other office and business of the Subsidiary Company, etc. (collectively meaning a Subsidiary Corporation, etc. and an Affiliated Corporation, etc.;

- hereinafter the same shall apply in this Article);
- (iii) a document specifying the prospective cash flow pertaining to the voting rights in the Insurance Company for five financial years after the authorization is granted, and the Net Present Value (meaning the sum of each of increase and decrease in income or expenditure directly or indirectly resulting from the holding of the voting rights, calculated by discounting the current value which is the amount less the interest rate corresponding to the period pertaining to fund for acquisition of the voting rights; the same shall apply in paragraph (3)) of such prospective cash flow;
 - (iv) a document specifying the result of stress test for the Net Present Value specified in the preceding item (meaning a separate calculation of a value other than the Net Present Value, on the presumption that the matters which served the preconditions for the calculation of the Net Present Value has been changed within a reasonable range such as the change in a certain period of time in the past; the same shall apply in paragraph (3));
 - (v) the prospective relationship such as personnel relationship, funding relationship, technical relationship and business relationship with the Insurance Company after the authorization is granted, and the policy governing such relationships (if the relationship may give impact on management of the Insurance Company's business, including the system to ensure that the Insurance Company will manage its business management in a sound and appropriate manner; and
 - (vi) a document stating any other matters which would serve as reference information for performance of the examination provided in Article 271, paragraph (11), item (i) of the Act.
- (2) When a company or any other judicial person which, by way of transaction or conducts specified in the items of Article 271-10, paragraph (1) of the Act, intends to become a holder of voting rights in a single Insurance Company not less than the Major Shareholder Threshold (excluding the parties provided in the preceding paragraph) intends to obtain the authorization under that paragraph, it shall submit to the Commissioner of the Financial Services Agency the written application for authorization, attaching thereto the documents set forth in item (i) and items (iii) to (v) inclusive of the preceding paragraph:
- (i) a document specifying the name, location or address of principal office, or domicile or residence, and occupation of the applicant;
 - (ii) a document specifying the number of voting rights in Insurance Company already held, and the number of voting rights in Insurance Company to be acquired or held after the authorization is granted;
 - (iii) a document specifying the name, location of principal business office or principal office and the details of the business of the corporation, whose

- voting rights not less than twenty percent of voting rights of all shareholders or all equity holders are held by the applicant; and
- (iv) a document stating any other matters which would serve as reference information for performance of the examination provided in Article 271, paragraph (11), item (ii) of the Act.
- (3) When a company or any other judicial person which, by way of transaction or conducts specified in the items of Article 271-10, paragraph (1) of the Act, intends to become a holder of voting rights in a single Insurance Company not less than the Major Shareholder Threshold intends to obtain the authorization under that paragraph, it shall submit to the Commissioner of the Financial Services Agency the written application for authorization, attaching thereto the following documents:
- (i) a written statement of reasons;
- (ii) the following documents concerning the company or any other type of corporation to be incorporated with the authorization (hereinafter referred to as the "Incorporated Corporation" in this paragraph) (if, due to the grounds that the corporation is a foreign corporation or any other ground, a part of the following documents are not available, the documents equivalent to such documents):
- (a) articles of incorporation;
- (b) resumés of directors and company auditors (or resumés of directors and executive officers, in case of a company with committees);
- (c) resumés of accounting advisors, in case of a company with accounting advisors;
- (d) a document specifying the name, domicile or residence, nationality and occupation of the holder of the voting rights in excess of five percent of the voting rights held by all shareholders or all equity holders (if the party is a corporation or any other type of organization, its name, location of the principal office and the details of the business engaged), as well as a document specifying the number of voting rights held by such holder;
- (e) if the incorporation is subject to the resolution of the organizational meeting, the minutes of the relevant organizational meeting (if the Incorporated Corporation is to be incorporated by way of share transfer (including share transfer on entity conversion as provided in Article 96-8, paragraph (1) of the Act; the same shall apply hereinafter), merger of company split, the minutes of the relevant shareholders meeting or any other document certifying that necessary procedures have been implemented;
- (f) a document specifying the location of the principal office;
- (g) a document specifying the details of the business;
- (h) a document disclosing the amount of stated capital and any other status

- of properties after the incorporation;
 - (i) a document specifying the organizational functions for holding the voting rights in the Insurance Company;
 - (j) a document specifying the number of voting rights in Insurance Company already held, and the number of voting rights in Insurance Company to be acquired or held after the authorization is granted;
 - (l) a document specifying the name, location of the principal office or any other office and business of the Subsidiary Company, etc.;
 - (iii) a document specifying the prospective cash flow pertaining to the voting rights in the Insurance Company for five business years after the authorization is granted, and the Net Present Value of such prospective cash flow;
 - (iv) a document specifying the results of the stress test for the Net Present Value under the preceding item;
 - (v) the prospective relationship such as personnel relationship, funding relationship, technical relationship and business relationship with the Insurance Company after the authorization is granted, and the policy governing such relationships; and
 - (vi) a document stating any other matters which would serve as reference information for performance of the examination provided in Article 271, paragraph (11), item (i) of the Act.
- (4) When the Commissioner of the Financial Services Agency conducts an examination provided in the items of Article 271, paragraph (11) of the Act which pertains to the application for authorization under the preceding three paragraphs, the Commissioner of the Financial Services Agency shall take into account the following circumstances:
- (i) that the purpose of the authorization applicant or a corporation to be incorporated with the authorization (hereinafter collectively referred to as "Applicant, etc." in this paragraph) in regard to acquisition or holding of the voting rights in the Insurance Company obviously would not give negative impact on public nature of the business of the Insurance Company; and that the systems are in place so that it is extremely unlikely that the Insurance Company will be adversely affected in managing its business in a sound and appropriate manner, due to any grounds resulting from the holding of such voting rights, including the status of the properties and income and expenditure of such Applicant, etc. and the relationship between the Applicant, etc. and the Insurance Company based on such holding;
 - (ii) that, judging from the system, etc. pertaining to holding of voting rights in the Insurance Company, it is obvious that the Applicant, etc. will not precluded the Insurance Company from performing the business management in an accurate and fair manner and that the Applicant, etc. has

- sufficient social credibility;
- (5) The events to be specified by Cabinet Office Ordinance, as provided in Article 271-10, paragraph (1), item (i) of the Act, shall be as follows:
- (i) acquisition of shares by way of exercise of security interests;
 - (ii) acquisition of shares by way of receipt of subrogation payment;
 - (iii) increase in the ratio of the voting rights to the voting rights of all shareholders, by way of acquisition of voting rights represented by shares which prohibits the Insurance Company from exercising the voting rights (limited to the shares acquired due to the occurrence of the event beyond the intention of the Insurance Company or its Subsidiary Company);
 - (iv) increase in the ratio of the voting rights to the voting rights of all shareholders, by way of conversion of shares implemented by the Insurance Company (excluding the conversion upon the request from the Insurance Company or its Subsidiary Company);
 - (v) increase in the ratio of voting rights to the voting rights of all shareholders of the Insurance Company, by way of consolidation or split of shares, or allotment of shares without contribution;
 - (vi) increase in the ratio of voting rights to the voting rights of all shareholders, by way of amendment of the details of the rights in shares or amendment to the number of shares for one unit of shares, as affected by the amendment of the articles of incorporation of the Insurance Company;
 - (vii) increase in the ratio of voting rights to the voting rights of all shareholders, by way of acquisition of treasury shares of the Insurance Company; and
 - (viii) the acquisition of shares or equity interest when the number of voting rights pertaining to the properties other than the trust properties for the trust without an option of compensation of principal does not exceed the Major Shareholder Thresholds.
- (6) The provision of the preceding paragraph shall apply mutatis mutandis to the events to be specified by Cabinet Office Ordinance, as provided in Article 37-5-4, item (i) of the Cabinet Order.

(Application for Authorization Pertaining to Specified Major Shareholders)

Article 210 (1) When a Specified Major Shareholder (meaning a Specified Major Shareholder provided in Article 271-10, paragraph (2) of the Act) intends to obtain an authorization under the proviso to that paragraph, it shall submit to the Commissioner of the Financial Services Agency a written application for authorization, attaching thereto the following documents:

- (i) a written statement of reasons;
- (ii) the documents set forth in sub-items (c) to (e) inclusive, sub-items (g) to (j) inclusive and sub-item (l) of item (ii) of paragraph (1) of the preceding Article

and in items (iii) to (iv) inclusive of that paragraph; and
(iii) the documents specifying the number of voting rights held in the Insurance Company.

(2) The provision of paragraph (4) of the preceding Article shall apply mutatis mutandis to the examination provided in Article 271-11 of the Act which pertains to the application for authorization under the preceding paragraph.

(Companies in Special Relationship with Insurance Major Shareholders)

Article 210-2 (1) The companies in special relationship to be specified by Cabinet Office Ordinance, as provided in Article 271-15, paragraph (1) of the Act, shall be as follows:

(i) a Subsidiary Company (meaning a Subsidiary Company referred to in Article 1-5, paragraph (2), item (i) of the Insurance Major Shareholder (limited to a shareholder which falls under the category of a Company Subject to Standards for Consolidation (meaning a Company Subject to Standards for Consolidation as provided in Article 2-2, paragraph (1), item (ii) of the Act; the same shall apply in the following item);

(ii) an Associated Company (meaning an Associated Company as provided in Article 1-5, paragraph (2), item (iii) of the Insurance Major Shareholder; and

(iii) a company or any other corporation whose voting rights in excess of fifty percent of voting rights of all shareholders, etc. are held by the Insurance Major Shareholder (limited to a shareholder which is not a Company Subject to Standards for Consolidation);

(2) The provision of Article 13-5-2, paragraph (6) of the Cabinet Order shall apply mutatis mutandis to the voting rights held by Insurance Major Shareholders under item (iii) of the preceding paragraph when such item applies. In this case, the term "Article 147, paragraph (1) or Article 148, paragraph (1) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239 and Article 276 (limited to the portion pertaining to item (ii))" and "share or contribution" in paragraph (6) of that Article shall be deemed to be replaced with "Article 147, paragraph (1) or Article 148, paragraph (1)" and "shares," respectively.

Section 2 Insurance Holding Company

(Application for Authorization of Becoming Holding Company Having Insurance Company as its Subsidiary Company)

Article 210-3 (1) A company which, by way of transactions or conducts specified in the items of Article 271-18, paragraph (1) of the Act, intends to become a holding company having an Insurance Company as its Subsidiary Company

and to obtain an authorization under that paragraph shall submit to the Prime Minister a written application for authorization, attaching thereto the following documents:

- (i) a written statement of reasons; and
- (ii) the following documents concerning the company:
 - (a) articles of incorporation;
 - (b) certificate of registered matters of the company;
 - (c) resumés of directors and company auditors (or resumés of directors and executive officers, in case of a company with committees);
 - (d) resumés of accounting advisors, in case of a company with accounting advisors;
 - (e) a document specifying the trade names and names of major shareholders and the number of voting rights held by such shareholders;
 - (f) if the transaction or conducts specified in the items of Article 271-18, paragraph (1) of the Act for which the authorization is sought is subject to a resolution of the shareholders meeting or board of directors meeting (including an organ similar thereto), the minutes of the relevant shareholders meeting or the board of directors meeting (including a document certifying that the organ similar thereto has taken the necessary procedures);
 - (g) a document specifying the location of the principal office;
 - (h) a document specifying the details of the business;
 - (i) the latest balance sheet, profit and loss statement and a statement of change in shareholders' equity, etc., and any other document disclosing the current status of business, property, profit and loss of the company;
 - (j) a document specifying the framework for business management of the Subsidiary Company (including a company to be the Subsidiary Company; hereinafter the same shall apply in this paragraph) to be carried out by the company;
 - (k) a document specifying the status of maintenance of employees with knowledge and experience in business of an Insurance Company.
- (iii) the following documents concerning the company's Subsidiary Company:
 - (a) a document specifying the trade name or name, and the location of the principal business office or office;
 - (b) a document specifying the job titles and names of the officers (if any of the officers is a corporation, including a person to perform the duties thereof); and
 - (c) a document specified in sub-items (h) and (i) of the preceding item.
- (iv) a document specifying the prospective income and expenditure of the company and its Subsidiary Company for five business years after the authorization is granted;

- (v) a document stating any other matters which would serve as reference information for performance of the examination provided in Article 271-19, paragraph (1) of the Act.
- (2) A company which intends to incorporate a holding company having an Insurance Company as its Subsidiary Company by way of transactions or conducts specified in the items of Article 271-18, paragraph (1) of the Act intends to obtain an authorization under that paragraph, it shall submit to the Prime Minister a written application for authorization, together with the following documents:
 - (i) a written statement of reasons;
 - (ii) the following documents concerning the company to be incorporated with the authorization (hereinafter referred to as the "Incorporated Company" in this paragraph):
 - (a) articles of incorporation;
 - (b) resumés of directors and company auditors (or resumés of directors and executive officers, in case of a company with committees);
 - (c) resumés of accounting advisors, in case of a company with accounting advisors;
 - (d) a document specifying the trade names and names of the major shareholders and the number of voting rights held by such shareholders;
 - (e) if the incorporation is subject to the resolution of the organizational meeting, the minutes of the relevant organizational meeting (if the Incorporated Corporation is to be incorporated by way of share transfer, merger of company split, the minutes of the relevant shareholders meeting or any other document certifying that necessary procedures have been implemented);
 - (f) a document specifying the location of the principal office;
 - (g) a document specifying the details of the business;
 - (h) a document disclosing the amount of stated capital and any other status of properties after the incorporation;
 - (j) a document specifying the framework for business management of the Subsidiary Company (including a company to be the Subsidiary Company; hereinafter the same shall apply in this paragraph) to be carried out by the Incorporated Company;
 - (k) a document specifying the status of maintenance of employees with knowledge and experience in business of an Insurance Company.
 - (iii) the following documents concerning the Incorporated Company's Subsidiary Company:
 - (a) a document specifying the trade name or name, and the location of the principal business office or office;
 - (b) a document specifying the job titles and names of the officers (if any of

- the officers is a corporation, including a person to perform the duties thereof);
- (c) a document specifying the details of the business;
 - (d) the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. and any other document disclosing the recent status of business, properties and profit and loss of the company;
 - (iv) a document specifying the prospective income and expenditure of the Incorporated Company and its Subsidiary Company for five years after the incorporation; and
 - (v) a document stating any other matters which would serve as reference information for performance of the examination provided in Article 271-19, paragraph (1).
- (3) When the Prime Minister conducts an examination provided in the items of Article 271-19, paragraph (1) of the Act which pertains to the application for authorization under the preceding two paragraphs, the Prime Minister shall take into account the following circumstances:
- (i) the authorization applicant company or the company to be incorporated with the authorization (hereinafter collectively referred to as "Applicant, etc." in this paragraph) is expected to demonstrate sound income and expenditure after the authorization is granted or for five business years after the incorporation;
 - (ii) that, judging from the status of maintenance of officers or employees with sufficient knowledge and experience in business of an Insurance Company, framework for business management of Subsidiary Companies and other factors, the Applicant, etc. is able to carry out the business management of the Insurance Company which is or will be its Subsidiary Company in an accurate and fair manner, and has sufficient social credibility.
- (4) The events to be specified by Cabinet Office Ordinance, as provided in Article 271-18, paragraph (1), item (i) of the Act, shall be as follows:
- (i) acquisition of shares by way of exercise of security interests;
 - (ii) acquisition of shares by way of receipt of subrogation payment;
 - (iii) implementation of the business, when a Financial Instruments Business Operator engaged in Securities-Related Business acquires shares in the course of its business;
 - (iv) increase in the ratio of the voting rights to the voting rights of all shareholders, by way of acquisition of voting rights represented by shares which prohibits the Insurance Company from exercising the voting rights (limited to the shares acquired due to the occurrence of the event beyond the intention of the Insurance Company or its Subsidiary Company);
 - (v) increase in the ratio of the voting rights to the voting rights of all shareholders, by way of conversion of shares implemented by the Insurance

- Company (excluding the conversion upon the request from the Insurance Company or its Subsidiary Company);
- (vi) increase in the ratio of voting rights to the voting rights of all shareholders, by way of consolidation or split of shares, or allotment of shares without contribution;
 - (vii) increase in the ratio of voting rights to the voting rights of all shareholders, by way of amendment of the details of the rights in shares or amendment to the number of shares for one unit of shares, as affected by the amendment of the articles of incorporation of the Insurance Company; and
 - (vii) increase in the ratio of voting rights to the voting rights of all shareholders, by way of acquisition of treasury shares of the Insurance Company.
- (5) The provision of the preceding paragraph shall apply mutatis mutandis to the events to be specified by Cabinet Office Ordinance, as provided in Article 37-5-6, item (i) of the Cabinet Order.

(Preliminary Examination for Authorization for Becoming Holding Company Having Insurance Company as Subsidiary Company)

Article 210-4 A company which intends to become a holding company having an Insurance Company as its Subsidiary Company or a party which intends to incorporate a holding company having an Insurance Company as its Subsidiary Company, by way of transactions or conducts specified in the items of Article 271-18, paragraph (1) of the Act, intends to obtain an authorization under that paragraph, it may request preliminary examination by submitting to the Prime Minister the documents equivalent to those set forth in paragraph (1) or (2) of the preceding Article.

(Matters to be Notified Pertaining to Specified Holding Company)

- Article 210-5 (1) The matters to be specified by Cabinet Office Ordinance, as provided in Article 271-18, paragraph (2) of the Act, shall be as follows:
- (i) the fact that the company has become a holding company having an Insurance Company as its Subsidiary Company;
 - (ii) the grounds for, and the timing when the company became the holding company having an Insurance Company as its Subsidiary Company;
 - (iii) the trade name or name and the business details of the company and its Subsidiary Company; and
 - (iv) any other matters as may be judged necessary by the Commissioner of the Financial Services Agency.
- (2) When a Specified Holding Company (meaning a Specified Holding Company as provided in Article 271-18, paragraph (2) of the Act; hereinafter the same shall apply in this Article and the following Article) intends to file a

notification under that paragraph (or a notification under Article 37-8 of the Cabinet Order, if the Specified Holding Company is a Foreign Holding Company Having Insurance Company as Subsidiary Company (meaning a holding company having an Insurance Company as its Subsidiary Company, which is incorporated in accordance with the laws and regulations of the foreign state; the same shall apply hereinafter), it must submit to the Commissioner of the Financial Services Agency a written notification, with the following documents attached thereto:

- (i) articles of incorporation;
- (ii) a certificate of registered matters of the company; and
- (iii) the latest balance sheet of the Specified Holding Company and its Subsidiary Company.

(3) If the Specified Holding Company is a Foreign Holding Company Having Insurance Company as Subsidiary Company, if such Foreign Holding Company having an Insurance Company as its Subsidiary Company intends to obtain an approval of extension of the time limit for submission of the notification under the proviso to Article 37-8 of the Cabinet Order, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons attached thereto.

(4) When the application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency shall examine whether there exists any inevitable ground for granting the applicant Foreign Holding Company an extension of the time limit for the submission of the notification under the proviso to Article 37-8 of the Cabinet Order.

(5) When a Specified Holding Company intends to file a notification under Article 271-18, paragraph (4) of the Act, it shall submit to the Commissioner of the Financial Services Agency a written notification, with the following documents attached thereto:

- (i) a written statement of reasons;
- (ii) a document specifying the timing when the Specified Holding Company ceased to fall under a holding company having an Insurance Company as its Subsidiary Company; and
- (iii) documents specifying the measures implemented so that the Specified Holding Company will be excluded from the definition of the holding company having an Insurance Company as its Subsidiary Company; or the documents specifying the grounds of the Specified Holding Company being excluded from the definition of the holding company having an Insurance Company as its Subsidiary Company.

(Application for Authorization Pertaining to Specified Holding Company)
Article 210-6 (1) When a Mutual Company intends to obtain the authorization

under the proviso to Article 271-18, paragraph (3) of the Act, it shall submit to the Prime Minister a written application for authorization, with the following documents attached thereto:

- (i) a statement of reasons; and
 - (ii) documents specified in Article 210-3, paragraph (1), item (ii), sub-items (c) to (e) inclusive, sub-items (g) to (k) inclusive and items (iii) to (v) inclusive of that paragraph.
- (2) The provision of Article 210-3, paragraph (3) shall apply mutatis mutandis to the examination provided in Article 271-19, paragraph (1) of the Act which pertains to the application for authorization under the preceding paragraph.

(Scope of Business Pertaining to Arrangement of Framework for Protection of Customers' Interests)

Article 210-6-2 The business to be specified by Cabinet Office Ordinance, as provided in Article 271-21-2, paragraph (1) of the Act, shall be Insurance-Related Business.

(Measures Necessary for Prevention of Unreasonable and Negative Impact on Customers' Interests)

Article 210-6-3 (1) An Insurance Holding Company shall take the following measures so that customers' interests pertaining to the Insurance-related Business conducted by the Insurance Company which is its Subsidiary Company, or its Subsidiary Financial Institution, etc. (meaning Subsidiary Financial Institution, etc. provided in Article 271-21-2, paragraph (3) of the Act; hereinafter the same shall apply in this Article) will not be unjustly impaired as a result of transactions carried out by the Insurance Company which is its Subsidiary Company, or its Parent Financial Institution, etc. (meaning Parent Financial Institution, etc. provided in paragraph (2) of that Article; hereinafter the same shall apply in this Article), or its Subsidiary Financial Institution, etc.:

- (i) arrangement of a system to identify the subject transactions by an appropriate means;
- (ii) arrangement of a framework to properly ensure the protection of the relevant Customer by the following means or any other means:
 - (a) segregation of the sector to carry out the Target Transactions and the sector to carry out transactions with said Customer;
 - (b) change to conditions or methods of the Target Transactions or transactions with said Customer;
 - (c) suspension of the Target Transactions or transactions with said Customer; or
 - (d) properly disclosing to said Customer that the Customer's interests may be

- unjustly impaired as a result of the Target Transactions;
- (iii) establishment of policies for implementing measures listed in the preceding two items and announcement of the outline thereof by appropriate means; and
 - (iv) preservation of the following records:
 - (a) records pertaining to the identification of the subject transactions that have been carried out under a system set forth in item (i); and
 - (b) records pertaining to measures to properly ensure the protection of a Customer that have been taken under systems set forth in item (ii).
- (2) The records provided in item (iv) of the preceding paragraph shall be preserved for five years from the day on which the records were prepared.
- (3) The "Target Transactions" set forth in paragraph (1) shall mean transactions carried out by an Insurance Company, its Parent Financial Institution, etc., or its Subsidiary Financial Institution, etc. when such transactions may unjustly impair customers' interests pertaining to the Insurance-related Business conducted by the Insurance Company or its Subsidiary Financial Institution, etc.

(Scope of Subsidiary Companies of Insurance Holding Companies)

Article 210-7 (1) The parties to be specified by Cabinet Office Ordinance, as provided in Article 271-22, paragraph (1), item (xii) and paragraph (5) of the Act, shall be as follows:

- (i) Subsidiary Companies, etc. of the Insurance Company (limited to those set forth in Article 271-22, paragraph (1), item (ii)-2 of the Act);
 - (i)-2 Insurance Holding Company Group of the Insurance Holding Company (meaning a group comprising two or more Subsidiary Companies of the Insurance Holding Company or a group of the Insurance Holding Company and its Subsidiary Companies, which include the companies set forth in Article 271-22, paragraph (1), item (i) to (ii)-2 inclusive or item (viii); the same shall apply in the following item); and
 - (ii) Insurance Holding Company Group of the Insurance Holding Company; Insurance Companies (excluding Insurance Companies which are the Subsidiary Companies of the Insurance Holding Company) or its Insurance Company Group and Insurance Holding Company Group; or Insurance Holding Company Group of other Insurance Holding Companies;
- (2) The businesses to be specified by Cabinet Office Ordinance, as provided in Article 271-22, paragraph (1), item (xii), sub-item (a) of the Act, shall be as follows:
- (i) business to handle affairs related to welfare benefit of officers or employees of other business operators;
 - (ii) business of purchasing and management of goods to be used for handling

- business affairs of other business operators;
- (iii) business of printing and bookbinding of papers, tickets and any other documents related to the affairs of other business operators;
 - (iv) business of advertisement or promotion for businesses of other business operators;
 - (v) business of driving, maintenance, inspection and any other type of management of automobiles for other business operators;
 - (vi) business of investigation or provision of information as may be necessary in relation to the business of other business operators (excluding those which fall under item (ix));
 - (vii) business of maintenance, inspection and any other type of management of automated teller machines, etc. of other business operators;
 - (viii) business of preparation and dispatching of postcards and sealed documents for solicitation of conclusion of contract pertaining to the business of other business operators or for providing explanation on the terms of such contract;
 - (ix) business of assessment of properties which are to be offered as collateral to secure loan claims any other claims originating from extension of credit by other business operators; management of such properties which are offered as collateral; and any other businesses as may be necessary in relation to such properties;
 - (x) business to provide consultation on monetary loan to be rendered by other business operators (limited to consumer loans such as loan necessary for purchasing houses); brokerage for handling business related to such loan; or any other business necessary in relation to such loans;
 - (xi) business to handle business affairs necessary for foreign exchange transactions, letters of credit or traveler's check to be performed by other business operators; or business to handle business affairs necessary for financing, discounting of bill, guarantee of obligations or acceptance of bills to be performed by other business operators;
 - (xii) business to perform calculation related to business affairs of other business operators;
 - (xiii) business to prepare, organize, store, ship or deliver the papers, tickets or any other documents pertaining to the business affairs of other business operators;
 - (xiv) business to act as intermediary between the other business operator and its Customer, in relation to the business affairs;
 - (xv) Workers Dispatching Undertaking 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 businesses to be carried out subject to the license under Article 30,

- paragraph (1) of the Employment Security Act;
- (xvi) business to handle business affairs related to computers for other business operators (including business to design or maintain systems which function through the use of computers, and also including business to design, create, sell (including sale of peripheral equipment which would be necessary incidental to sale of programs) or maintain computer programs);
 - (xvii) business to provide education or training for officers or employees of other business operators;
 - (xviii) business of leasing real properties owned by other business operators (in principle, including real properties acquired from such other business operators; hereinafter the same shall apply in this item); business of maintenance, inspection and any other type of management of real properties owned by other business operators or the ancillary facilities;
 - (ixx) business of shipping of cash, checks, bills or securities of other business operators (excluding the business set forth in the following item and item (xxi));
 - (xx) business to collect cash, checks, bills or securities and deliver them to major customers of other business operators;
 - (xxi) business of conveyance from or to other business operator's major customers securities related to such other business operator;
 - (xxii) business of sorting out cash, checks, bills or securities, confirming the amount and quantity thereof, or taking temporary custody thereof, on behalf of the other business operators;
 - (xxiii) business of making investment on behalf of an Insurance Company which holds the Subsidiary Company as its Subsidiary Company;
 - (xxiv) when an Insurance Company which holds the Subsidiary Company as its Subsidiary Company, an Insurance Company which is a Subsidiary Company of the aforementioned Insurance Company, a bank or the Long Term Credit Bank (hereinafter collectively referred to as "Parent Insurance Company, etc." in this item) requires enforcement of the security interests for the purpose of collection of claims pertaining to loans or any other credit granted; or when a company invested and incorporated jointly by financial institutions with the objective of purchasing mortgage loans (hereinafter referred to as a "Purchasing Company" in this item) requires enforcement of the security interests for the purpose of collection of mortgage loans purchased from the Parent Insurance Company, etc., to provide business of purchasing real properties securing above-mentioned claims and of handling business affairs necessary in relation to ownership, management, etc. of the real properties purchased, on behalf of such Parent Insurance Company, etc. or such Purchasing Company;
 - (xxv) any other business designated by the Commissioner of the Financial

- Services Agencies as the business equivalent to those specified in the preceding items; and
- (xxvi) businesses incidental to those set forth in the preceding items (limited to the businesses carried out by the parties engaged in any of the aforementioned businesses).
- (3) If, from the standpoint of improvement of convenience of Policyholders, etc., it is not reasonable that the company engaged in the business specified in Article 56-2, paragraph (2), item (i) performs such business, such company shall not fall under the company set forth in Article 271-22, paragraph (1), item (xii) of the Act.
- (4) A company to be specified by Cabinet Office Ordinance, as provided in Article 271-22, paragraph (1), item (xiii) of the Act, shall be a stock company provided in Article 56, paragraph (5).
- (5) In addition to the companies provided in the preceding paragraph, a stock company which fell under the company provided in the preceding paragraph at the time when the voting rights were acquired by an Insurance Holding Company or its Subsidiary Company (including a company to be a Subsidiary Company) (when the voting rights in such stock company were acquired in two or more occasions by such Insurance Company or its Subsidiary Company (including a company to be a Subsidiary Company), at the time of the latest occasion of the acquisition) shall be treated as falling under the company to be specified by Cabinet Office Ordinance as provided in Article 271-22, paragraph (1), item (xiii) of the Act, unless the voting rights therein are newly acquired by an Insurance Company or its Subsidiary Company.
- (6) Notwithstanding the provision of the preceding two paragraphs, if the Subsidiary Company of the Insurance Holding Company solely engaged in the business specified in Article 56-2, item (xxiv) and the business incidental thereto (hereinafter referred to as a "Specific Subsidiary Company") fails to dispose of its acquired voting rights in the company provided in the preceding two paragraphs (hereinafter referred to as "New Business Marketing Company, etc." in this paragraph), until the day when ten years passes from the day of the acquisition thereof (hereinafter referred to as the "Cut-Off Date"), such New Business Marketing Company shall be treated as not constituting a company to be specified by Cabinet Office Ordinance as provided in Article 271-22, paragraph (1), item (xiii) as from the day immediately after the Cut-Off Date; provided, however, that this shall not apply where disposition of the voting rights will result in the number of voting rights in the New Business Marketing Company held by the Insurance Company or its Subsidiary Company falling short of the Voting Rights Threshold as of the Cut-Off Date (meaning the number of the voting rights derived by multiplying the voting rights held by all shareholders by fifty percent; hereinafter the same shall

apply in this paragraph), and where the Specific Subsidiary Company, for the period between the acquisition date and the Cut-Off Date, disposes of the portion of the voting rights exceeding the Voting Rights Thresholds held by the Insurance Holding Company and its Subsidiary Company.

- (7) The ratio to be specified by Cabinet Office Ordinance, as provided in Article 271-22, paragraph (1), item (xiii) of the Act, shall be 35 percent.
- (8) The company to be specified by Cabinet Office Ordinance, as provided in Article 271-22, paragraph (1), item (xiii) of the Act, shall be a company solely engaged in the business specified in Article 56-2, paragraph (2), item (xxiv) and business incidental thereto.
- (9) The companies to be specified by Cabinet Office Ordinance, as provided in Article 271-22, paragraph (1), item (xiv) of the Act, shall be as follows; provided, however, that if the Holding Company engages in the business set forth in the items of Article 56-2, paragraph (1), such business shall be the business to be performed primarily for Insurance Companies, its Subsidiary Companies or the parties set forth in the items of paragraph (1), in accordance with the requirements to be specified by the Commissioner of the Financial Services Agency.
 - (i) in case of a Holding Company whose Subsidiary Company is a Company Specialized in Securities Business, a Company Specialized in Securities Intermediary Service, a foreign company engaged in Securities-related Business as provided in Article 271-22, paragraph (1), item (x) of the Act (excluding the company which fall under the category of the foreign company engaged in insurance business), a Company Specialized in Trust Business, or a foreign company engaged in trust business as provided in item (xi) of that paragraph (excluding companies which fall under the foreign companies engaged in insurance business), the companies engaged solely in administration of management of such Subsidiary Company and business incidental thereto and business set forth in the items of Article 56-2, paragraphs (1) and (2) (excluding items (xxxiv)-3 and (xxxv)) (limited to the case where the company does not have a Subsidiary Company provided in Article 106, paragraph (1), items (i) to (iv) inclusive and items (viii) and (ix) of the Act; hereinafter the same shall apply in this Article, excluding the following item and item (iii));
 - (ii) in case of a Holding Company whose Subsidiary Company is a Company Specialized in Securities Business, a Company Specialized in Securities Intermediary Service or a foreign company engaged in Securities-Related Business as provided in Article 271-22, paragraph (1), item (x) of that paragraph (excluding companies which fall under the foreign companies engaged in insurance business), the companies engaged solely in administration of management of such Subsidiary Company and business

- incidental thereto and business set forth in items of Article 56-2, paragraphs (1) and (2) (excluding items (xxxiv)-3, (xxxv), items (xli) to (xlv) inclusive) (limited to the case where the company does not have a Subsidiary Company provided in Article 106, paragraph (1), items (i) to (iv) inclusive, items (vii) to (ix) inclusive and item (xi) of the Act);
- (iii) in case of a Holding Company whose Subsidiary Company is a Company Specialized in Trust Business or a foreign company engaged in trust business as provided in Article 271-22, paragraph (1), item (xi) of that paragraph (excluding companies which fall under the foreign companies engaged in trust business), the companies engaged solely in administration of management of such Subsidiary Company and business incidental thereto and business set forth in the items of Article 56-2, paragraphs (1) and (2) (excluding items (xxxiv)-3 to (xl) inclusive) (limited to the case where the company does not have a Subsidiary Company provided in Article 106, paragraph (1), items (i) to (vi) inclusive, and items (viii) to (x) inclusive of the Act);
- (iv) in case of a Holding Company whose Subsidiary Company is a company provided in Article 271-22, paragraph (1), item (iv)-2, item (xii) or item (xiii) of the Act, the companies engaged solely in administration of management of such Subsidiary Company and business incidental thereto and business set forth in items of Article 56-2, paragraphs (1) and (2) (excluding items (xxxiv)-3 to (xlv) inclusive);
- (v) in case of a Holding Company under Article 56-2, paragraph (6) which is a Subsidiary Company of a bank or a Long Term Credit Bank which is the Subsidiary Company of the Insurance Company as provided in Article 106, paragraph (2), item (vi), sub-item (c) of the Act, the companies engaged solely in administration of management of such Subsidiary Company of the Holding Company and business incidental thereto and business set forth in Article 56-2, paragraphs (1) and (2) (excluding items (xxxvi) to (xlv) inclusive);
- (vi) in case of a Holding Company under Article 56-2, paragraph (7) which is a Subsidiary Company of a Company Specialized in Trust Business which is the Subsidiary Company of the Insurance Company as provided in Article 106, paragraph (2), item (viii), sub-item (d) of the Act, the companies engaged solely in administration of management of such Subsidiary Company of the Holding Company and business incidental thereto and business set forth in items of Article 56-2, paragraphs (1) and (2) (excluding items (xxxiv)-3, (xxxv) and (xli) to (xlv) inclusive).
- (vii) in case of a Holding Company under Article 56-2, paragraph (8) which is a Subsidiary Company of Trust Bank or a Company Specialized in Trust Business which is the Subsidiary Company of the Insurance Company as provided in Article 106, paragraph (2), item (viii), sub-item (d) of the Act, the

companies engaged solely in administration of management of such Subsidiary Company of the Holding Company and business incidental thereto and business set forth in items of Article 56-2, paragraphs (1) and (2) Article (excluding items (xxxvi) to (xl) inclusive) (if the Holding Company is not a Subsidiary Company of the Trust Bank, excluding items (xxxiv)-3 to (xl) inclusive).

(10) The provision of Article 2, paragraph (15) of the Act shall apply mutatis mutandis to the voting rights as provided in paragraph (6).

(Application for Approval Pertaining to Subsidiary Company of Insurance Holding Company)

Article 210-8 (1) The matters to be specified by Cabinet Office Ordinance, as provided in Article 271-22, paragraph (2) of the Act, shall be the following matters related to the company for which the application for approval is filed.

- (i) trade name or name;
- (ii) the amount of stated capital;
- (iii) the names and job titles of directors and company auditors (or directors and executive officers, in case of a company with committees);
- (iv) the name of the accounting advisor, in case of a company with accounting advisors;
- (v) location of the principal business office or principal office; and
- (iv) the details of business.

(2) The following documents shall be attached to the written application provided in Article 271-22, paragraph (2) of the Act:

- (i) a statement of reasons;
- (ii) the following documents concerning the Insurance Holding Company and its Subsidiary Company:
 - (a) the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. of the Insurance Holding Company and its Subsidiary Company, etc. prepared in a consolidated manner, and any other document disclosing the recent status of business, properties and profit and loss of these companies; and
 - (b) the document specifying the prospective income and expenditure the Insurance Company and its Subsidiary Company, etc. (including a company which is to become the Subsidiary Company) after the approval is granted;
 - (c) if an Insurance Company, etc. Eligible for Subsidiary Company is to become a Subsidiary Company due to the implementation of the share exchange (including the share exchange on Entity Conversion as provided in Article 96-5, paragraph (1) of the Act), the following documents:
 - 1. the minutes of shareholders meetings, or any other documents certifying

- that necessary procedures have been followed;
2. a document specifying the terms and conditions of the share exchange agreement (including contract for share exchange on Entity Conversion); and
 3. a document specifying the costs for share exchange.
- (i) the latest balance sheet, profit and loss statement and a statement of change in shareholders' equity, etc., and any other document disclosing the current status of business, property, profit and loss of the company for which the application for approval is filed; and
 - (iv) a document specifying any other matters as may be deemed necessary by the Commissioner of the Financial Services Agency.
- (3) The provision of the preceding two paragraphs shall apply mutatis mutandis to the approval under the proviso to Article 271-22, paragraph (4) of the Act.

(Exception to Approval Pertaining to Subsidiary Company of Insurance Holding Company)

Article 210-9 The grounds to be specified by Cabinet Office Ordinance, as provided in Article 271-22, paragraph (4) of the Act, shall be as follows:

- (i) acquisition of shares or equity interests by way of exercise of security interests by the Insurance Holding Company or its Subsidiary Company;
- (ii) acquisition of shares or equity interests by way of receipt of subrogation payment by the Insurance Holding Company or its Subsidiary Company;
- (iii) acquisition of voting rights represented by shares or equity interests which prohibits the Insurance Holding Company or its Subsidiary Company from exercising the voting rights (limited to the shares or equity interests acquired due to the occurrence of the event beyond the intention of the Insurance Company or its Subsidiary Company);
- (iv) conversion of shares in a company whose shares are owned by the Insurance Company or its Subsidiary Company (excluding the conversion upon the request from the Insurance Holding Company or its Subsidiary Company);
- (v) consolidation or split of shares in a company whose shares are owned by the Insurance Holding Company or its Subsidiary Company;
- (vi) amendment of the details of the rights in shares or equity interest or amendment to the number of shares for one unit of shares, as affected by the amendment of the articles of incorporation of the company whose shares are owned by the Insurance Holding Company or its Subsidiary Company; and
- (vii) acquisition of treasury shares or equity interest of a company whose shares are owned by the Insurance Holding Company or its Subsidiary Company.

(Business Report, etc. of Insurance Holding Company)

- Article 210-10 (1) An interim business report as set forth in Article 271-24, paragraph (1) of the Act shall reflect the status of business and properties for the period between the day of commencement of the business year and September 30 of the business year, and shall be submitted to the Commissioner of the Financial Services Agency within three months from the end of said period (or within six months from end of said period, in case of an Insurance Holding Company in Foreign State (meaning a Foreign Holding Company Having Insurance Company as Subsidiary Company, which is incorporated with the authorization under Article 271-18, paragraph (1) of the act or which is authorized under the proviso to that paragraph or the proviso to paragraph (3) of the Article; the same shall apply in the following paragraph and Article 210-14), categorized into the interim business outline statement and interim Consolidated Financial Statements.
- (2) A business report under Article 271-24, paragraph (1) of the Act shall be prepared and submitted within four months from the end of the business year (or within six months from the end of the business year, in case of an Insurance Holding Company in Foreign State), in accordance with the Appended Form No. 15 and categorized into the business outline statement and the Consolidated Financial Statements.
- (3) The companies in special relationship to be specified by Cabinet Office Ordinance (hereinafter referred to as "Subsidiary Company, etc." in the following Article), as provided in Article 271-24, paragraph (1) of the Act, shall be as follows:
- (i) Subsidiary Corporation, etc. of the Insurance Holding Company; and
 - (ii) an Affiliated Corporation, etc. of the Insurance Holding Company.
- (4) If, due to any inevitable ground, an Insurance Holding Company is unable to submit its interim business report or business report under paragraph (1) or (2) within the time limit respectively provided therein, it may, with an approval from the Commissioner of the Financial Services Agency in advance, postpone the submission.
- (7) When an Insurance Holding Company intends to obtain the approval under the preceding paragraph, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons.
- (6) When the application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency shall examine whether there exists any inevitable ground for the extension of time limit for submission of the interim business report or business report by the Insurance Holding Company which has filed the application.

(Public Inspection of Explanatory Documents Disclosing Status of Business and Properties of Insurance Holding Company)

Article 210-10-2 (1) The matters to be specified by Cabinet Office Ordinance, as provided in Article 271-25, paragraph (1) of the Act shall be as follows:

(i) the following matters related to overview and organizational framework of the Insurance Holding Company:

(a) organizational framework for business management (including the organizational framework for business management of the Insurance Holding Company's Subsidiary Company, etc. (excluding the Subsidiary Company, etc. which would not give material impact on the details of the explanatory documents provided in the first sentence of Article 271-25, paragraph (1) of the Act; hereinafter the same shall apply in this Article);

(b) the amount of stated capital, and the total number of shares issued;

the following matters related to ten or more shareholders in accordance with the descending order of the number of the shares held: the following matters related to ten or more shareholders in accordance with the descending order of the number of the shares held:

1. name (if the shareholder is a corporation or any other organization, the name or such organization);
2. the number of shares held by each of such shareholder; and
3. the ratio of the number of shares held by each shareholder to the total number of the shares issued.

(d) the names and job titles of directors and company auditors (or directors and executive officers, in case of a company with committees);

(e) the name of the accounting advisor, in case of a company with accounting advisors;

(ii) the following matters related to the overview of the Insurance Company and its Subsidiary Company, etc.:

(a) the details of the principal business of the Insurance Holding Company and its Subsidiary Company, etc., and their organizational framework;

(b) the following matters related to Subsidiary Company, etc. of the Insurance Holding Company;

1. the name;
2. the location of the principal business office of other principal office;
3. the amount of stated capital or funds;
4. the business details;
5. the date of incorporation;
6. the ratio of the voting rights in the Subsidiary Company, etc. held by the Insurance Holding Company to the voting rights of all shareholders or equity holders; and
7. the ratio of the voting rights in a single Subsidiary Company, etc. of the

- Insurance Holding Company held by the other Subsidiary Company, etc. to the voting rights of all shareholders or equity holders.
- (iii) the following matters related to principal business of the Insurance Holding Company and its Subsidiary Company, etc.
 - (a) overview of the business for the Most Recent Business Year;
 - (b) the following matters, which are the indicators of the status of principal business for the latest five Consolidated Financial Years;
 - 1. ordinary profit;
 - 2. ordinary profit or ordinary loss;
 - 3. net profit for the period or net loss for the period;
 - 4. amount of net assets; and
 - 5. total amount of assts.
 - (iii) the following matters related to the status of properties of Insurance Holding Company and its Subsidiary Company, etc. for the latest two Consolidated Financial Years;
 - (a) a consolidated balance sheet, consolidated profit and loss statement, and consolidated statement of change in shareholders' equity, etc.;
 - (b) the amount of the following categories of loans, and the total of such amounts:
 - 1. loans which fall under the Claims Against Failed Debtors;
 - 2. loans which fall under the Delinquent Claims;
 - 3. loans which fall under the Three-Month Delinquent Claims; and
 - 4. loans which fall under the Claim with Relaxed Terms.
 - (c) the state of soundness of solvency margin for Insurance Money, etc. by an Insurance Company, etc. which is the Subsidiary Company, etc. of the Insurance Holding Company (including the amount set forth in the items of Article 130 of the Act);
 - (d) the amount calculated as ordinary profit, ordinary profit, ordinary loss or amount of assets (hereinafter referred to as "Ordinary Revenue, etc." in this item) itemized in accordance with the categories of the types of business when the Insurance Holding Company and its Subsidiary Company, etc. is engaged in two or more types of businesses (excluding the case where the ratio of such amount to the aggregate amount of each of Ordinary Revenue, etc. is small);
 - (j) if, in connection with the balance sheet, profit and loss statement and statement of change in shareholders' equity, the Insurance Holding Company has obtained an audit certificate of the certified public accountant or an audit firm pursuant to the provision of Article 193-2 of the Financial Instruments and Exchange Act, such fact; and
 - (iv) if, as of the last day of the business year, there exists any event which give rise to any material doubt as to the precondition that the Insurance

Company will continue its business activities in the future or any other event which may give material impact on business management of the Insurance Company (hereinafter referred to as "Material Event, etc." in this item), such fact and the details thereof, analysis of such Material Event, etc., and the details of the measures to be taken in order to eliminate or improve such Material Event, etc.

- (2) Notwithstanding the provision of the preceding paragraph, an Insurance Holding Company in Foreign State shall keep the documents disclosing the matters related its business and properties (including the documents prepared in non-Japanese languages) at its business office or other office (excluding business offices or other office located in a foreign state; the same shall apply in the following paragraph) of the Insurance Company which is its Subsidiary Company and make them available for public inspection.
- (3) If the documents provided in the preceding paragraph is written in a Non-Japanese language, an Insurance Holding Company in Foreign State shall, in addition to such documents, prepare the Japanese version of the overview of the Insurance Holding Company in Foreign State as well as the balance sheet and profit and loss statement, and keep them at the business office or other office of the Insurance Holding Company in Foreign State and make them available for public inspection.
- (4) The place to be specified by Cabinet Office Ordinance, provided in Article 271-25, paragraph (1) of the Act, shall be business office other office of the Insurance Company which is the Subsidiary of the Insurance Holding Company (excluding the head office and branch office, and also excluding business office or other office located in a foreign state)

Article 210-10-3 (1) An Insurance Holding Company shall start to make available for public inspection the documents prepared under Article 271-25, paragraph (1) of the Act (or documents provided in paragraphs (2) and (3) of the preceding Article; hereinafter referred to in "Explanatory Documents, etc." in this paragraph and the following paragraph) within five months from the end of its business year, and shall keep them accessible from the public for the period before the commencement of public inspection of each of the explanatory documents pertaining to the business year immediately after the relevant business year.

- (2) If, due to any inevitable ground, an Insurance Holding Company is unable to make available for public inspection the explanatory documents by the period provided in the preceding paragraph, it may, with an approval from the Commissioner of the Financial Services Agency in advance, extend the timing for commencement of the public inspection.
- (3) When an Insurance Holding Company intends to obtain the approval under

the preceding paragraph, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons.

- (4) When the application for approval under the preceding paragraph has been filed, the Commissioner of the Financial Services Agency shall examine whether the Insurance Holding Company which has filed the application has any inevitable reason for postponing the public inspection under paragraph (1).

Article 210-10-4 The places to be specified by Cabinet Office Ordinance, as provided in Article 271-25, paragraph (3) of the Act, shall be the places provided in Article 210-10-2, paragraph (4).

Article 210-10-5 The measures to be specified by Cabinet Office Ordinance, as provided in Article 271-25, paragraph (3) of the Act, shall be the method to indicate the information stored in the Electromagnetic Records on the paper or onto the screen.

Article 210-10-6 An Insurance Holding Company shall, for each quarter, make an effort to disclose the matters which would serve as reference information for policyholders of the Insurance Company which is the Insurance Holding Company's Subsidiary Company as provided in Article 271-25, paragraph (5) and any other customers so that they may acquire knowledge on the status of business and properties of the Insurance Holding Company and its Subsidiary Company, etc. which are especially important (including the matters to be separately designated by the Commissioner of the Financial Services Agency)

(Matters to be Stated in Business Report, etc. of Insurance Holding Company)

Article 210-11 (1) The business report under Article 271-26 of the Act shall be prepared in accordance with the Appended Form No. 15-2.

- (2) The supplementary schedule set forth in Article 271-26 of the Act shall be prepared in accordance with the Appended Form No. 15-3.

(Corporation Whose Management is Controlled by Insurance Holding Company)

Article 210-11-2 The corporation to be specified by Cabinet Office Ordinance, as provided in Article 271-27, paragraph (1) of the Act shall be the Insurance Holding Company's Subsidiary Company, etc., excluding a Subsidiary Company.

(Application for Authorization of Merger of Insurance Holding Company)

Article 210-12 (1) When an Insurance Holding Company intends to obtain the authorization of merger under Article 271-31, paragraph (1) of the Act, it shall

submit to the Commissioner of the Financial Services Agency or Other Official a written application for authorization, with the following documents attached thereto:

- (i) a written statement of reasons;
- (ii) the minutes of shareholders meetings or any other documents certifying that necessary procedures have been followed;
- (iii) the latest balance sheet, when the provision of the preceding item applies and where the Insurance Holding Company surviving the merger has determined the amount of Money, etc. (meaning money and any other properties) to be distributed to shareholders or members of the company to be extinguished by way of the merger;
- (iv) a document describing the terms and conditions of the merger agreement;
- (e) a document describing the cost of merger; (e) a document describing the cost of merger;
- (vi) the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. of the Insurance Holding Company and its Subsidiary Company, etc. prepared in a consolidated manner, and any other document disclosing the recent status of business, properties and profit and loss of these companies; and
- (vii) a document certifying that the public notice and notices under the provisions of Article 789, paragraph (2) (Objection of Creditors), Article 799, paragraph (2) (Objection of Creditors) or Article 810, paragraph (2) (Objection of Creditors) of the Companies Act have been given (when, pursuant to the provisions of Article 789, paragraph (3), Article 799, paragraph (3) or Article 810, paragraph (3) of the Act, the public notice was given by means of a daily newspaper that publishes matters on current affairs in addition to the publication in the office gazette, the public notice through such methods), and if any creditor has raised an objection, the fact that the payment has been made or reasonable security has been provided to said creditor or reasonable property has been deposited in trust for the purpose of having said creditor receive the payment, or that said merger is not likely to harm said creditor;
- (viii) if the company extinguished through the merger or a company implementing consolidation of shares is a company issuing share certificates, a document certifying that a public notice has been given under the main clause of Article 219, paragraph (1) (Public Notice of Submission of Share Certificates) of the Companies Act, or a document certifying that the company has not issued share certificates representing any of the shares.
- (viii)-2 if the company to be extinguished upon the merger has issued share options, a document certifying that a public notice has been given under Article 293, paragraph (1) (Public Notice of Submission of Stock Option

- Certificates) of the Companies Act, or a document certifying that the company has not issued any stock option certificate provided in that paragraph;
- (ix) a document certifying that the notification under Article 15, paragraph (2) (Restriction on Merger) of the Anti-Monopoly Act has been completed;
 - (x) articles of incorporation and resumés of directors and company auditors (or resumés of directors and executive officers, in case of a company with committees) of the Insurance Holding Company surviving the merger; a documents specifying the location of its head office; and a document specifying the prospective income and expenditure of the Insurance Holding Company after the implementation of the merger;
 - (xi) if the Insurance Holding Company surviving the merger is a company with accounting advisors, the resumés of the accounting advisors;
 - (xii) if the parties to the merger includes a party which is not an Insurance Holding Company, the articles of incorporation formerly in effect, the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. and any other document disclosing the recent status of business, properties and profit and loss of the party which is not an Insurance Holding Company;
 - (xiii) a document specifying the organizational framework for the Subsidiary Company's business management, which is to be carried out by the Insurance Holding Company surviving the merger;
 - (xiv) a document specifying the status of maintenance of employees with knowledge and experience in the business of an Insurance Company;
 - (xv) if the Insurance Holding Company surviving the merger makes any company which cannot be held as the Subsidiary Company unless with the approval under Article 271-22, paragraph (1) of the Act as its Subsidiary Company as a result of the merger, a document concerning said company which describes the matters specified in the items of Article 210-8, paragraph (1) or a document set forth in item (ii), paragraph (2) of that Article; and
 - (xvi) a document stating any other matters which would serve as reference information for performance of the examination provided in Article 271-19, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 271-31, paragraph (4) of the Act.
- (2) The provision of Article 210-3, paragraph (3) shall apply mutatis mutandis to the examination provided in Article 271-19, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 271-31, paragraph (4) of the Act, which pertains to the application for authorization under the preceding paragraph.

(Amount of Assets)

- Article 210-12-2 (1) The amount of debts to be specified by Cabinet Office Ordinance, as provided in Article 37-5-7, paragraph (1), item (ii), sub-item (a) of the Cabinet Order, shall be the amount specified in item (i), less the amount specified in item (ii).
- (i) the amount to be recorded in the liabilities section of the balance sheet of the Insurance Holding Company on the presumption that it was prepared immediately after the implementation of the absorption-type company split, less the amount to be posted on the accounting books in connection with the Shares, etc. (limited to corporate bonds (excluding the corporate bonds held by the Insurance Holding Company immediately prior to the implementation of the absorption-type company split), as referred to in Article 795, paragraph (2), item (ii) of the Companies Act;
 - (ii) the amount to be recorded in the liabilities section of the balance sheet of the Insurance Holding Company on the presumption that it was prepared immediately prior to the implementation of the absorption-type company split
- (2) The amount of assets to be specified by Cabinet Office Ordinance, as provided in Article 37-5-7, paragraph (1), item (ii), sub-item (a) of the Cabinet Order, shall be the amount specified in item (i), less the amount specified in item (ii).
- (i) the amount to be recorded in the asset section of the balance sheet of the Insurance Holding Company on the presumption that it was prepared immediately after the implementation of the absorption-type company split;
 - (ii) the amount to be recorded in the asset section of the balance sheet of the Insurance Holding Company on the presumption that it was prepared immediately prior to the implementation of the absorption-type company split, less that book value of the Money, etc. as provided in Article 795, paragraph (2), item (ii) of the Companies Act (including the Shares, etc. as referred to in that item which comprise the corporate bonds, etc. held by the Insurance Holding Company immediately prior to the implementation of the absorption-type company split);
- (3) Notwithstanding the provision of the preceding paragraph, if the Insurance Holding Company is a Company Subject to Restriction of Consolidated Dividends, and where the Succeeding Stock Company in Absorption-type Company Split (meaning the Succeeding Stock Company in Absorption-type Company Split as provided in Article 758, item (i) (Absorption-type Company Split Agreement Which Causes a Stock Company to Succeed to Rights and Obligations) of the Companies Act is the Insurance Holding Company's Subsidiary Company, the amount of assets to be specified by Cabinet Office Order as provided in Article 37-5-7, paragraph (1), item (ii), sub-item (a) of the Cabinet Order shall be either of the following amounts, whichever is the higher;

- (i) the amount set forth in item (i) of paragraph (1), less the amount set forth in item (ii) of that paragraph; or
- (i) the amount set forth in item (i) of the preceding paragraph, less the amount set forth in item (ii) of that paragraph.

(Application for Authorization of Company Split of Insurance Holding Company)

Article 210-12-3 (1) When an Insurance Holding Company intends to obtain the authorization of company split under Article 271-31, paragraph (2) of the Act, it shall submit to the Commissioner of the Financial Services Agency or Other Official a written application for authorization, with the following documents attached thereto:

- (i) a written statement of reasons;
- (ii) the minutes of shareholders meetings or any other documents certifying that necessary procedures have been followed;
- (iii) a document describing the details of the Absorption-type Company Split Agreement or the Incorporation-type Company Split Plan;
- (iv) a document describing the cost of company split;
- (v) the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. of the Insurance Holding Company and its Subsidiary Company, etc. prepared in a consolidated manner, and any other document disclosing the recent status of business, properties and profit and loss of these companies; and
- (vi) a document certifying that the public notice and notices under the provisions of Article 789, paragraph (2) (Objection of Creditors), Article 799, paragraph (2) (Objection of Creditors) or Article 810, paragraph (2) (Objection of Creditors) of the Companies Act have been given (if, pursuant to the provisions of Article 789, paragraph (3), Article 799, paragraph (3) or Article 810, paragraph (3) of the Act, the public notice was given by means of a daily newspaper that publishes matters on current affairs in addition to the publication in the office gazette, the public notice through such methods), and if any creditor has raised an objection, the fact that the payment has been made or reasonable security has been provided to said creditor or reasonable property has been deposited in trust for the purpose of having said creditor receive the payment, or that said company split is not likely to harm said creditor;
- (vii) if a company issuing share certificates implements consolidation of shares, a document certifying that a public notice has been given under the main clause of Article 219, paragraph (1) (Public Notice of Submission of Share Certificates) of the Companies Act, or a document certifying that the company has not issued share certificates representing any of the shares.

- (vii)-2 when the company implementing the company split has issued share options, and Article 758, item (v) or Article 763, item (x) of the Companies Act applies, a document certifying that a public notice has been given provided in Article 293, paragraph (1) of the Companies Act, or a document certifying that the company has not issued any stock option certificate under that paragraph;
- (viii) a document certifying that the notification under Article 15, paragraph (2) (Restriction on Merger) of the Anti-Monopoly Act has been completed;
- (ix) a document specifying the prospective income and expenditure of the Insurance Holding Company and its Subsidiary Company after the implementation of the company split;
- (xi) if the Insurance Holding Company implementing the company split is a company with accounting advisors, the resumé of its accounting advisors;
- (xii) if the parties to the company split includes a party which is not an Insurance Holding Company, the articles of incorporation formerly in effect, the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. and any other document disclosing the recent status of business, properties and profit and loss of the party which is not an Insurance Holding Company;
- (xi) a document specifying the organizational framework for the Subsidiary Company's business management, to be carried out by the Insurance Holding Company which is one of the parties to the company split;
- (xii) a document specifying the status of maintenance of employees with knowledge and experience in the business of an Insurance Company;
- (xiii) if, as a result of the implementation of the company split, the Insurance Holding Company's Subsidiary Company no longer falls under the category of a Subsidiary Company, a document specifying the name of such Subsidiary Company;
- (xiv) when the amount of stated capital is to be increased upon the absorption-type company split, or when a stock company is to be incorporated through the incorporation-type company split, the document certifying the amount provided in Article 445, paragraph (5) (Amount of Stated Capital and Reserve) of the Companies Act;
- (xv) if the Insurance Holding Company makes any company which cannot be held as the Subsidiary Company unless with the approval under Article 271-22, paragraph (1) of the Act as its Subsidiary Company as a result of the company split, a document concerning said company which describes the matters specified in the items of Article 210-8, paragraph (1) or a document set forth in item (ii), paragraph (2) of that Article; and
- (xvi) a document stating any other matters which would serve as reference information for performance of the examination provided in Article 271-19,

paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 271-31, paragraph (4) of the Act.

- (2) The provision of Article 210-3, paragraph (3) shall apply mutatis mutandis to the examination provided in Article 271-19, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 271-31, paragraph (4) of the Act, which pertains to the application for authorization under the preceding paragraph.

(Application for Authorization of Business Transfer, etc. of Insurance Holding Company)

Article 210-13 (1) When an Insurance Holding Company intends to obtain the authorization of transfer or acquisition of business under Article 271-31, paragraph (3) of the Act (hereinafter referred to as "Business Transfer, etc." in this Article), it shall submit to the Commissioner of the Financial Services Agency or Other Official a written application for authorization, with the following documents attached thereto:

- (i) a written statement of reasons;
- (ii) the minutes of shareholders meetings or any other documents certifying that necessary procedures have been followed;
- (iii) a document describing the terms and conditions of the contract for Business Transfer, etc.;
- (iv) the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. of the Insurance Holding Company and its Subsidiary Company, etc. prepared in a consolidated manner, and any other document disclosing the recent status of business, properties and profit and loss of these companies;
- (v) a document certifying that the notification under Article 16, paragraph (2) (Restriction of Acquisition, etc. of Business) the Anti-Monopoly Act has been completed;
- (vi) the document specifying the prospective income and expenditure of the Insurance Holding Company and its Subsidiary Company, etc. after the implementation of the Business Transfer, etc.;
- (vii) a document specifying the organizational framework for the Subsidiary Company's business management, which is to be carried out by the Insurance Holding Company;
- (viii) a document specifying the status of maintenance of employees with knowledge and experience in the business of an Insurance Company;
- (ix) if, as a result of the transfer of business, the Insurance Holding Company's Subsidiary Company, etc. no longer falls under the category of the Subsidiary Company, the document specifying the name of such Subsidiary Company;
- (x) when, as a result of the acquisition of business, a company which requires the approval under Article 271-22, paragraph (1) of the Act is to fall under

- the category of the Subsidiary Company, the document regarding such company as set forth in the items of Article 210-8, paragraph (1) and Article 210-8, paragraph (2), item (iii); and
- (xiii) a document stating any other matters which would serve as reference information for performance of the examination provided in Article 271-19, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 271-31, paragraph (4) of the Act.
- (2) The provision of Article 210-3, paragraph (3) shall apply mutatis mutandis to the examination provided in Article 271-19, paragraph (1) of the Act which pertains to the application for authorization under the preceding paragraph.

Section 3 Miscellaneous Provisions

(Matters Subject to Notification)

- Article 210-14 (1) The cases to be specified by Cabinet Office Ordinance, as provided in Article 271-32, paragraph (1), item (vii) of the Act, shall be as follows:
- (i) where any amendment to the articles of incorporation or the provisions similar thereto is effected; or
 - (ii) where the name is changed; the domicile, residence, principal business office or other principal office is established, relocated or abolished.
- (2) The cases to be specified by Cabinet Office Ordinance, as provided in Article 271-32, paragraph (2), item (viii) of the Act, shall be as follows:
- (i) where any amendment to the articles of incorporation (or the articles of incorporation or the provisions similar thereto, in case of an Insurance Holding Company in Foreign State) is effected;
 - (ii) where share options or corporate bonds with share options are to be issued;
 - (iii) where a director representing the Insurance Holding Company or a director engaged in its ordinary business (or representative executive officer or executive officer, in case of a company with committees; or a director representing the Insurance Holding Company in Foreign State or any other person holding the position similar thereto, or its director or executive officer engaged in its ordinary business or any other person holding the position similar thereto, in case of an Insurance Holding Company in Foreign State) has assumed, or retired from, the office;
 - (iii)-2 in case of a company with accounting advisors, where any accounting advisor (or accounting advisor or any other person holding the position similar thereto, in case of an Insurance Holding Company in Foreign State) has assumed, or retired from, the office;
 - (iv) where any office is to be established, relocated or abolished;
 - (v) cases where the Insurance Holding Company made any other company its

- Subsidiary Company, due to the ground set forth in the items of Article 210-9 (excluding the cases where, pursuant to the provision of Article 271-33, paragraph (2), item (iii) of the Act, holding such company as the Subsidiary Company requires a notification under the item);
- (vi) cases where the Subsidiary Company has effected any amendment to its name, location of the head office or principal business, merger, dissolution or discontinuance of all of its business (excluding the cases set forth in Article 271-32, paragraph (2), items (ii) and (iv) of the Act);
 - (vii) where the Insurance Holding Company has submitted to the ordinary shareholders meeting the business report to be prepared pursuant to the provision of Article 435, paragraph (2) (Preparation and Retention of Financial Statements, etc.) of the Companies Act and its supplementary schedules; and
 - (viii) where the Insurance Holding Company has started to make available for public inspection the document prepared pursuant to the provision of Article 271-25, paragraph (1) of the Act, at the Insurance Company which is its Subsidiary Company.
- (3) When an Insurance Holding Company (including a company which formerly was an Insurance Holding Company) intends to file a notification under Article 271-32, paragraph (2) of the Act, it shall submit to the Commissioner of the Financial Services Agency a written notification, with a written statement of reasons or any other document stating the matters which would serve as reference information (or business report provided in item (vii) of the preceding paragraph and its supplementary schedules, when such provision applies; or the documents provided in item (viii) of the preceding paragraph, when such provision applies).

(Application for Authorization Pertaining to Validity of Authorization)

- Article 210-15 (1) When a party which has obtained the authorization under Article 271-10, paragraph (1) of the Act intends to obtain an approval under Article 271-33, paragraph (1), item (i) of the Act, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons attached thereto.
- (2) When a party which has obtained the authorization under Article 271-18, paragraph (1) of the Act intends to obtain an approval under Article 271-33, paragraph (2), item (i) of the Act, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons attached thereto.
 - (3) When the application for approval under the preceding two paragraphs is filed, the Commissioner of the Financial Services Agency shall examine whether the application satisfies the following requirements:

- (i) that there exists any evitable reason for the applicant not being able to implement the matters authorized under the Act, within six months from the date of the authorization;
- (ii) that it is expected that the applicant will be able to implement the authorized matters within a reasonable period of time; and
- (iii) that no material change in the matters which served the basis of examination at the time of granting the authorization is expected to occur until the expected timing of the authorized matters.

Chapter XII Special Provisions for Low-Cost, Short-Term Insurers
Section 1 General Rules

Article 211 The fees to be specified by Cabinet Office Ordinance, as provided in Article 38 of the Cabinet Order, shall be the fees received from a Ceding Company (meaning an Insurance Company (including a Foreign Insurer) which underwrites reinsurance from the Low-Cost, Short-Term Insurers).

(Application for Registration)

Article 211-2 A person who intends to obtain a registration under Article 272, paragraph (1) of the Act (hereinafter referred to as the "Registration Applicant" in this Article to Article 211-6 inclusive) shall submit to the Director-General of Local Finance Bureau or Director-General of the Fukuoka Local Finance Branch Bureau (hereinafter referred to as "Director-General of Local Finance Bureau, etc.") a written application for registration under Article 272-2, paragraph (1) of the Act prepared in accordance with the Appended Form No. 16, with the document provided in paragraph (2) of that Article attached thereto.

(Attachments to Written Application for Registration)

Article 211-3 (1) The documents to be specified by Cabinet Office Ordinance, as provided in Article 272-2, paragraph (2) of the Act, shall be as follows:

- (i) a certificate of registered matters of the company;
- (ii) a business plan;
- (iii) the latest daily accounts sheet or any other document showing the current status of properties, losses and profits;
- (iv) resumés of directors and company auditors (if the company is a company with committees, resumés of directors and executive officers; the same shall apply in item (v)); and the resumés of the actuaries;
- (iv)-2 if the company is a company with accounting advisors, resumé of its accounting advisors;
- (v) a document in which each of directors and company auditors (including an

- accounting advisor, in case of a company with accounting advisors;
 hereinafter the same shall apply in this item) pledges that she said directors
 or said company auditors does not fall under any of Article 272-4, paragraph
 (1), item (x), sub-items (a) to (f) inclusive of the Act;
- (vi) a document certifying that the actuary satisfies the requirements provided
 in Article 211-49;
 - (vii) a written opinion of the actuary stating that the formula of calculation of
 the insurance premiums and policy reserve as specified in Article 272-2,
 paragraph (2), item (iv) of the Act are reasonable and fair in terms of
 actuarial methodology (limited to a written opinion prepared in accordance
 with the requirements set forth in the items of Article 211-54).
 - (viii) a document specifying the trade name and name of the shareholders
 holding the voting rights exceeding five percent of the voting rights held by
 all shareholders, and the number of voting rights held by such shareholders
 (or a list of persons intending to become members, in case of a Mutual
 Company);
 - (ix) a document specifying the status of maintenance of employees with
 knowledge and experience in business of a Low-Cost, Short-Term Insurer.
 - (ix)-2 the document that describes the matters set forth in sub-items (a) or (b)
 in accordance with the categories of cases listed in the respective item:
 - (a) where there is a Designated Dispute Resolution Organization for Low-
 Cost, Short-Term Insurance Services (meaning the Designated Dispute
 Resolution Organization for Low-Cost, Short-Term Insurance Services
 provided in Article 272-13-2, paragraph (1), item (i) of the Act; the same
 shall apply in this item and Article 211-37, paragraph (1), item (iv), sub-
 item (c)), a trade name or name of the Designated Dispute Resolution
 Organization for Low-Cost, Short-Term Insurance Services, which is party
 to a Basic Contract for Implementation of Dispute Resolution Procedures
 to be concluded for Low-Cost, Short-Term Insurance Services as a measure
 under Article 272-13-2, paragraph (1), item (i) of the Act; or
 - (b) where there is no Designated Dispute Resolution Organization for Low-
 Cost, Short-Term Insurance Services, the content of the Complaint
 Processing Measures and Dispute Resolution Measures pertaining to Low-
 Cost, Short-Term Insurance Services under Article 272-13-2, paragraph (1),
 item (ii) of the Act.
 - (x) a document specifying the amount of net assets and the basis of calculation
 thereof;
 - (xi) if the registration applicant holds any Subsidiary Company, etc., (meaning
 a Subsidiary Company, etc. as provided in Article 272-16, paragraph (3) of
 the Act; hereinafter the same shall apply in this item, Article 211-8, Article
 211-35, Article 211-60 and Article 211-67), the following documents:

- (a) a document specifying the name of the Subsidiary Company, etc., and the location of its principal business office or other principal office;
 - (b) a document specifying the job titles and names of the officers of the Subsidiary Company, etc. (if any of its officers is a corporation, the officers shall include a person who shall perform the duties of such corporation);
 - (c) a document specifying the details of the business of the Subsidiary Company, etc.; and
 - (d) the latest balance sheet, profit and loss statement, and the statement of changes in shareholders' equity of the Subsidiary Company, etc., and any other document which shows the current status of business, properties, profits and losses of such Subsidiary Company, etc.
- (2) The plan for Insurance Solicitation and prospects for income and expenditure and the matters that constitute the basis thereof shall be described in the business plan under item (ii) of the preceding paragraph.

(Matters to be Stated in Statement of Business Procedures)

Article 211-4 A Registration Applicant shall state the following matters in the documents set forth in Article 272-2, paragraph (2), item (ii) of the Act:

- (i) the insured or the scope of insurance, and categories of types of insurance;
- (ii) the matters concerning selection of the insured or the scope of insurance, and procedures for conclusion of insurance contracts;
- (iii) the matters related to payment and receipt of insurance premiums, and payment of refunded insurance premiums or any other refunds;
- (iv) the matters to be stated in insurance policies, application for insurance contracts, and documents to be attached thereto; and
- (vi) the matters concerning options under insurance contracts.

(Matters to be Stated in General Policy Conditions)

Article 211-5 A Registration Applicant shall state the following matters in the documents set forth in Article 272-2, paragraph (2), item (iii) of the Act:

- (i) grounds for payment of insurance money;
- (ii) grounds which render an insurance contract invalid;
- (iii) grounds which release the insurer from performing the obligations under the insurance contract;
- (iv) the matters related to increase of insurance premiums or discount of insurance money;
- (v) method of identifying the scope of insurer's obligations and the timing of performance of such obligations;
- (vi) disadvantage which a policyholder or an insured will suffer as a result of failure in performance of obligations under the policy conditions;
- (vii) grounds which give rise to cancellation in whole or part of an insurance

contract, and the rights conferred and obligations imposed to the parties if the cancellation is effects;

(vii) if any person has a right to receive policy dividend or distribution of surplus to members, the scope of such rights; and

(ix) the matters related to revision of insurance terms and conditions such as insurance premiums, in case of renewal of the insurance contract.

(Matters to be Stated in Statement of Calculation Procedures for Insurance Premiums and Policy Reserve)

Article 211-6 A Registration Applicant shall state the following matters in the documents set forth in Article 272-2, paragraph (2), item (iv) of the Act:

(i) the matters related to calculation method of insurance premiums (when the method requires a coefficient as the basis of such calculation, such coefficient shall be included);

(ii) the matters related to the method of calculation (when the method requires a coefficient as the basis of such calculation, such coefficient shall be included) of policy reserves (meaning policy reserves as set forth in Article 116, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act);

(iii) the matters related to the method of calculation of the refunds upon the cancellation of the insurance contract and the basis of the calculation;

(iv) the matters related to distribution of members' dividend reserve as set forth in Article 30-5, paragraph (1), item (i) or policy dividend reserve as set forth in Article 64, paragraph (1), distribution of surplus to members, or method of calculation of policy dividends;

(v) the matters related to Net Insurance Premiums; and

(viii) any other matters necessary in relation to actuarial methodology.

(Custody of Registry of Low-Cost, Short-Term Insurers)

Article 211-7 The Director-General of Local Finance Bureau, etc. who has granted the registration of Low-Cost, Short-Term Insurers currently in effect shall keep the registry of Low-Cost, Short-Term Insurers containing information on Low-Cost, Short-Term Insurers to which the Director-General of Local Finance Bureau, etc. has granted registrations, at the local finance bureau having jurisdiction over the location of the relevant Low-Cost, Short-Term Insurer's head office or at the Fukuoka Local Finance Branch Bureau, and make it available for public inspection.

(Calculation of Amount of Net Asset)

Article 211-8 (1) The amount of net assets of a Low-Cost, Short-Term Insurer shall be the amount set forth in the following items, in accordance with the

categories of the cases respectively set forth therein:

- (i) cases where the Low-Cost, Short-Term Insurers have any Subsidiary Company, etc.: the total of the amount to be recorded in the asset section less the total of the amount to be recorded in the liabilities section (excluding the total of the following amounts; the same shall apply in the following item), for each of the balance sheet and the consolidated balance sheet of the Low-Cost, Short-Term Insurer, whichever is the lesser:
 - (a) the amount of Price Fluctuation Reserve under Article 115, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act; and
 - (b) the amount or Extraordinary Contingency Reserve under Article 211-46, paragraph (1), item (ii).
- (ii) the cases other than as set forth in the preceding item: the total of the amount to be recorded in the asset section of the balance sheet of the Low-Cost, Short-Term Insurers, less the total of the amount to be recorded in the liabilities section of such balance sheet.
- (2) The appraisal of assets and liabilities set forth in the preceding paragraph shall be made based on the value appraised in accordance with corporate accounting standards generally accepted as fair and appropriate as of the date of such calculation.
- (3) In the case referred to in the preceding paragraph and in the case of falling under any of the following items, the amount prescribed in each of the relevant items shall be treated as the appraisal value:
 - (i) if any monetary claim, or bond certificate without a market price is likely to become uncollectible: the amount after the deduction of the estimate of the uncollectible amount.
 - (ii) if, with regard to shares without a market price, the status of the assets of the company issuing such shares has deteriorated substantially: the amount after an appropriate reduction.
 - (iii) when the market value of the current assets other than those specified in the preceding two items is substantially lower than the book value thereof, and it is found unlikely that such value will recover to the level of the book value: such market value.
 - (iv) if, with regard to the fixed assets other than those specified in item (i) or (ii), any underdepreciation or unpredictable impairment has arisen: the amount after deduction of the underdepreciation, or an amount after an appropriate reduction.
 - (v) if any underdepreciation with regard to deferred assets has arisen: the amount after deduction of the underdepreciation.

(Ratio Pertaining to Calculation of Amount of Deposits to be Increased

Corresponding to Annual Insurance Premiums Receipts)

Article 211-9 The ratio to be specified by Cabinet Office Ordinance, as provided in Article 38-4, item (ii) of the Cabinet Order, shall be five percent.

(Notification of Deposit)

Article 211-10 (1) When a person who has concluded a contract under Article 272-5, paragraph (3) of the Act (hereinafter referred to as a "Guarantee Consignment Contract" in the following Article and Article 211-13) with a Low-Cost, Short-Term Insurer makes deposit in accordance with the order issued under Article 272-5, paragraph (4) of the Act, such person shall make the deposit with the deposit office nearest to the head office or principal office of the Low-Cost, Short-Term Insurer.

- (2) A person who has completed the deposit pursuant to the provision of Article 272-5, paragraph (1), (2), (4) or (8) of the Act or Article 14, paragraph (6) or Article 15, paragraph (1) of the Ordinance on Deposits by Low-Cost, Short-Term Insurers (Cabinet Office Ordinance and Ordinance of Ministry of Justice No. 1 of 1996)(hereinafter referred to as a "Depositor" in this Article) shall submit to the Commissioner of the Financial Services Agency a written notification of deposit prepared in accordance with Appended Form No. 16-2, attaching the original of the certificate of deposit relevant to such deposit.
- (3) When a Depositor intends to replace the items already deposited, it shall, after having completed the new deposit of the replacement items, submit to the Commissioner of the Financial Services Agency a written notification stating to that effect, attaching the original of the certificate of deposit relevant to the replacement deposit.
- (4) In the case referred to in the preceding two paragraphs, the Low-Cost, Short-Term Insurer shall submit to the Commissioner of the Financial Services Agency a statement of deposit, etc. prepared in accordance with the Appended Form No. 16-3 (hereinafter referred to as the "Statement of Deposit, etc.").
- (5) If the Commissioner of the Financial Services Agency has received the original of the deposit certificate set forth in paragraphs (2) and (3), the Commissioner of the Financial Services Agency shall deliver a custody certificate to the Depositor.

(Notification of Conclusion, etc. of Contracts in Lieu of All or Part of Deposit)

Article 211-11 (1) When a Low-Cost, Short-Term Insurer has concluded a contract under Article 11, paragraph (3) of the Trust Business Act as applied mutatis mutandis pursuant to Article 99, paragraph (8) of the Act (including cases where it has effected any amendment to the terms of such contracts upon the approval of the Commissioner of the Financial Services Agency), it shall notify the Commissioner of the Financial Services Agency to that effect by

submitting the written notification of the conclusion of a guarantee contract prepared in accordance with Appended Form No. 8-2, with the copy of the contract attached thereto, and shall present the original of the contract.

- (2) When a Low-Cost, Short-Term Insurer intends to obtain an approval under Article 38-5, item (iii) of the Cabinet Order (hereinafter referred to as an "Approval" in this Article), it shall, no later than one month prior to the day when it intends to effect cancellation of the Guaranty Contract related to such Approval or to amend any terms thereunder, submit to the Commissioner of the Financial Services Agency a written application for approval of a change of guarantee contract prepared in accordance with Appended Form No. 16-5 or a written application for approval of the cancellation of a guarantee contract prepared in accordance with Appended Form No. 16-6, as well as a written statement of reasons and any document describing reference information.
- (3) When the application for Approval has been filed, the Commissioner of the Financial Services Agency shall examine whether it is unlikely that the protection of the investor would be hindered if the Low-Cost, Short-Term Insurer which has filed the application for Approval has effected any change or cancellation of the contract in replacement of the Deposit.
- (4) When a Low-Cost, Short-Term Insurer has effected any change or cancellation of the contract in replacement of a Deposit based on Approval granted by the Commissioner of the Financial Services Agency, it shall notify the Commissioner of the Financial Services Agency to that effect by submitting a written notification of a change of guarantee contract prepared in accordance with Appended Form No. 16-7 attaching the copy of the changed contract, or by submitting a written notification of the cancellation of a guarantee contract prepared in accordance with Appended Form No. 16-8 attaching a document certifying the fact of the cancellation of the contract; and in addition, in the case of the change of the contract, the Low-Cost, Short-Term Insurer shall present the original of the changed contract.

(Counterparties to Contracts in Lieu of All or Part of Deposit)

Article 211-12 The financial institutions to be specified by Cabinet Office Ordinance, as provided in Article 38-5 of the Cabinet Order, shall be the financial institutions specified in the items of Article 52-8-2.

(Commencement Day for Counting of Time Limit for Additional Deposit)

Article 211-13 The day to be specified by Cabinet Office Ordinance, as provided in Article 272-5, paragraph (8) of the Act, shall be the day specified in the following items, in accordance with the categories respectively set forth therein:

- (i) if the Low-Cost, Short-Term Insurer has changed any of the terms of the

contract under Article 292-5, paragraph (1) of the Act with an approval, as a result of which the amount of Deposit deposited as provided in Article 292-5, paragraph (1) of the Act (including the Contract Amount set forth in paragraph (3) of that Article) has become less than the amount set forth in Article 38-4 of the Cabinet Order: the day when the term of the Contract was changed;

- (ii) if the Low-Cost, Short-Term Insurer has cancelled the Contract with the Approval: the day of the cancellation of the Contract;
- (iii) if the procedures for execution of the right as set forth in Article 36-4 of the Cabinet Order was implemented: the day when the Low-Cost, Short-Term Insurer has received a copy of the payment consignment letter sent pursuant to the provision of Article 11, paragraph (3) of the Ordinance on Deposit by Low-Cost, Short-Term Insurers; or
- (iv) if, for the purpose of implementing procedures for the execution of the rights as set forth in Article 38-4 of the Cabinet Order, the Commissioner of the Financial Services Agency has realized the deposited Securities (including the book-entry transfer bond provided in Article 278, paragraph (1) of the Act on Transfer of Corporate Bonds, Shares, etc.)), and has deposited the realized amount after deducting the realization expenses: the day on which the Low-Cost, Short-Term Insurer has received a notice under Article 12, paragraph (4) of the Ordinance on Deposit of Insurance Companies, etc.

(Types of Securities Which May be Substituted for Deposit)

Article 211-14 The Securities to be specified by Cabinet Office Ordinance, as provided in Article 272-5, paragraph (9) of the Act, shall be the following Securities (excluding Securities denominated in foreign currency):

- (i) national government bond securities;
- (ii) municipal bond securities;
- (iii) Government Guaranteed Bond Certificates; and
- (iv) bond certificates as provided in Article 2, paragraph (1), item (iii) of the Financial Instruments and Exchange Act.

(Value of Securities Which May be Substituted for Deposit)

Article 211-15 (1) The value of the Securities, when the Securities are to be substituted for the Deposit pursuant to the provision of Article 272-5, paragraph (9) of the Act, shall be the amount specified in the following items, in accordance with the categories of the Securities respectively set forth therein:

- (i) national government bond securities: the par value thereof (if the attribution of the right pertaining to such Securities is to be determined in

- accordance with the statement or record of the book-entry transfer account book as referred to in the Act on Transfer of Corporate Bonds, Shares, etc., the amount stated or recorded in the book-entry transfer account book; hereinafter the same shall apply in this Article);
- (ii) municipal government bond securities: the amount calculated by discounting the par value of 100 yen to 90 yen;
 - (iii) Government Guaranteed Bond Certificates: the amount calculated by discounting the par value of 100 yen to 95 yen; and
 - (iv) bond certificates as referred to in item (iv) of the preceding Article: the amount calculated by discounting the par value of 100 yen to 80 yen.
- (2) With regard to the Securities issued by way of discounting, the issue value thereof plus the amount calculated in accordance with the following formula shall be deemed to be the par value thereof, and the provision of the preceding paragraph shall apply:
- $$((\text{par value} - \text{issue value}) \div \text{the number of years falling on the period from the issue date to the maturity date}) \times \text{the number of years falling on the period from the issue date to the deposit date}$$
- (3) For the purpose of calculation in accordance with the formula set forth in the preceding paragraph, if any fraction of less than one year arises with regard to the number of years from the issue date and the maturity date and the number of years falling on the period from the issue date to the deposit date, or if any fraction of less than one yen arises with regard to the amount obtained by dividing the difference between par value and issue value by the number of years falling on the period from the issue date to the maturity date, such fraction shall be truncated.

Article 211-16 The provisions of Article 211-10 (excluding paragraph (1)) and Article 211-11 (excluding paragraph (1)) shall apply mutatis mutandis to a Low-Cost, Short-Term Insurers Liability Insurance Contract as set forth in Article 272-6, paragraph (1) of the Act (hereinafter referred to as the "Liability Insurance Contract"). In this case, the term "A person who has completed the deposit pursuant to the provision of Article 272-5, paragraph (1), (2), (4) or (8) of the Act or Article 14, paragraph (6) or Article 15, paragraph (1) of the Ordinance on Deposits by Low-Cost, Short-Term Insurers (Cabinet Office Ordinance and Ordinance of Ministry of Justice No. 1 of 1996)(hereinafter referred to as a "Depositor" in this Article)" in Article 221-10, paragraph (2) and "depositor" in paragraph (3) of that Article shall be deemed to be replaced with "a Low-Cost, Short-Term Insurer which has completed the deposit under Article 272-6, paragraph (2) of the Act"; the term "the preceding two paragraphs" in paragraph (4) and the term "paragraphs (2) and (3)" of paragraph (5) of that Article shall be deemed to be replaced with "Article 211-

10, paragraphs (2) and (3) as applied mutatis mutandis pursuant to Article 211-16"; the term "Article 38-5, item (iii) of the Cabinet Order" and "a written application for approval of a cancellation of guarantee contract prepared in accordance with the Appended Form No. 16-5 and or a written application for approval of a change of guarantee contract prepared in accordance with the Appended Form No. 16-6" in Article 211-11, paragraph (2) shall be deemed to be replaced with "Article 38-8, paragraph (1), item (iii) of the Cabinet Order" and "a written application for approval of a cancellation of liability insurance contract prepared in accordance with the Appended Form No. 16-9 and or a written application for approval of a change of liability insurance contract prepared in accordance with the Appended Form No. 16-10," respectively; the term "a notification of cancellation of guarantee contract prepared in accordance with the Appended Form No. 16-7" and "a notification of cancellation of a guarantee contract prepared in accordance with the Appended Form No. 16-8" shall be deemed to be replaced with "a notification of cancellation of liability insurance contract prepared in accordance with the Appended Form No. 16-11" and "a notification of change of liability insurance contract prepared in accordance with the Appended Form No. 16-12," respectively.

(Application for Approval Pertaining to Conclusion of Liability Insurance Contract)

- Article 211-17 (1) When a Low-Cost, Short-Term Insurer intends to obtain an approval under Article 272-6, paragraph (1) of the Act (hereinafter referred to as "Approval" in this Article, it shall, no later than one month prior to the day when it intends to enter into force the said contract by means of the liability insurance contract for which the approval is sought, submit to the Commissioner of the Financial Services Agency or Other Competent Official a written application for approval of liability insurance contract prepared in accordance with the Appended Form No. 16-13, with a written statement of reasons and any other documents containing the matters which would serve as reference information as the attachments.
- (2) When an application for approval is filed, the Commissioner of the Financial Services Agency or Other Official shall examine whether the terms and conditions of the liability insurance contract to be concluded by Low-Cost, Short-Term Insurer which has filed the application for approval conforms to the requirements.
- (3) When a Low-Cost, Short-Term Insurer has concluded a liability insurance contract, it shall submit to the Commissioner of the Financial Services Agency or Other Competent Official a notification of conclusion of a liability insurance contract prepared in accordance with the Appended Form No. 16-14, with the

copy of the contract and the deposit statement prepared in accordance with the Appended Form No. 16-3 attached thereto, and present the Commissioner of the Financial Services Agency or Other Competent Official the original of the contract.

(Details of Low-Cost, Short-Term Insurer Liability Insurance Contract)

Article 211-18 The requirements to be specified by Cabinet Office Ordinance, as provided in Article 38-8, paragraph (1), item (iv) of the Cabinet Order, shall be as follows:

- (i) that the terms and conditions of the liability insurance contract are not likely to give negative impact on protection of Policyholders, etc.;
- (ii) that the contract provides for an Extensive Coverage Option (meaning an option wherein the losses arising from a certain event accrued during the insurance period of the liability insurance contract is to be continuously even after the expiration of the insurance period) for a certain period not shorter than five years after the expiration of the insurance period under the liability insurance contract; and
- (iii) that the contract provides for any Prior Events Coverage Option (meaning an option wherein the losses arising from a certain event accrued during the certain period prior to the commencement of the liability insurance contract).

(Types of Securities Which May be Substituted for Deposit)

Article 211-19 (1) Deposit to be deposited by a Low-Cost, Short-Term Insurer pursuant to the provision of Article 272-6, paragraph (2) of the Act may be substituted with the Securities as listed in Article 211-14.

(2) The provision of Article 211-15 shall apply mutatis mutandis to the value of the Securities when such Securities are substituted for the deposit pursuant to the provision of the preceding Article.

(Notification of Change, etc.)

Article 211-20 (1) A Low-Cost, Short-Term Insurer which files the notification pursuant to the provision of Article 272-7, paragraph (1) of the Act shall submit to the Commissioner of the Financial Services Agency or Other Competent Official a notification of change to registered matters prepared in accordance with the Appended Form No. 16-15.

(2) If the Commissioner of the Financial Services Agency or Other Competent Official has received from any Low-Cost, Short-Term Insurer a notification of the relocation of the head office or principal office filed beyond the jurisdictional district of the Director-General of Finance Bureau, etc. who has granted the registration, the Commissioner of the Financial Services Agency or Other Competent Official shall forward the notification and the portion of the

registry of Low-Cost, Short-Term Insurers pertaining to said Low-Cost, Short-Term Insurer and any other documents to the Director General of Finance Bureau, etc. having jurisdiction over the location of the relocated head office or principal office regarding which the notification is filed.

(3) A Director General of Finance Bureau, etc. who has receives the documents forwarded pursuant to the provision of the preceding paragraph shall register the Low-Cost, Short-Term Insurer in the registry of Low-Cost, Short-Term Insurers.

(Posting of Signs)

Article 211-21 The forms to be specified by Cabinet Office Ordinance, as provided in Article 272-8, paragraph (1) of the Act, shall be as set forth in the Appended Form No. 16-16.

(Trade Name or Name)

Article 211-22 The characters to be specified by Cabinet Office Ordinance as indicating that the relevant person falls under the category of the Low-Cost, Short-Term Insurer, as provided in Article 272-8, paragraph (3) of the Act, shall be the Low-Cost, Short-Term Insurance.

(Application for Authorization of Concurrent Holding of Positions of Directors, etc.)

Article 211-23 (1) When a director (in case of a company with committees, executive officer; the same shall apply in the following paragraph) engaging in the day-to-day business of a Low-Cost, Short-Term Insurer intends to obtain an authorization under Article 272-10, paragraph (1) of the Act, the director shall submit the written application for the authorization with the following documents attached thereto, and submit it to the Commissioner of the Financial Services Agency, etc. via such Low-Cost, Short-Term Insurer.

(i) a written statement of reasons;

(ii) resumés;

(iii) a document describing the method of handling ordinary business of the Low-Cost, Short-Term Insurer and such other company;

(iv) a document describing the relationship such as transactions between the Low-Cost, Short-Term Insurer and such other company;

(v) articles of incorporation (including any document equivalent thereto) of such other company; the latest balance sheet, profit and loss statement, business report and statement of changes in shareholders' equity, etc. (in case of a mutual company, a document on disposition of surplus and treatment of loss and a statement of changes in funds, etc. (including the notes in reference thereto)), as well as any other document disclosing the

- matters related to the current status of business, properties, and profits and losses; and
- (vi) a document containing any other matters which would serve as reference information.
- (2) When the application for authorization under the preceding paragraph is filed, the Commissioner of the Financial Services Agency shall examine whether the concurrent holding of position by the director pertaining to the application for authorization may give rise to any hindrance when such director engages in the ordinary business of the Low-Cost, Short-Term Insurer.

Section 2 Business, etc.

(Ancillary Businesses)

Article 211-24 The businesses to be specified by Cabinet Office Ordinance, as provided in Article 272-11, paragraph (2) of the Act, shall be as follows:

- (i) carrying out the following services or other services pertaining to Insurance Business on behalf of other Low-Cost, Short-Term Insurers or Insurance Companies (including Foreign Insurers):
- (a) preparation and giving and receiving, etc. of documents concerning accepting insurance and other services;
 - (b) services for receiving Insurance Premiums and services for paying Insurance Money;
 - (c) investigation of insured events and other matters concerning insurance contracts; and
 - (d) education and management of persons soliciting insurance;
- (ii) acting as an agent for the conclusion of insurance contracts, or carrying out damage assessment or other services on behalf of other Low-Cost, Short-Term Insurers, which is deemed reasonable to be carried out by an Insurance Company from the viewpoint of improving convenience of Policyholders, etc.;

(Application for Approval of Related Business)

Article 211-25 (1) When a Low-Cost, Short-Term Insurer intends to obtain an approval under Article 272-11, paragraph (2) of the Act, it shall submit to the Commissioner of the Financial Services Agency or Other Competent Official a written application for approval setting forth the following matters:

- (i) the trade name or name;
 - (ii) the registration date and registration number;
 - (iii) the type of business to be approved; and
 - (iv) the scheduled date for commencement of the business.
- (2) The document describing the following information shall be attached to the written application for approval under the preceding paragraph:

- (i) the details and methods of the business;
 - (ii) the section in charge of the business and the staffing; and
 - (iii) internal rules governing the operation of the business.
- (3) If the application for approval set forth in paragraph (1) has been filed, the Commissioner of the Financial Services Agency and Other Official shall examine whether the application conforms to the criteria listed in the following:
- (i) that it is found that the implementation of the related business would not adversely affect the Low-Cost, Short-Term Insurer which has filed the application for approval in appropriately and precisely executing its Low-Cost, Short-Term Insurance Business;
 - (ii) that, in light of the status of maintenance of officers or employees with sufficient knowledge and experience related to the related business, the framework for operation of such related business, the Low-Cost, Short-Term Insurer which has filed the application for approval is deemed to be able to implement the related business in an accurate, fair and efficiency manner; and
 - (iii) that, when the Low-Cost, Short-Term Insurer provides agency service for business or business handling of other Low-Cost, Short-Term Insurer or an Insurance Company, such service is not likely to give adverse effects on such other Low-Cost, Short-Term Insurer or an Insurance Company in accurately, fairly and efficiency executing their businesses.

(Deposit with Financial Institutions)

Article 211-26 The deposit with a bank or any other financial institutions to be specified by Cabinet Office Ordinance, as provided in Article 272-12, item (i) of the act, shall be deposit with the following financial institutions (excluding deposit in foreign currencies):

- (i) a bank;
- (ii) Long Term Credit Bank;
- (iii) The Shoko Chukin Bank Limited;
- (iv) shinkin banks and a federation of shinkin banks;
- (v) a labor bank and a federation of labor banks;
- (vi) The Norinchukin Bank; and
- (vii) credit cooperatives and a federation of credit cooperatives.

(Types of Securities Subject to Asset Investment)

Article 211-27 The Securities to be specified by Cabinet Office Ordinance, as provided in Article 272-12, item (ii) of the Act, shall be the following Securities (excluding Securities denominated in foreign currency):

- (i) municipal bonds;

- (ii) government guaranteed bonds; and
- (iii) bond certificates as provided in Article 2, paragraph (1), item (iii) of the Financial Instruments and Exchange Act (excluding those set forth in the preceding item).

Article 211-28 The means to be specified by Cabinet Office Ordinance, as provided in Article 272-12, item (iii) of the Act, shall be as follows (excluding deposit or trust in foreign currencies):

- (i) money deposit with agricultural cooperatives and federation of agricultural cooperatives engaged in the business set forth in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Business);
- (ii) money deposit with fisheries cooperatives engaged in business set forth in Article 11, paragraph (1), item (iv) (Types of Businesses) of the Fishery Cooperatives Act, federation of fisheries cooperatives engaged in business set forth in Article 87, paragraph (1), item (iv) (Types of Businesses) of that Act, fishery processing cooperatives engaged in the business as set forth in Article 93, paragraph (1), item (ii) (Types of Businesses) of that Act, or federation of fishery processing cooperatives engaged in Article 97, paragraph (1), item (ii) (Types of Businesses) of that Act; or
- (iii) monetary trust with a financial institution engaged in trust business, with a provision for compensation of principals.

(Low-Incidence Insurance)

Article 211-29 The insurance to be specified by Cabinet Office Ordinance, as provided in Article 38-9, paragraph (1) of the Cabinet Order, shall be insurance covering the damages liability in relation to daily life of individual persons (excluding the insurance related to driving of automobiles).

(Measure for Business Operation)

Article 211-30 A Low-Cost, Short-Term Insurer shall, pursuant to the provision of Article 100-2 of the Act as applied mutatis mutandis pursuant to Article 272-13, paragraph (2) of the Act, implement the following measures in connection with its businesses:

- (i) upon insurance solicitation for an insurance contract to be renewed unless the policyholder expresses otherwise before the day when the insurance term expires, measures to ensure that the Low-Cost, Short-Term Insurance Agent provides explanation about the renewed insurance contract by delivering to the policyholder a document setting forth that the method of calculation of insurance premiums, the insured amount and any other conditions to be specified by the Commissioner of the Financial Services Agency are subject to revision;

- (ii) upon insurance solicitation, measures to ensure that the Low-Cost, Short-Term Insurance Agent provides the policyholder with an explanation by providing a document setting forth that such policyholder will not be subject to the measures including financial assistance from Insurance Policyholders Protection Corporation of Japan and that the contract does not fall under the category of the Covered Contract as provided in Article 270-3, paragraph (2), item (i) of the Act;
- (iii) upon insurance solicitation, measures to ensure that the Low-Cost, Short-Term Insurance Agent provides the policyholder with an explanation by providing a document setting forth the following matters:
 - (a) that the Low-Cost, Short-Term Insurer is a party which only underwrites the insurance for which the insurance period is not longer than the period specified in Article 1-5 of the Cabinet Order and for which the insurance amount is not more than the amount set forth in Article 1-6 of the Cabinet Order.
 - (b) that the total of the amount of all insurances to be underwritten by the Low-Cost, Short-Term Insurer for a single insured person shall not exceed ten million yen (or two million yen, if any of the insurances include Low-Incidence Insurance (meaning an insurance set forth in Article 38-9, paragraph (1) of the Cabinet Order; the same shall apply in the following Article));
 - (c) that the total number of the insured for all insurances is to be underwritten by the Low-Cost, Short-Term Insurer for a single person shall not exceed one hundred;
- (iv) the measures to obtain, after delivery of documents set forth in the preceding three items, signatures or seals in acknowledgment of the receipt of such documents, or any other measures equivalent thereto;
- (v) that, if the application or any procedures for conclusion of an insurance contracts to be handled by the use of devices for information processing which are connected to telecommunication lines, adequate measures have been implemented so as to secure protection of policyholders, etc. and appropriate business operation, in respect of identify checking of the applicants of insurance contracts, checking of physical conditions of the insured (limited to the case where the insured cannot be identified at the time of conclusion of the relevant insurance contract), explanation of contract terms, information management and any other matters as may be required for implementation of such procedures;
- (vi) measures to enhance capacity of a Low-Cost, Short-Term Insurance Agents to conduct fair insurance solicitation; and
- (vii) in addition to what are specified in the preceding items, upon insurance solicitation, measures to ensure that a Low-Cost, Short-Term Insurance

Agent makes explanations to a policyholder or the insured (excluding the cases where the insured cannot be identified at the time of concluding the insurance contract) by delivering a document containing material matters out of the details of the insurance contract, or by any other appropriate means.

(Measures Related to Maximum Limitation on Insurance Amount)

- Article 211-31 (1) A Low-Cost, Short-Term Insurer shall implement appropriate measures so that the total of the amount of all insurances to be underwritten by it for a single insured person shall not exceed ten million yen (or two million yen, if any of the insurances to be underwritten for the single insured person include a Low-Incidence Insurance (limited to the case where the total of the insurance amount pertaining to Low-Incidence Insurance for the single insured person, or the total of the insurance amount pertaining to the insurance other than the Low-Incidence Insurance, is not more than one million yen));
- (2) A Low-Cost, Short-Term Insurer shall implement appropriate measures so that the total number of the insured for all insurances is to be underwritten by it for a single person shall not exceed one hundred, and that the total of the insurance amount for each insured person categorized in accordance with the items of insurances listed in the items of Article 1-6 of the Cabinet Order shall not exceed the amounts respectively set forth in therein (excluding item (vi), if all insurances to be underwritten for a single insured person includes any Low-Incidence Insurance).

(Prevention of Misidentification Between Corporate Bonds and Insurance Contracts)

- Article 211-32 When a Low-Cost, Short-Term Insurer issues corporate bonds, it shall implement the following measures:
- (i) measures to provide the customers with an explanation that the bonds is not the insurance contract, or any other matters that are deemed to serve as reference information for preventing misidentification with insurance contract (referred to as "Reference Information" in the following item), by such means as delivery of documents or any other appropriate means;
- (ii) measures to handle the corporate bonds at a specific counter at its business office or office, and to present the Reference Information at the counter in a manner that customers can easily notice them.

(Mutatis Mutandis Application of Provisions Concerning Measure Related to Business Operation)

- Article 211-33 The provisions of Article 53, paragraphs (2) to (4) inclusive shall apply mutatis mutandis to a Low-Cost, Short-Term Insurance Agents; and the

provisions of Articles 53-3 to 53-3-3 inclusive, Article 53-4 (excluding paragraphs (2) and (4)), Article 53-6, Article 53-7, Article 53-8, Article 53-10, Article 53-11, Article 54 (excluding item (i)), Article 54-2 and Article 54-3 shall apply mutatis mutandis to Low-Cost, Short-Term Insurers. In this case, the term "items (v) to (vii) inclusive of the preceding paragraph" in Article 53, paragraph (2) shall be deemed to be replaced with "Article 211-31, items (i) to (iii) inclusive"; the term "Person in Specified Relationship" in Article 53-4 shall be deemed to be replaced with "Person in Specified Relationship (meaning a person specified in the items of Article 38-10 (excluding items (ii) and (iii)) of the Cabinet Order, and the other Corporation, etc. when the Low-Cost, Short-Term Insurer is an Affiliated Corporation, etc. of such other Corporation, etc.; the same shall apply in Article 53-6 as applied mutatis mutandis pursuant to Article 211-33)"; the term "Person in Specified Relationship (meaning a Person in Specified Relationship provided in Article 53-4, paragraph (2) of the Act)" and "paragraph (3) of that Article" in Article 53-6 shall be deemed to be replaced with "Person in Specified Relationship" and "Article 53-4, paragraph (3)," respectively; the term "Articles 97, 98 or 99 of the Act" in Article 53-7, paragraph (1) shall be deemed to be replaced with "Article 272-11 of the Act"; the term "Article 100-3 of the Act" in Article 54 shall be deemed to be replaced with "Article 100-3 of the Act as applied mutatis mutandis pursuant to Article 272-13 of the Act"; the term "Person in Specified Relationship" in item (iii) of that Article shall be deemed to be replaced with "Person in Specified Relationship (meaning a person specified in the items of Article 38-10 of the Cabinet Order; the same shall apply in this Article, and also in Article 54-2 as applied mutatis mutandis pursuant to Article 211-33); the term "the preceding three items" in item (iv) of that Article shall be deemed to be replaced with "the preceding two items"; the term "Article 100-3 of the Act" in Article 54-2 shall be deemed to be replaced with "Article 100-3 of the Act as applied mutatis mutandis pursuant to Article 272-13, paragraph (2) of the Act"; the term "Article 100-3 of the Act" and "the Commissioner of the Financial Services Agency" in Article 54-3 shall be deemed to be replaced with "Article 100-3 of the Act as applied mutatis mutandis pursuant to Article 272-13, paragraph (2) of the Act" and "the Commissioner of the Financial Services Agency or Other Competent Official," respectively; and the term "Article 54" of paragraph (2) of that Article shall be deemed to be replaced with "Article 54 as applied mutatis mutandis pursuant to Article 211-33."

(Scope of Subsidiary Companies)

Article 211-34 (1) The businesses to be specified by Cabinet Office Ordinance, as provided in Article 272-14, paragraph (1) of the Act, shall be as follows:

(i) business to handle affairs related to welfare benefit of officers or employees

- of other business operators;
- (ii) business of purchasing and management of goods to be used for handling business affairs of other business operators;
 - (iii) business of printing and bookbinding of papers, tickets and any other documents related to the affairs of other business operators;
 - (iv) business of advertisement or promotion for businesses of other business operators;
 - (v) business of driving, maintenance, inspection and any other type of management of automobiles for other business operators;
 - (vi) business of investigation or provision of information as may be necessary in relation to the business of other business operators (excluding those which fall under item (ix));
 - (vii) business to perform calculation related to business affairs of other business operators;
 - (viii) business to prepare, organize, store, ship or deliver the papers, tickets or any other documents pertaining to the business affairs of other business operators;
 - (ix) business to act as intermediary between the other business operator and its Customer, in relation to the business affairs;
 - (x) business to handle business affairs related to computers for other business operators (including business to design or maintain systems which function through the use of computers, and also including business to design, create, sell (including sale of peripheral equipment which would be necessary incidental to sale of programs) or maintain computer programs);
 - (xi) business to provide education or training for officers or employees of other business operators;
 - (xii) business of shipping of cash, checks, bills or securities of other business operators (excluding the business set forth in the following item and item (xiv));
 - (xiii) business to collect cash, checks, bills or securities and deliver them to major customers of other business operators;
 - (xiv) business of sorting out cash, checks, bills or securities, confirming the amount and quantity thereof, or taking temporary custody thereof, on behalf of the other business operators;
 - (xv) agency business (excluding agency service for the business set forth in the following item) or handling service for the business pertaining to insurance business of Low-Cost, Short-Term Insurers or Insurance Companies (including Foreign Insurers);
 - (xvi) Insurance Solicitation;
 - (xvii) business of investigation into insured events or any other matters related to insurance contracts;

- (xviii) business to provide education for personnel to conduct Insurance Solicitation;
 - (ixx) business of investigation, analysis or consultation for prevention of occurrence of risk factors, prevention or mitigation of damage resulting from occurrence of risk factor, or for assessment of scope, etc. of damage resulting from occurrence of risk factor;
 - (xx) business of investigation, analysis or consultation related to health, welfare services or medical services;
 - (xxi) business of creation and sale of computer programs related to business of companies mainly comprising Low-Cost, Short-Term insurance holding companies, Companies Eligible to be Low-Cost, Short-Term Insurance Subsidiary Companies and Insurance Agents or to financial affairs of business operators (including sale of peripheral equipment which would be necessary incidental to sale of computer programs); business to provide consigned calculation services;
 - (xxii) business to provide agency service for reporting on insured event from policyholders, or business to provide consultation on insurance contracts;
 - (xxiii) business to conduct investigation or research related to economy, such as finance;
 - (xxiv) business to process data primarily related to business of a Low-Cost, Short-Term Insurance Holding Company or a Company Eligible for Low-Cost, Short-Term Insurance Subsidiary Company or data primarily related to financial conditions of the business operators, and to provide transmission service for these data;
 - (xxv) the businesses incidental to those listed in the preceding items (limited to the business performed by the party engaged in any of the following items):
- (2) In connection with the companies engaged in any of the businesses listed in items (i) to (xiv) inclusive of the preceding paragraph, and (xxv) of the preceding paragraph (limited to the businesses incidental to those listed in items (i) to (xiv) inclusive of the preceding Article), the ratio of the profit from the parties listed in the following items (including the officers and employees of any the parties listed in the following items, in case of the businesses specified in items (i) to (iii) inclusive and item (xi) of that paragraph) to the amount of its total profit for the business pertaining to each business year, shall not be less than fifty percent, and such company shall receive profit from the parties listed in item (i).
- (i) the Low-Cost, Short-Term Insurer; and
 - (ii) the Subsidiary Company of the party specified in the preceding item.

(Application for Authorization for Holding Insurance Company, etc. Eligible for

Low-Cost, Short-Term Insurance Subsidiary Company as Subsidiary Company)

Article 211-35 (1) When a Low-Cost, Short-Term Insurer intends to obtain approval provided in Article 272-14, paragraph (2) of the Act, it shall submit to the Commissioner of the Financial Services Agency or Other Competent Official a written application for approval attaching the following documents:

- (i) a written statement of reasons;
- (ii) the following documents related to the Low-Cost, Short-Term Insurer:
 - (a) the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. (in case of a Mutual Company, a document related to disposition of surplus or treatment of loss and the statement of changes in members' equity) and any other document disclosing the recent status of business, property and profit and loss;
 - (b) a document specifying the prospective income and expenditure after approval is granted;
 - (c) when an Insurance Company Eligible as a Low-Cost, Short-Term Insurance Subsidiary Company is to become a Subsidiary Company due to the implementation of a share exchange, the following documents:
 - 1. the minutes of shareholders meetings, or any other documents certifying that the necessary procedures have been followed;
 - 2. a document specifying the terms and conditions of the share exchange agreement; and
 - 3. a document specifying the costs for share exchange.
 - (a) the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. (in case of a Mutual Company, a document related to disposition of surplus or treatment of loss and the statement of changes in members' equity) of the Low-Cost, Short-Term Insurer and its Subsidiary Company, etc. prepared in a consolidated manner, and any other document disclosing the recent status of business, properties and profit and loss of these companies; and (a) the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. (in case of a Mutual Company, a document related to disposition of surplus or treatment of loss and the statement of changes in members' equity) of the Low-Cost, Short-Term Insurer and its Subsidiary Company, etc. prepared in a consolidated manner, and any other document disclosing the recent status of business, properties and profit and loss of these companies; and
- (iv) the following documents related to the Insurance Company Eligible for Low-Cost, Short-Term Insurance Subsidiary Company for which the approval is sought:
 - (a) a document describing the name, and the location of its principal business office or principal office;

- (b) a document describing the details of business;
 - (c) the latest balance sheet, profit and loss statement, the statement of changes in shareholders' equity and any other document which shows the current status of business, properties, profits and losses; and
 - (d) a document describing the job titles and names of the officers (if any of its officer is a corporation, the officers shall include a person who shall perform the duties of such corporation);
 - (v) if the Low-Cost, Short-Term Insurer or its Subsidiary Company, etc. holds the total number of voting rights in domestic companies in excess of the Voting Rights Threshold (meaning the Voting Rights Threshold as provided in Article 107, paragraph (1) of the Act), as a consequence of holding of the Insurance Company Eligible for Low-Cost, Short-Term Insurance Subsidiary Company for which the authorization is sought, the document specifying the name of the domestic companies and the details of business thereof; and
 - (vi) a document stating any other matters which would serve as reference information for performance of the examination provided in the following paragraph.
- (2) If the application for approval set forth in the preceding paragraph has been filed, the Commissioner of the Financial Services Agency shall examine whether the application conforms to the criteria listed in the following:
- (i) that the amount of stated capital or fund of the Low-Cost, Short-Term Insurer which has filed the application (hereinafter referred to as the "Applicant Low-Cost, Short-Term Insurer" in this paragraph) is sufficient to acquire or hold the voting rights in the Insurance Company Eligible for Low-Cost, Short-Term Insurance Subsidiary Company;
 - (ii) that the current status of business, properties, losses and profits of the Applicant Insurance Company are sound;
 - (iii) that the Applicant Low-Cost, Short-Term Insurer is able to implement measures to secure sound and proper performance of the business of the Insurance Company Eligible for Low-Cost, Short-Term Insurance Subsidiary Company; and
 - (iv) that the Insurance Company Eligible for Low-Cost, Short-Term Insurance Subsidiary Company for which the authorization is sought is able to implement its business in a precise and fair manner.

Section 3 Accounting

(Business Report, etc.)

Article 211-36 (1) A business report as provided in Article 272-16, paragraph (1) of the Act shall be submitted within four months from the end of the business year, in accordance with the Appended Form No. 16-17, and categorized as

follows: in case of a stock company which is a Low-Cost, Short-Term Insurer, business report, supplementary schedule, a document concerning the matters related to the shareholders meeting, balance sheet, profit and loss statement, cash flow statement, interim statement of changes in shareholders' equity, documents concerning Securities, etc. and a document disclosing the status of solvency margin for Insurance Money, etc.; or, in case of a Mutual Company which is a Low-Cost, Short-Term Insurer, business report, supplementary schedule, a document concerning the matters related to the general meeting of members or the General Meeting of Representative Members, balance sheet, profit and loss statement, cash flow statement, statement of disposition of surplus and treatment of loss, statement of changes in members' equity, documents concerning redemption of fund, document concerning payment of interest on fund, documents concerning Securities, etc. and a document disclosing the status of solvency margin for Insurance Money, etc.

(2) An interim business report as provided in Article 272-16, paragraph (2) of the Act shall reflect the status of business and properties for the period between the day of commencement of the business year and September 30 of the business year, and shall be submitted within three months from the end of said period, in accordance with the Appended Form No. 16-18, and categorized as follows: in case of a stock company which falls under the category of a Specified Low-Cost, Short-Term Insurer (meaning a Specified Low-Cost, Short-Term Insurer as provided in that paragraph; hereinafter the same shall apply in this Chapter), interim balance sheet, interim profit and loss statement, interim cash flow statement, interim statement of changes in shareholders' equity and a document disclosing the status of solvency margin for Insurance Money, etc.; or, in case of a Mutual Company which falls under the category of the Specified Low-Cost, Short-Term Insurer, interim business report, interim balance sheet, interim profit and loss statement, interim cash flow statement, interim statement of changes in members' equity and a document disclosing the status of solvency margin for Insurance Money, etc.

(3) Companies in special relationship to be specified by Cabinet Office Ordinance, as provided in Article 110, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 272-16, paragraph (3) of the Act (hereinafter referred to as "Subsidiary Company, etc." in this Article and Article 211-38) shall be as follows:

(i) Subsidiary Corporation, etc. of the Specific Low-Cost, Short-Term Insurer;
and

(ii) an Affiliated Corporation, etc. of the Specific Low-Cost, Short-Term Insurer.

(4) The provisions of Article 59, paragraphs (4) and (5) shall apply to submission of an interim business report or business report as provided in Article 110, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 272-

16, paragraph (3) of the Act; and the provision of Article 59, paragraphs (6) and (7) shall apply mutatis to the case where a Low-Cost, Short-Term Insurer submits its interim business report or business report. In this case, the term "Appended Form No. 6-3" in paragraph (4) of that Article shall be deemed to be replaced with "Appended Form No. 16-19"; the term "Appended Form No. 7-3" in paragraph (5) of that Article shall be deemed to be replaced with "Appended Form No. 16-20"; the term "paragraph (1), (2), (4) or (5)" and "the Commissioner of the Financial Services Agency" in paragraph (6) of that Article shall be deemed to be replaced with "Article 211-36, paragraph (1) or (2), or Article 59, paragraph (4) or (5) as applied mutatis mutandis to Article 211-36, paragraph (4)" and "the Commissioner of the Financial Services Agency (if, pursuant to the provision of Article 47-2 of the Cabinet Order, the Director-General of Local Finance Bureau having jurisdiction over the head office or principal office of the Low-Cost, Short-Term Insurer (or the Director-General of the Fukuoka Local Finance Branch Bureau, if the location falls within the district of the Fukuoka Local Finance Branch Bureau) accepts the report, to such Director-General of Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau; the same shall apply in the following paragraph).

(Matters to be Contained in Explanatory Document on Status of Business and Properties)

Article 211-37 (1) The matters to be specified by Cabinet Office Ordinance, as provided in Article 111, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-17 of the Act, shall be as follows:

- (i) the following matters related to the overview and organization of the Low-Cost, Short-Term Insurer:
 - (a) organizations for business management;
 - (b) in case of a stock company, the following matters related to ten or more shareholders in accordance with the descending order of the number of the shares held:
 - 1. name (if the shareholder is a corporation or any other organization, the name or such organization);
 - 2. the number of shares held by each of such shareholder; and
 - 3. the ratio of the number of shares held by each shareholder to the total number of the shares issued.
 - (c) in case of a Mutual Company, the following matters related to five or more shareholders in accordance with the descending order of the amount of fund contributed:
 - 1. name (is the fund contributor is a corporation or any other organization, the name or such organization);

2. the amount of fund contributed by each of fund contributors; and
 3. the ratio of each of the amount of contribution to the total amount of the fund.
- (d) the names and job titles of directors and company auditors (or directors and executive officers, in case of a company with committees);
- (e) the name of the accounting advisor, in case of a company with accounting advisors;
- (d) the details of the principal business of the Low-Cost, Short-Term Insurer;
- (d) the details of the principal business of the Low-Cost, Short-Term Insurer;
- (iii) the following matters related to the principal business of the Low-Cost, Short-Term Insurer;
- (a) the overview of the business for the Most Recent Business Year;
 - (b) the following matters, which are the indicators of the status of principal business for the latest three business years;
 1. ordinary profit;
 2. ordinary profit or ordinary loss;
 3. net profit for the period or net loss for the period (or net surplus for the period or net loss for the period, in case of a Mutual Company);
 4. the amount of stated capital, and the total amount of the shares issued (in case of a Mutual Company, the amount of fund (including Reserve for Redemption of Fund as referred to in Article 56 of the Act);
 5. amount of net assets (meaning the amount of net assets as set forth in Article 272-4, paragraph (1), item (iii) of the Act);
 6. total amount of assets;
 7. outstanding amount of policy reserve;
 8. outstanding amount of Securities;
 9. ratio which indicate the soundness of solvency margin for Insurance Money, etc. (meaning a ratio derived from the formula pertaining to the criteria regarding the appropriateness of the solvency margin for Insurance Money, etc. as referred to in Article 130 of the Act as applied mutatis mutandis pursuant to Article 272-28 of the Act);
 10. trends in dividends (limited to the case of a Low-Cost, Short-Term Insurer which is a stock company);
 11. in case of a Mutual Company, the total of the following ratios: the members' dividend reserve set forth in Article 30-5, paragraph (1), item (i) to the amount calculated pursuant to the provision of Article 30-4; and the amount to be reserved as the members' dividend equilibrium reserve under item (ii) of that paragraph to the amount calculated pursuant to the provision of Article 30-4;
 12. the number of employees; and
 13. the amount of net insurance premiums.

- (c) the following matters, which are the indicators of the status of business for the latest two business years:
- (d) the matters listed as the outstanding policy reserve in the Appended Form;
- (iv) the following matters related to the business operation of the Low-Cost, Short-Term Insurer:
 - (a) framework for risk management;
 - (b) framework for compliance of laws and regulations;
 - (c) the matters set forth as follows in accordance with the categories of cases listed in the respective item:
 1. in the case where there is a Designated Dispute Resolution Organization for Low-Cost, Short-Term Insurance Services, a trade name or name of the Designated Dispute Resolution Organization for Low-Cost, Short-Term Insurance Services, which is a party to a Basic Contract for Implementation of Dispute Resolution Procedures to be concluded for the Low-Cost, Short-Term Insurance Services as the measure under Article 272-13-2, paragraph (1), item (i) of the Act; or
 2. in the case where there is not a Designated Dispute Resolution Organization for Low-Cost, Short-Term Insurance Services, the content of the Complaint Processing Measures and Dispute Resolution Measures pertaining to the Low-Cost, Short-Term Insurance Services under Article 272-13-2, paragraph (1), item (ii) of the Act.
- (v) the following matters related to the status of properties of the Low-Cost, Short-Term Insurer for the Most Recent Business Years:
 - (a) a balance sheet, profit and loss statement, cash flow statement (limited to the case where the Consolidated Financial Statements are not prepared) and a statement of change in shareholders' equity, etc. (in case of a Mutual Company, a document concerning disposition of surplus and treatment loss and a statement of change in members' equity);
 - (b) the status of soundness of solvency margin for Insurance Money, etc. (including the amounts set forth in the Appended Form which are the sub-items of the amount set forth in the items Article 130 of the Act);
 - (c) the acquisition value, contracted value, market value and loss or gain on valuation, in relation to the following:
 1. Securities; and
 2. monetary trust;
 - (d) if the documents to be made available for public inspection pursuant to the provision of Article 111, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-17 of the Act have been audited by the accounting auditor under the Companies Act (or under the Insurance Business Act, in case of a Mutual Company), such fact;

- (j) if, in connection with the balance sheet, profit and loss statement and statement of change in shareholders' equity (in case of a Mutual Company, a statement of disposition of surplus of a statement of treatment of loss, and a statement of change in members' equity), the Low-Cost, Short-Term Insurer has obtained an audit certificate of the certified public accountant or an audit firm pursuant to the provision of Article 193-2 of the Financial Instruments and Exchange Act, such fact;
- (v) if, as of the last day of the business year, there exists any event which give rise to any material doubt as to the precondition that the Low-Cost, Short-Term Insurer will continue its business activities in the future or any other event which may give material impact on business management of the Insurance Company (hereinafter referred to as "Material Event, etc." in this item), such fact and the details thereof, analysis of such Material Event, etc., and the details of the measures to be taken in order to eliminate or improve such Material Event, etc.;
- (2) The places to be specified by Cabinet Office Ordinance, as provided in Article 111, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-17 of the Act, shall be the business office or other office (excluding the head office or principal office, branch office or secondary office, and the business offices or offices located in foreign states) of the Insurance Company.

Article 211-38 (1) The company to be specified by Cabinet Office Ordinance, as provided in Article 111, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 272-17 of the Act, shall be as follows:

- (i) the following matters related to the overview of the Specific Low-Cost, Short-Term Insurer and its Subsidiary Company, etc. (excluding the Subsidiary Company, etc. which would not give material impact on the details of the explanatory documents provided in Article 111, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 272-17 of the Act; hereinafter the same shall apply in this Article):
 - (a) the details of the principal business of the Specific Low-Cost, Short-Term Insurer and its Subsidiary Company, etc., and their organizational framework;
 - (b) the following matters related to Subsidiary Company, etc. of the Specific Low-Cost, Short-Term Insurer;
 1. the name;
 2. the location of the principal business office of other principal office;
 3. the amount of stated capital or funds;
 4. the business details;
 5. the date of incorporation;
 6. the ratio of the voting rights in the Subsidiary Company, etc. held by the

- Specific Low-Cost, Short-Term Insurer to the voting rights of all shareholders or equity holders;
7. the ratio of the voting rights in a single Subsidiary Company, etc. of the Specified Low-Cost, Short-Term Insurer held by the other Subsidiary Company, etc. to the voting rights of all shareholders or equity holders;
- (ii) the following matters related to principal business of the Specific Low-Cost, Short-Term Insurer and its Subsidiary Company, etc.
- (a) outline of the business for the Most Recent Business Year;
 - (b) the following matters, which are the indicators of the status of principal business for the latest three Consolidated Financial Years;
 1. ordinary profit;
 2. ordinary profit or ordinary loss;
 3. net profit for the period or net loss for the period (or net surplus for the period or net loss for the period, if the Specific Low-Cost, Short-Term Insurer is a Mutual Company); and
 4. amount of net assets.
- (iii) the following matters related to the status of properties of Specific Low-Cost, Short-Term Insurer and its Subsidiary Company, etc. for the latest two Consolidated Financial Years;
- (a) a consolidated balance sheet, consolidated profit and loss statement, consolidated cash flow statement and a consolidated statement of change in shareholders' equity, etc. (including the notes in reference thereto; the same shall apply hereinafter) (if the Specific Low-Cost, Short-Term Insurer is a Mutual Company, a consolidated statement of change in members' equity);
 - (b) the state of soundness of solvency margin for payment of Insurance Money, etc. by the Low-Cost, Short-Term Insurer which is the Subsidiary Company, etc. of the Specific Low-Cost, Short-Term Insurer (including the amount set forth in the items of Article 130 of the Act as applied mutatis mutandis pursuant to Article 272-28 of the Act);
 - (c) the amount calculated as ordinary profit, ordinary profit, ordinary loss or amount of assets (hereinafter referred to as "Ordinary Revenue, etc." in this item) itemized in accordance with the categories of the types of business when the Specific Low-Cost, Short-Term Insurer and its Subsidiary Company, etc. is engaged in two or more types of businesses (excluding the case where the ratio of such amount to the aggregate amount of each of Ordinary Revenue, etc. is small);
 - (j) if, in connection with the balance sheet, profit and loss statement and statement of change in shareholders' equity (if the Specific Low-Cost, Short-Term Insurer is a Mutual Company, a statement of disposition of surplus of a statement of treatment of loss, and a statement of change in

members' equity), the Specific Low-Cost, Short-Term Insurer has obtained an audit certificate of the certified public accountant or an audit firm pursuant to the provision of Article 193-2 of the Financial Instruments and Exchange Act, such fact;

(iv) if, as of the last day of the business year, there exists any event which give rise to any material doubt as to the precondition that the Specified Low-Cost, Short-Term Insurer will continue its business activities in the future or any other event which may give material impact on business management of the Specified Low-Cost, Short-Term Insurer (hereinafter referred to as "Material Event, etc." in this item), such fact and the details thereof, analysis of such Material Event, etc., and the details of the measures to be taken in order to eliminate or improve such Material Event, etc.;

(2) The places to be specified by Cabinet Office Ordinance, as provided in Article 111, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 272-17 of the Act, shall be the places provided in paragraph (2) of the preceding Article.

Article 211-39 The provision of Article 59-4 shall apply mutatis mutandis to the explanatory documents prepared pursuant to the provision of Article 111, paragraphs (1) and (2) of the Act as applied mutatis mutandis pursuant to Article 272-17 of the Act. In this case, the term "Commissioner of the Financial Services Agency" in Article 59-4, paragraphs (2) and (3) shall be deemed to be replaced with "Commissioner of the Financial Services Agency (or the Director-General of Local Finance Bureau having jurisdiction over the head office or principal office of the Low-Cost, Short-Term Insurer (or the Director-General of the Fukuoka Local Finance Branch Bureau, if the location falls within the district of the Fukuoka Local Finance Branch Bureau))."

Article 211-39-2 The places to be specified by Cabinet Office Ordinance, as provided in Article 111, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 272-17 of the Act, shall be the places provided in Article 211-37, paragraph (2).

Article 211-39-3 The measures to be specified by Cabinet Office Ordinance, as provided in Article 111, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 272-17 of the Act, shall be the method whereby the information recorded in the Electromagnetic Records are displayed onto the paper or screen.

(Depreciation of Incorporation Expenses)

Article 211-40 The amount to be specified by Cabinet Office Ordinance, as

provided in Article 113 of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act, shall be the amount specified in the items of Article 61-2.

(Method of Calculation of Policy Dividends)

Article 211-41 When a stock company which is a Low-Cost, Short-Term Insurer distributes policy dividends, it shall calculate the amount to be distributed as policy dividends in accordance with the types/categories by the distinctive natures of the insurance contracts, and shall implement such distribution by one or more of the methods set forth in the following items.

- (i) method to distribute the amount based on the proceeds of investment of insurance premiums paid by the policyholders or money received as insurance premiums, less the amount of Insurance Money, refund or any other benefit, operating expenses and any other costs;
- (ii) method to recognize the amount to be distributed as policy dividends based on the insurance period, etc. and to distribute the amount calculated in accordance with the policy reserve, insurance premiums or any other base amount which pertains to each insurance contract; or
- (iii) any other method equivalent to the methods set forth in the preceding two items.

(Policy Dividend Reserve)

Article 211-42 (1) The reserve to be set aside by the stock company which is a Low-Cost, Short-Term Insurer for the purpose of allocation to the policy dividend shall be the policy dividend reserve.

(2) A stock company which is a Low-Cost, Short-Term Insurer may not transfer to the policy dividend reserve under the preceding paragraph the amount in excess of the total of the following amount.

- (i) the amount of Unpaid Dividend (meaning the unpaid dividends distributed to policyholders, which exclude the Reserved Dividend as set forth in the preceding item) (in case of the accounting period, including the amounts scheduled to be distributed in the subsequent business year);
- (ii) the product of the amount to be distributed in the subsequent business year and five-hundredths.

(Assets Covered by Price Fluctuation Reserve)

Article 211-43 The assets to be specified by Cabinet Office Ordinance, as provided in Article 115, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act, shall be the national government bonds, and the Securities and shares in Subsidiary Companies as referred to in the items of Article 211-27; provided, however, that the assets provided in Article 8,

paragraph (21) of the Ordinance on Financial Statements may be excluded.

(Calculation of Price Fluctuation Reserve)

Article 211-44 A Low-Cost, Short-Term Insurer shall reserve the amount not less than the total of the amount obtained by multiplying the book value of each asset by the ratio set forth in the space of the Reserve Threshold as specified in the left column of the following table, itemized by the assets respectively set forth in that column which are held as of the account closing period, as the Price Fluctuation Reserve specified in Article 115, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act. In this case, the maximum amount of such Price Fluctuation Reserve shall be the amount obtained by the book value of each asset held as of the time of account closing period as itemized by the assets set forth in the left column of that table, multiplied by the ratio specified in the Maximum Limit of Reserve as set forth in the table.

Covered Assets	Reserve Requirement	Maximum Limit of Reserve
National government bonds; and Securities specified in the items of Article 211-27	0.0002	0.005
Shares in Subsidiary Companies	0.0015	0.05

(Application for Authorization of Exemption from Reserving Price Fluctuation Reserve)

Article 211-45 (1) When a Low-Cost, Short-Term Insurer intends to obtain an authorization under the proviso to Article 115, paragraph (1) or the proviso to paragraph (2) of that Article, as applied mutatis mutandis pursuant to Article 272-18 of the Act, it shall submit to the Commissioner of the Financial Services Agency or Other Competent Official a written application for authorization, attaching thereto Financial Statements (meaning the Financial documents as set forth in Article 435, paragraph (2) (Preparation and Retention of Financial Statements, etc.) of the Companies Act applied by replacing certain terms under Article 13 of the Act or the financial documents provided in Article 54-3, paragraph (2) of the Act; the same shall apply in Article 211-55) or documents equivalent thereto.

(2) When the application under the preceding paragraph is filed, the Commissioner of the Financial Services Agency shall examine whether there exists any inevitable grounds, in light of status of business or properties of the Low-Cost, Short-Term Insurer which has filed the application for authorization.

(Policy Reserve of Low-Cost, Short-Term Insurer)

Article 211-46 (1) A Low-Cost, Short-Term Insurer shall, for each accounting period and for each of the categories respectively set forth in the following items, calculate and set aside as the policy reserve the amounts respectively set forth therein, based on the insurance premiums received before the relevant accounting period and in accordance with the formula specified in the documents set forth in Article 272-2, paragraph (2), item (iv) of the Act.

(i) regular policy reserve: either of the following amount, whichever is the higher:

(a) Outstanding Insurance Premiums (the amount equivalent to the liability corresponding to the Unexpired Period calculated based on the insurance premiums received);

(b) the amount of insurance premiums received in the business year, less the sum of the insurance money, refund, Payment Reserve (meaning the Payment Reserve under Article 117, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act; hereinafter the same shall apply in this Chapter) (excluding the Insurance Money, etc. for which the occurrence of the insured event as provided in the following Article has not been reported but the insured event provided in the insurance contracts is found to have occurred) disbursed in relation to the insurance contract under which the insurance premiums were received in the relevant business year and the operating expenses incurred in the relevant business year.

(ii) Extraordinary Contingency Reserve: the amount calculated for covering risks which may accrue in the future, so as to secure performance of the future obligations under the insurance contracts; and

(iv) policy dividend reserve, etc.: the amount of the policy dividend reserve under Article 211-42, paragraph (1) and any other amount equivalent thereto.

(2) Extraordinary Contingency Reserve under item (ii) of the preceding paragraph shall be set aside in accordance with the standards for reserving and reversal; provided, however, that if, in light of the status of business or properties of the Low-Cost, Short-Term Insurer, there is any inevitable ground, reserving not in accordance with the standard of reserve to be specified by the Commissioner of the Financial Services Agency and reversal not in accordance with the standard of reversal to be specified by the Commissioner of the Financial Services Agency.

(Insurance Money, etc. Equivalent to Amount Due and Payable)

Article 211-47 The case to be specified by Cabinet Office Ordinance, as provided in Article 117, paragraph (1) of the Act as applied mutatis mutandis pursuant

to Article 272-18 of the Act, shall be the Insurance Money, etc. for which the occurrence of the insured event has not been reported but the Low-Cost, Short-Term Insurer finds that insured event provided in the insurance contracts has occurred)

(Matters Which Require Participation of Actuary)

Article 211-48 The matters to be specified by Cabinet Office Ordinance, as provided in Article 120, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act, shall be the actuarial methodology pertaining to the following,

- (i) the method of calculation of insurance premiums;
- (ii) the method of calculation of policy reserve;
- (iii) the method of calculation of the policy dividends or surplus to be distributed to members;
- (iv) calculation of the Reserve for Outstanding Claims; and
- (v) any other matters necessary for the actuary in performing the duties.

(Persons Qualified as Actuary)

Article 211-49 The person who satisfies the requirements to be specified by Cabinet Office Ordinance, as provided in Article 120, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act, shall be the person who satisfies any of the following requirements, in case of a Life Insurance Company:

- (i) a regular member of The Institute of Actuaries of Japan, who has engaged in the business related to actuarial methodology for three years or longer; or
- (ii) a semi-regular member of The Institute of Actuaries of Japan, who has engaged in the business related to actuarial methodology for five years or longer (limited to a person who passed five or more subjects of the qualification test); or

(Matters Which Require Verification by Actuary)

Article 211-50 The matters to be specified by Cabinet Office Ordinance, as provided in Article 121, paragraph (1), item (iii) of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act, shall be whether the continuance of the insurance business is difficult, judging from the reasonable estimate of future income and expenditure based on actuarial methodology

(Verification by Actuary)

Article 211-51 An actuary shall, for each account closing period, verify the matters set forth in the items of Article 121, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act, in accordance

with the following requirements and any other requirements to be specified by the Commissioner of the Financial Services Agency.

- (i) that the policy reserve has been appropriately set aside pursuant to the provision of Article 211-46.
- (ii) that the distribution of policy dividend or surplus to members have been properly implemented pursuant to the provision of Article 30-2 or Article 211-41.
- (iii) that, judging from the amount of liabilities asset as of the certain time in the future calculated based upon reasonable estimation, the amount of asset as of the certain time in the future calculated based upon reasonable estimation is expected to fall short of the appropriate level in terms of continuance of low-cost and short-term insurance business; and

(Mutatis Mutandis Application of Provisions Concerning Accounting)

Article 211-52 The provision of Article 71, paragraph (1) shall apply mutatis mutandis to the case where a Low-Cost, Short-Term Insurer reinsures insurance contracts; and the provisions of Article 73, paragraphs (1) and (3) shall apply mutatis mutandis to Reserve for Outstanding Claims to be reserved by the Low-Cost, Short-Term Insurer for each account closing period; the provision of Article 79 shall apply mutatis mutandis to an actuary of a Low-Cost, Short-Term Insurer; and the provision of Article 82 shall apply mutatis mutandis to a written opinion to be submitted by an actuary of a Low-Cost, Short-Term Insurer to its board of directors meeting. In this case, the term "the preceding Article" in Article 73, paragraph (1) shall be deemed to be replaced with "Article 211-47"; and the term "the Commissioner of the Financial Services Agency" in Article 79, paragraphs (1) and (2) and Article 82, paragraph (2) shall be deemed to be replaced with "the Commissioner of the Financial Services Agency or Other Competent Official."

Section 4 Supervision

(Notification of Change in Matters Specified in Business Procedures, etc.)

Article 211-53 A person who intends to file a notification under Article 272-19, paragraph (1) of the Act shall submit to the Commissioner of the Financial Services Agency or Other Competent Official a notification of change of business procedures prepared in accordance with the Appended Form No. 16-21.

(Opinion Letter of Actuary Related to Change of Matters Specified in Statement of Calculation Procedures for Insurance Premiums and Policy Reserve)

Article 211-54 With regard to a written opinion provided in Article 272-19,

paragraph (2) of the Act, an actuary shall, in accordance with the following requirements, perform verification as to whether the calculation formula of insurance premiums and policy reserve stated in the document specified in Article 272-2, paragraph (2), item (iv) of the Act, which are to be changed, is reasonable and fair in terms of actuarial methodology, and prepare the opinion letter based on the results of the verification.

- (i) that the formula for calculation of the insurance premiums and the policy reserve shall be reasonable and fair from the standpoint of actuarial methodology; and
- (ii) any other requirements to be specified by the Commissioner of the Financial Services Agency.

(Matters to be Notified)

Article 211-55 (1) The cases to be specified by Cabinet Office Ordinance, as provided in Article 272-21, paragraph (1), item (vi) of the Act, shall be as follows:

- (i) cases where a stock company which is a Low-Cost, Short-Term Insurer intends to issue share options or corporate bond with share options;
- (ii) cases where any person has assumed, or retired from, the office of director representing the Low-Cost, Short-Term Insurer, the director or company auditor engaged in ordinary business of the Insurance Company (representative executive officer, executive officer or audit committee member, in case of a company with committees);
- (ii)-2 in case of a company with accounting advisors, where any person has assumed, or retired from, the office of accounting advisor;
- (iii) case where the party which holds the Low-Cost, Short-Term Insurer as its Subsidiary Company has been changed;
- (iv) cases where the Subsidiary Company has effected any amendment to its name, location of the head office or principal business, merger, dissolution or discontinuance of all of its business (excluding the cases where, pursuant to the provision of Article 272-21, paragraph (1), item (ii) of the Act, a notification under that item is required to be filed if the company no longer falls under the category of Subsidiary Company);
- (v) cases where the Low-Cost, Short-Term Insurer newly holds a party which falls under the party specified in any of the items of Article 211-36, paragraph (3) (referred to as "Specific Interested Parties" in the following item and item (vii));
- (vii)-5 cases where the Specified Interest Party no longer falls under that category;
- (vii) cases where a Specified Interest Party of the Low-Cost, Short-Term Insurer changes its business details;

- (viii) cases where, in relation to the Contingency Reserve provided in Article 211-46, paragraph (1), item (ii), the Low-Cost, Short-Term Insurer intends to make reserve or reversal not in accordance with the requirements for reserve as designated by the Commissioner of the Financial Services Agency provided in paragraph (2) of that Article;
- (ix) cases where, pursuant to the provision of Article 211-46, paragraph (1), the Commissioner of the Financial Services Agency designates as the case where a Low-Cost, Short-Term Insurer is required to make a notification with the Commissioner of the Financial Services Agency when implementing the calculation the amount of policy reserve;
- (xii) cases where the Low-Cost, Short-Term Insurer intends to take out any Subordinated Loan (meaning monetary loan for consumption with an option setting forth subordinated conditions on the principal and interest payment, and which fall under the category of the monetary loan for consumption to be specified by the Commissioner of the Financial Services Agency as the loan which would facilitate enhancement the Low-Cost, Short-Term Insurer's solvency margin for Insurance Money, etc.; hereinafter the same shall apply in the following item); or where it intends to issue Subordinated Corporate Bond (meaning corporate bond with an option setting forth subordinated conditions on the principal and interest payment, and which fall under the category of the corporate bonds to be specified by the Commissioner of the Financial Services Agency as the corporate bonds which would facilitate enhancement of the Low-Cost, Short-Term Insurer's solvency margin for Insurance Money, etc.; hereinafter the same shall apply in the following Article);
- (xiii) where the Low-Cost, Short-Term Insurer intends to make an accelerated repayment of the Subordinated Loan, or where it intends to make an accelerated redemption of Subordinated Corporate Bonds (including in the case of payment or redemption with regard to a loan or corporate bonds without a fixed due date).
- (xii) cases where the Low-Cost, Short-Term Insurer has started to make available for public inspection the documents prepared pursuant to the provision of Article 111, paragraph (1) or (2) as applied mutatis mutandis pursuant to Article 272-17 of the Act;
- (xvi) cases where the Low-Cost, Short-Term Insurer intends to acquire the treasury shares based on the resolution of the shareholders meeting or board of directors meeting pursuant to the provision of Article 156, paragraph (1) (Determination of Matters regarding Acquisition of Shares) of the Companies Act (including the case where it is applied by replacing certain terms under Article 165, paragraph (3) of that Act); and
- (xiv) cases where it has come to the knowledge of the Low-Cost, Short-Term

- Insurer or its Subsidiary Company (referred to as "Low-Cost, Short-Term Insurer, etc." in paragraph (4)) that any deplorable event has occurred to it.
- (2) For filing the notification under Article 272-21, paragraph (1) of the Act, a Low-Cost, Short-Term Insurer shall submit to the Commissioner of the Financial Services Agency or Other Competent Official the notification, attaching thereto a written statement of reasons and any other document which would be informative:
- (3) The notification to be filed, when item (vii) of paragraph (1) is applicable, shall be filed promptly after the completion of preparation of the financial statements, and shall be filed together with the financial statements.
- (4) A Deplorable Event as provided in paragraph (1), item (xiv) shall mean the case where the Low-Cost, Short-Term Insurer, etc., their respective officers or employees (excluding the persons who fall under the category of the Low-Cost, Short-Term Insurance Agents), their respective Low-Cost, Short-Term Insurance Agents or such solicitors' respective officers or employees 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 performance of the Low-Cost, Short-Term Insurer;
 - (ii) an act in violation of the Act on Regulation of Receiving of Capital Subscription, Deposits, and Interest Rates, etc.;
 - (iii) an act in violation of Article 300, paragraph (1) of the Act, or Article 38, items (iii) to (vii) inclusive or Article 39, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 300-2 of the Act; or an act which fall under Article 307, paragraph (1), item (iii) of the Act;
 - (iv) loss of cash, bills, checks, securities or any other valuable item equivalent to one million yen or more for each item (including the case of theft and depreciation or appreciation); and
 - (v) any other act similar to those set forth in the preceding items, which would give actual or potential negative impact on the Insurance Company in carrying out its business operation in a sound and proper manner.
- (6) A notification, when paragraph (1), item (xvii) is applicable, shall be filed within thirty days from the day when the Insurance Company learns the occurrence of the Deplorable Event.

(Corporation Whose Business Management is Under Control of Low-Cost, Short-Term Insurer)

Article 211-56 The corporations to be specified by Cabinet Office Ordinance, as provided in Article 272-22, paragraph (2) of the Act, shall be the Subsidiary Company, etc. of the Low-Cost, Short-Term Insurer, excluding the Subsidiary Companies.

(Insurance Money, etc. Equivalent to Amount Due and Payable)

Article 211-57 The monies equivalent to Insurance Money or any other benefit to be specified by Cabinet Office Ordinance, as provided in Article 272-24, paragraph (1), item (i) of the Act, shall be Insurance Money, etc. provided in Article 211-47.

(Insurance Premiums Upon Calculation of Insurance Money Ratio)

Article 211-58 The insurance premiums received under the insurance contract, as provided in Article 272-24, paragraph (1), item (i) of the Act, shall be the insurance premiums paid or to be decisively paid in the business year, and in case of an insurance contract with option of payment in installation or an insurance contract whose insurance period exceeds one year, such amount shall be the annualized insurance premiums.

(Capital, Equity Fund, Reserve, etc. Used for Requirement for Soundness)

Article 211-59 (1) The amount of stated capital, fund, reserve or any other amount to be specified by Cabinet Office Ordinance, as provided in Article 130, item (i) of the Act as applied mutatis mutandis pursuant to Article 272-28 of the Act, shall be as follows:

- (i) the amount to be disbursed as the disposition of surplus from among the total amount recorded in the net asset section (in case of a Mutual Company which is a Low-Cost, Short-Term Insurer, including the amount to be disbursed as the distribution of dividends to members in the subsequent business year), the amount recorded in the items of Valuation and Translation Adjustments, etc. in the balance sheet, the amount recorded in the asset section of the balance sheet and the amount recorded as the deferred asset in the asset section of the balance sheet pursuant to the provision of the first sentence of Article 113 of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act;
- (ii) the amount of Price Fluctuation Reserve under Article 115, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-18 of the Act;
- (iii) the amount of Ordinary Contingency Reserve under Article 211-46, paragraph (1), item (ii);
- (iv) the amount of general loan-loss reserves;
- (v) with regard to available-for sale securities owned by the Low-Cost, Short-Term Insurer, the amount of difference between the total of the amount recorded in the balance sheet and the book value thereof, multiplied by the ratio to be specified by the Commissioner of the Financial Services Agency;
- (vi) with regard to lands owned by the Low-Cost, Short-Term Insurer, the amount of difference between the Market Value and book value thereof,

multiplied by the ratio to be specified by the Commissioner of the Financial Services Agency; and

(vii) the amount similar to those set forth in the preceding items, as designated by the Commissioner of the Financial Services Agency.

(2) The term "Market Value" as referred to in item (vi) of the preceding paragraph shall mean the value calculated based on the fairly appraised price as of the day when the ratio to indicate the soundness of solvency margin for Insurance Money, etc.

(Amount Equivalent to Risk Not Normally Predictable)

Article 211-60 The amount equivalent to the risk not normally predictable that may accrued from the occurrence of the insured event for which the insurance is underwritten, as provided in Article 130, item (ii) of the Act as applied mutatis mutandis pursuant to Article 272-28 of the Act, or any from other ground shall be the amount calculated by the method specified by the Commissioner of the Financial Services Agency based upon the following amounts:

(i) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Insurance Risk;

(ii) the total of the amount set forth in the following sub-items (a) to (e) inclusive, which is the amount equivalent to the Asset Investment Risk;

(a) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Price Fluctuation, etc. Risk;

(b) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Credit Risk;

(c) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency as the amount equivalent to the Subsidiary Company, etc. Risk (meaning the risk which may accrue from the investment in Subsidiary Company, etc. or any other grounds;

(e) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency, as the amount equivalent to the risks set forth in sub-items (a) to (c) inclusive.

(iii) the amount calculated in accordance with the formula specified by the Commissioner of the Financial Services Agency based on the amount corresponding to those specified in the preceding two items, as the amount equivalent to the Management Risk.

Section 5 Portfolio Transfer, etc. of Insurance Contracts

(Documents to be Kept in Relation to Transfer of Insurance Contracts)

Article 211-61 The documents to be specified by Cabinet Office Ordinance, as provided in Article 136-2, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act, shall be as follows:

- (i) contract documents pertaining to the contract under Article 135, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act; and
- (ii) the balance sheet of the transferor company provided in Article 135, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act (hereinafter referred to as "Transferor Company" in this Section) and the transferee company provided in paragraph (1) of that Article (hereinafter referred to as "Transferee Company" in this Section) (if the Transferee Company is a Foreign Insurance Company, etc., the balance sheet for the insurance business in Japan).

(Matters Subject to Public Notice of Transfer of Insurance Contracts)

Article 211-62 The matters to be specified by Cabinet Office Ordinance, as provided in Article 137, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act, shall be the trade name or name of the Transferee Company, and the location of its head office, principal office or principal establishment in Japan.

(Amount of Claim Pertaining to Insurance Contract)

Article 211-63 The amount to be specified by Cabinet Office Ordinance, as provided in Article 137, paragraph (4) of the Act (including the cases where it is applied by replacing certain terms under Article 251, paragraph (2) of the Act) as applied mutatis mutandis pursuant to Article 272-29 of the Act, shall be the amount of the insurance premiums corresponding to the Unexpired Period (meaning the insurance period specified in an insurance contract which have not been passed as of the time of the public notice as defined in Article 137, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-29).

(Application for Authorization of Transfer of Insurance Contracts)

Article 211-64 (1) The application for authorization under Article 139, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act shall be filed by way of submitting to the Commissioner of the Financial Services Agency the written application for authorization under the joint name of the Transferor and the Transferee, within one month from the passage of the period under Article 137, paragraph (2) of the Act as applied mutatis mutandis

pursuant to Article 272-29 of the Act.

- (2) For filing the written application for authorization under the preceding paragraph, the following documents shall be attached:
- (i) a written statement of reasons;
 - (ii) contract documents pertaining to the contract under Article 135, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act;
 - (iii) the minutes of Shareholders Meeting, etc. of the Transferor Company and the Transferee Company (excluding Foreign Insurance Company, etc.);
 - (iv) the balance sheet of the Transferor Company and Transferee Company (if the Transferee Company is a Foreign Insurance Company, etc., the balance sheet for the insurance business in Japan);
 - (v) the inventory of assets of the Transferor Company;
 - (vi) with regard to each type of insurance contract wherein the insurer is the Transferor Company, the document describing the respective number of policyholders, the number of insurance contracts, the total of the insured amount, and the amount of policy reserve, in which the distinction between the insurance contracts to be transferred (hereinafter referred to as the "Transferred Contracts" in this paragraph and Article 211-26) and the contracts which are not the Transferred Contracts;
 - (vii) the document describing the amount of the policy reserve and any other types of reserve as well as the method of calculation thereof, for each type of Transferred Contract;
 - (viii) the document describing the quantity and value, for each type of properties to be transferred associated with the Transferred Contract pursuant to the provision of Article 135, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act;
 - (ix) with regard to each type of insurance contract wherein the insurer is the Transferor Company (or insurance contracts in Japan, in case of a Foreign Insurance Company, etc.), the document describing the respective number of policyholders, the number of insurance contracts, the total of the insured amount, and the amount of policy reserve (or policy reserve under Article 116, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act, in case of a Foreign Insurance Company, etc.);
 - (x) with regard to a Transferred Contract or an insurance contracts wherein the insurer is the Transferee Company, if the policyholder or the insured person thereunder are the same, the document stating the total amount of the insurance under all insurance contracts for the policyholder or the insured person, and the total amount of insured amount under all insurance contracts as itemized by the categories of insurances set forth in the items of Article 1-6 of the Cabinet Order.

- (xi) a document certifying that the public notice under Article 137, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act has been given;
- (ix) a document certifying that the number of policyholders who stated their objections under Article 137, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act or the amount pertaining to such policyholders as provided in the preceding Article has not the certain ratio as set forth in Article 137, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act (including the cases where applied mutatis mutandis pursuant to Article 251, paragraph (2) of the Act);
- (xiii) a document certifying that the public notice under Article 250, paragraph (4) of the Act, if any, has been given; and
- (xiii) any other document containing the matters which would serve as reference information for examination under Article 139, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act.

(Matters Subject to Ex-Post Facto Public Notice of Transfer of Insurance Contract)

Article 211-65 The matters to be specified by Cabinet Office Ordinance, as provided in the first sentence of Article 140, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act, shall be as follows:

- (i) the status of progress of the procedures provided in Article 137, paragraphs (1) to (4) inclusive of the Act as applied mutatis mutandis pursuant to Article 272-29 of the Act;
- (ii) the Transferee's the trade name or name of the Transferee Company, and the location of its head office, principal office or principal establishment in Japan.

(Validity of Transfer of Insurance Contracts)

Article 211-66 When, as a result of the implementation of the transfer of insurance contracts, the matters specified in the documents set forth in the following items require amendment reflecting the portion of the matters concerning the Transferor Company as set forth in Article 272-2, paragraph (2), items (ii) to (iv) inclusive of the Act pertaining to the Transferred Contract, such matter shall be deemed to be authorized and amended, at the time when the authorization under Article 139, paragraph (1) as applied mutatis mutandis pursuant to Article 272-29 of the Act is granted.

- (i) the documents specified in Article 4, paragraph (2), items (ii) to (iv) inclusive of the Act or the documents specified in Article 187, paragraph (3), items (ii) to (iv) inclusive of the Act: the authorization under Article 123, paragraph (1) of the Act (including the case where it is applied mutatis

mutandis pursuant to Article 207 of the Act), or the amendment under Article 123, paragraph (2) of the Act (including the case where it is applied mutatis mutandis pursuant to Article 207 of the Act)

- (ii) the documents specified in Article 272-2, paragraph (2), items (ii) to (iv) inclusive of the Act: the amendment under Article 272-19, paragraph (1) of the Act

(Application for Authorization of Business Transfer, etc.)

Article 211-67 (1) When a Low-Cost, Short-Term Insurer intends to obtain the authorization under Article 142 of the Act as applied mutatis mutandis pursuant to Article 272-30, paragraph (1) of the Act, it shall submit to the Commissioner of the Financial Services Agency a written application for authorization, attaching thereto the following documents:

- (i) a written statement of reasons;
- (ii) a document describing the terms and conditions of the contracts subject to transfer or acquisition of business (referred to as "Business Transfer, etc. in the following paragraph and paragraph (3));
- (iii) minutes of the Shareholders' Meeting, etc. of the Insurance Company, etc. which is the party, or and any other document certifying that necessary procedures have been taken;
- (iv) inventories of properties and balance sheet and profit and loss statement of the Low-Cost, Short-Term Insurer which is the party;
- (v) a document specifying the status of profit and loss pertaining to the business to be transferred or acquired;
- (vi) if the Low-Cost, Short-Term Insurer is to have any Subsidiary Company, etc. after the implementation of the Business Transfer, etc. the document specifying the prospective income and expenditure of said Low-Cost, Short-Term Insurer and Subsidiary Company, etc.;
- (vii) if, as a result of the transfer of business, the Low-Cost, Short-Term Insurer's Subsidiary Company, etc. no longer falls under the category of the Subsidiary Company, the document specifying the name of such Subsidiary Company;
- (viii) if, as a result of the acquisition of business, the Company Eligible to be Low-Cost, Short-Term Insurance Subsidiary Company is to fall under the category of the Subsidiary Company, the document regarding such Company Eligible to be Low-Cost, Short-Term Insurance Subsidiary Company as set forth in Article 211-3, item (xi); and
- (ix) a document containing any other matters which would serve as reference information.

(2) In cases of the Business Transfer, etc. among Low-Cost, Short-Term Insurers or among Low-Cost, Short-Term Insurers and Insurance Companies, the

written application for authorization under the preceding paragraph shall be submitted to the Commissioner of the Financial Services Agency or Other Competent Official under the joint names of the Low-Cost, Short-Term Insurers or of Low-Cost, Short-Term Insurers and Insurance Companies, which comprise the parties to the Business Transfer, etc.

- (3) In case of the Business Transfer, etc. among Small and Amount and Short Term Insurance Providers and Insurance Companies (including Foreign Insurance Companies, etc.), the written application for authorization under paragraph (1) shall be submitted together with the written application for authorization under Article 211-67, paragraph (1) of the Act.

(Foreign Insurance Company, etc. Not Allowed to Accept Entrustment of Business and Property Management)

Article 211-68 The companies to be specified by Cabinet Office Ordinance, as provided in Article 144, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-30, paragraph (2) of the Act, shall be a Foreign Insurance Company, which has established an office of a person acting as an agent for underwriting insurances pertaining to its insurance business in Japan, as set forth in Article 185, paragraph (1) of the Act.

(Application for Authorization of Entrustment of Business and Property Management)

Article 211-69 (1) An application for authorization under Article 145, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-30, paragraph (2) of the Act shall be made by way of submitting to the Commissioner of the Financial Services Agency a written application for authorization under the joint names of the Entrusting Company (meaning the Entrusting Company as provided in Article 144, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 272-30, paragraph (2) of the Act; hereinafter the same shall apply in this Article and the following Article) and Entrusted Company (meaning the Entrusted Company as provided in Article 144, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-30, paragraph (2) of the Act; hereinafter the same shall apply in this Article and the following Article).

- (2) The following documents shall be attached to a written application for authorization under the preceding paragraph:
- (i) a written statement of reasons;
 - (ii) a contract document pertaining to the Management Entrustment Contract (meaning the contract set forth in Article 144, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-30, paragraph (2) of the Act; the same shall apply in the following Article);

- (iii) the minutes of Shareholders' Meeting, etc. of the Entrusting Company and the Entrusted Company (excluding a Foreign Insurance Company, etc.);
- (iv) the balance sheet of the Entrusting Company and the Entrusted Company (if the Entrusted Company is a Foreign Insurance Company, etc., the balance sheet for its insurance business in Japan);
- (v) a document describing the status of profit and loss from the business and properties for which management service is to be entrusted;
- (vi) the method whereby the Entrusted Company carries out management of the business and properties of the Entrusting Company, and the method for indication under Article 148, paragraph (1) of the Act as applied *mutatis mutandis* pursuant to Article 148, paragraph (1) of the Act;
- (vii) any other document containing the matters which would serve as reference information for examination under Article 145, paragraph (2) of the Act as applied *mutatis mutandis* pursuant to Article 272-30, paragraph (2) of the Act.

(Application for Authorization of Amendment or Cancellation of Management Entrustment Contract)

Article 211-70 (1) An application for authorization under Article 149, paragraph (2) of the Act as applied *mutatis mutandis* pursuant to Article 272-30, paragraph (2) of the Act shall be made by way of submitting to the Commissioner of the Financial Services Agency a written application for authorization under the joint names of the Entrusting Company and the Entrusted Company.

- (2) For filing the written application for authorization under the preceding paragraph, the following documents shall be attached:
- (i) a written statement of reasons;
 - (ii) in case of filing an application for authorization of the amendment to the matters set forth in the Management Entrustment Contract, the amended Management Entrustment Contract;
 - (iii) the minutes of Shareholders' Meeting, etc. of the Entrusting Company and the Entrusted Company (excluding Foreign Insurance Company, etc.);
 - (iv) the balance sheet of the Entrusting Company and the Entrusted Company (in case of a Foreign Insurance Company, etc., the balance sheet for the insurance business in Japan);
 - (v) a document describing the status of profit and loss from the business and properties for which management service is entrusted;
 - (vi) in case of filing an application for authorization of amendment to the scope of business and properties to be entrusted, a document describing the status of profit and loss from the business and properties for which management service will be entrusted after the amendment; and

(vii) a document containing any other matters which would serve as reference information.

Section 6 Shareholders

Section 1 Low-Cost, Short-Term Insurance Major Shareholders

(Events Pertaining to Low-Cost, Short-Term Insurance Major Shareholders Not Requiring Approval)

Article 211-71 (1) The events to be specified by Cabinet Office Ordinance, as provided in Article 272-31, paragraph (1), item (i) of the Act, shall be as follows:

- (i) acquisition of shares by way of exercise of security interests;
 - (ii) acquisition of shares by way of receipt of subrogation payment;
 - (iii) increase in the ratio of the voting rights to the voting rights of all shareholders, by way of acquisition of voting rights represented by shares which prohibits the Low-Cost, Short-Term Insurer from exercising the voting rights (limited to the shares acquired due to the occurrence of the event beyond the intention of the Low-Cost, Short-Term Insurer or its Subsidiary Company);
 - (iv) increase in the ratio of the voting rights to the voting rights of all shareholders, by way of conversion of shares implemented by the Low-Cost, Short-Term Insurer (excluding the conversion upon the request from the Low-Cost, Short-Term Insurer or its Subsidiary Company);
 - (v) increase in the ratio of voting rights to the voting rights of all shareholders of the Low-Cost, Short-Term Insurer, by way of consolidation or split of shares, or allotment of shares without contribution;
 - (vi) increase in the ratio of voting rights to the voting rights of all shareholders, by way of amendment of the details of the rights in shares or amendment to the number of shares for one unit of shares, as affected by the amendment of the articles of incorporation of the Low-Cost, Short-Term Insurer;
 - (vii) increase in the ratio of voting rights to the voting rights of all shareholders, by way of acquisition of treasury shares of the Low-Cost, Short-Term Insurer; and
 - (viii) the acquisition of shares or equity interest when the number of voting rights pertaining to the properties other than the trust properties for the trust without an option of compensation of principal does not exceed the Major Shareholder Thresholds.
- (6) The provision of the preceding paragraph shall apply mutatis mutandis to the events to be specified by Cabinet Office Ordinance, as provided in Article 38-12, item (i) of the Cabinet Order.

- (Submission of Written Application for Approval of Holding of Voting Rights in Low-Cost, Short-Term Insurer in Excess of Major Shareholder Thresholds)
- Article 211-72 (1) A person required to submit a written application for approval under Article 272-32, paragraph (1) of the Act shall prepare such written application for approval in accordance with the Appended Form No. 16-22, and submit it to the Director-General of Local Finance Bureau, etc.
- (2) The matters to be specified by Cabinet Office Ordinance, as provided in Article 272-32, paragraph (1), item (i) of the Act, shall be as follows:
- (i) the matters related to the Proportion of Voting Rights Held (meaning the Proportion of Voting Rights Held as provided in Article 272-32, paragraph (1), item (i) of the Act);
 - (ii) the matters related to fund for acquisition; and
 - (iii) the purposes of the holding.
- (3) The documents to be specified by Cabinet Office Ordinance, as provided in Article 272-32, paragraph (2) of the Act, shall be the documents as set forth in the following items in accordance with the categories of the cases respectively set forth therein:
- (i) cases where the party which, by way of transaction or conducts specified in the items of Article 272-31, paragraph (1) of the Act, intends to become a holder of voting rights in a single Low-Cost, Short-Term Insurer not less than the Major Shareholder Threshold is a corporation (including an association or foundation without juridical personality for which a representative person or an administrator has been appointed; hereinafter the same shall apply in this paragraph):
 - (a) a written statement of reasons;
 - (b) the following documents concerning such corporation (if, due to the grounds that the corporation is a foreign corporation or any other ground, a part of the following documents are not available, the documents equivalent to such documents)
 - 1. articles of incorporation;
 - 2. certificate of registered matters of the corporation;
 - 3. resumés of directors and company auditors (or resumés of directors and executive officers, in case of a company with committees);
 - 4. resumés of accounting advisors, in case of a company with accounting advisors;
 - 5. a document specifying the name, domicile or residence, nationality and occupation of the holder of the voting rights in excess of five percent of the voting rights held by all shareholders or all equity holders (if the party is a corporation or any other type of organization, its name, location of the principal office and the details of the business engaged), as well as a document specifying the number of voting rights held by

- such holder;
6. when the transaction or conducts specified in the items of Article 272-31, paragraph (1) of the Act for which the authorization is sought is subject to a resolution of the shareholders meeting or board of directors meeting (including an organ similar thereto), the minutes of the relevant shareholders meeting or the board of directors meeting (including a document certifying that the organ similar thereto has taken the necessary procedures);
 7. a document specifying the location of the principal office;
 8. a document specifying the details of the business;
 9. the latest balance sheet, profit and loss statement and a statement of change in shareholders' equity, etc. (in case of a Mutual Company, a document concerning disposition of surplus and treatment of loss, as well as a statement of changes in funds, etc.), and any other document disclosing the current status of business, property, profit and loss of the corporation;
 10. a document specifying the organizational functions for holding the voting rights in the Low-Cost, Short-Term Insurer;
 11. a document specifying the number of voting rights in Low-Cost, Short-Term Insurer already held, and the number of voting rights in Low-Cost, Short-Term Insurer to be acquired or held after the authorization is granted; and
 12. a document specifying the name, location of the principal office or any other office and business of the Subsidiary Company, etc. (collectively meaning a Subsidiary Corporation, etc. and an Affiliated Corporation, etc.; hereinafter the same shall apply in this Article);
- (v) the prospective relationship such as personnel relationship, funding relationship, technical relationship and business relationship with the Low-Cost, Short-Term Insurer after the authorization is granted, and the policy governing such relationships (if the relationship may give impact on management of the Low-Cost, Short-Term Insurer's business, including the system to ensure that the Low-Cost, Short-Term Insurer will manage its business management in a sound and appropriate manner; and
- (ii) cases where the party which, by way of transaction or conducts specified in the items of Article 272-31, paragraph (1) of the Act, intends to become a holder of voting rights in a single Low-Cost, Short-Term Insurer not less than the Major Shareholder Threshold is an individual person:
- (a) the documents specified in items (a) and (c) of the preceding item;
 - (b) a document specifying the name, domicile or residence and occupation of the applicant;
 - (c) a document disclosing the recent status of properties of the individual

- person (if the person is engaged in any business, including the status of income and expenditure);
- (ii) a document specifying the number of voting rights in Low-Cost, Short-Term Insurer already held, and the number of voting rights in Low-Cost, Short-Term Insurer to be acquired or held after the authorization is granted;
 - (iii) a document specifying the name, location of principal business office or principal office and the details of the business of the corporation, whose voting rights not less than twenty percent of voting rights of all shareholders or all equity holders are held by the individual person; and
- (ii) cases where the applicant intends to incorporate a company or any other corporation as a holder of voting rights in a Low-Cost, Short-Term Insurer not less than the Major Shareholder Threshold:
- (a) a written statement of reasons;
 - (b) the following documents concerning the company or any other type of corporation to be incorporated with the authorization (hereinafter referred to as the "Incorporated Corporation" in this paragraph) (if, due to the grounds that the corporation is a foreign corporation or any other ground, a part of the following documents are not available, the documents equivalent to such documents):
 1. articles of incorporation;
 2. resumé of directors and company auditors (or resumé of directors and executive officers, in case of a company with committees);
 3. resumé of accounting advisors, in case of a company with accounting advisors;
 4. a document specifying the name, domicile or residence, nationality and occupation of the holder of the voting rights in excess of five percent of the voting rights held by all shareholders or all equity holders (if the party is a corporation or any other type of organization, its name, location of the principal office and the details of the business engaged), as well as a document specifying the number of voting rights held by such holder;
 5. when the incorporation is subject to the resolution of the organizational meeting, the minutes of the relevant organizational meeting (if the Incorporated Corporation is to be incorporated by way of share transfer, merger or company split, the minutes of the relevant shareholders meeting or any other document certifying that necessary procedures have been implemented);
 6. a document specifying the location of the principal office;
 7. a document specifying the details of the business;
 8. a document disclosing the amount of stated capital and any other status

- of properties after the incorporation;
- 9. a document specifying the organizational functions for holding the voting rights in the Low-Cost, Short-Term Insurer;
- 10. a document specifying the number of voting rights in Low-Cost, Short-Term Insurer already held, and the number of voting rights in Low-Cost, Short-Term Insurer to be acquired or held after the authorization is granted; and
- 11. a document specifying the name, location of the principal office or any other office and business of the Subsidiary Company, etc.;
- (c) the prospective relationship such as personnel relationship, funding relationship, technical relationship and business relationship with the Low-Cost, Short-Term Insurer after the authorization is granted, and the policy governing such relationships

(Application for Approval Pertaining to Specific Low-Cost, Short-Term Insurance Major Shareholders)

Article 211-73 The documents to be specified by Cabinet Office Ordinance, provided to in Article 272-32, paragraph (2) of the Act (limited to the approval under the proviso to Article 272-31, paragraph (2) of the Act), shall be as follows:

- (i) a written statement of reasons;
- (ii) documents specified in 3. to 5. inclusive, 7. to 10. inclusive and 12. of sub-item (b), item (i), paragraph (3) of the preceding Article and in sub-item (c) of that item;
- (iii) a document specifying the number of voting rights in the Low-Cost, Short-Term Insurer held by the applicant.

Subsection 2 Low-Cost, Short-Term Insurance Holding Company

(Events Pertaining to Low-Cost, Short-Term Insurance Holding Company Not Requiring Approval)

Article 211-74 (1) The events to be specified by Cabinet Office Ordinance, as provided in Article 272-35, paragraph (1), item (i) of the Act, shall be as follows:

- (i) acquisition of shares by way of exercise of security interests;
- (ii) acquisition of shares by way of receipt of subrogation payment;
- (iii) implementation of the business, when a Financial Instruments Business Operator engaged in Securities-Related Business acquires shares in the course of its business;
- (iv) increase in the ratio of the voting rights to the voting rights of all shareholders, by way of acquisition of voting rights represented by shares

- which prohibits the Low-Cost, Short-Term Insurer from exercising the voting rights (limited to the shares acquired due to the occurrence of the event beyond the intention of the Low-Cost, Short-Term Insurer or its Subsidiary Company);
- (v) increase in the ratio of the voting rights to the voting rights of all shareholders, by way of conversion of shares implemented by the Low-Cost, Short-Term Insurer (excluding the conversion upon the request from the Low-Cost, Short-Term Insurer or its Subsidiary Company);
 - (vi) increase in the ratio of voting rights to the voting rights of all shareholders, by way of consolidation or split of shares, or allotment of shares without contribution implemented by the Low-Cost, Short-Term Insurer;
 - (vii) increase in the ratio of voting rights to the voting rights of all shareholders, by way of amendment of the details of the rights in shares or amendment to the number of shares for one unit of shares, as affected by the amendment of the articles of incorporation of the Low-Cost, Short-Term Insurer; and
 - (viii) increase in the ratio of voting rights to the voting rights of all shareholders, by way of acquisition of treasury shares of the Low-Cost, Short-Term Insurer.
- (2) The provision of the preceding paragraph shall apply mutatis mutandis to the events to be specified by Cabinet Office Ordinance, as provided in Article 38-13, item (i) of the Cabinet Order.

(Submission of Written Application for Approval Pertaining to Low-Cost, Short-Term Insurance Holding Company)

- Article 211-75 (1) A person required to submit a written application for approval under Article 272-36, paragraph (1) of the Act shall prepare such written application for approval in accordance with the Appended Form No. 16-23, and submit it to the Director-General of Local Finance Bureau, etc.
- (2) The documents to be specified by Cabinet Office Ordinance, as provided in Article 272-36, paragraph (2) of the Act (limited to an approval under Article 272-35, paragraph (1) of the Act), shall be the documents as set forth in the following items in accordance with the categories of the cases respectively set forth therein:
- (i) case where the applicant intends to become a holding company having a Low-Cost, Short-Term Insurer as its Subsidiary Company, by way of transactions or conducts specified in the items of Article 272-35, paragraph (1) of the Act:
 - (a) a written statement of reasons; and
 - (b) the following documents concerning the company:
 1. certificate of registered matters of the company;

2. resués of directors and company auditors (or resués of directors and executive officers, in case of a company with committees);
 3. resués of accounting advisors, in case of a company with accounting advisors;
 4. a document specifying the trade names and names of major shareholders and the number of voting rights held by such shareholders;
 5. if the transaction or conducts specified in the items of Article 272-35, paragraph (1) of the Act for which the approval is sought is subject to a resolution of the shareholders meeting or board of directors meeting (including an organ similar thereto), the minutes of the relevant shareholders meeting or the board of directors meeting (including a document certifying that the organ similar thereto has taken the necessary procedures);
 6. a document specifying the location of the principal office;
 7. a document specifying the details of the business;
 8. the latest balance sheet, profit and loss statement and a statement of change in shareholders' equity, etc., and any other document disclosing the current status of business, property, profit and loss of the company (excluding the balance sheet, and profit and loss statement);
 9. a document specifying the framework for business management of the Subsidiary Company (including a company to be the Subsidiary Company; hereinafter the same shall apply in this paragraph) to be carried out by the company; and
 10. a document specifying the status of maintenance of employees with knowledge and experience in business of a Low-Cost, Short-Term Insurer.
- (c) the following documents concerning the company's Subsidiary Company:
1. a document specifying the trade name or name, and the location of the principal business office or office;
 2. a document specifying the job titles and names of the officers (if any of the officers is a corporation, including a person to perform the duties thereof); and
 3. the documents specified in 7. and 8. of sub-item (b); and the latest balance sheet and the latest profit and loss statement.
- (ii) cases where the applicant intends to incorporate a holding company which has a Low-Cost, Short-Term Insurer as its Subsidiary Company:
- (a) a written statement of reasons;
 - (b) the following documents concerning the company to be incorporated with the approval (hereinafter referred to as the "Incorporated Company" in this paragraph):
 1. resués of directors and company auditors (or resués of directors and

- executive officers, in case of a company with committees);
2. resumé of accounting advisors, in case of a company with accounting advisors;
 3. a document specifying the trade names and names of the major shareholders and the number of voting rights held by such shareholders;
 4. when the incorporation is subject to the resolution of the organizational meeting, the minutes of the relevant organizational meeting (if the Incorporated Corporation is to be incorporated by way of share transfer, merger or company split, the minutes of the relevant shareholders meeting or any other document certifying that necessary procedures have been implemented);
 5. a document specifying the location of the principal office;
 6. a document specifying the details of the business;
 7. a document disclosing the amount of stated capital and any other status of properties after the incorporation;
 8. a document specifying the framework for business management of the Subsidiary Company (including a company to be the Subsidiary Company; hereinafter the same shall apply in this paragraph) to be carried out by the Incorporated Company; and
- (k) a document specifying the status of maintenance of employees with knowledge and experience in business of a Low-Cost, Short-Term Insurer. (k) a document specifying the status of maintenance of employees with knowledge and experience in business of a Low-Cost, Short-Term Insurer.
- (iii) the following documents concerning the Incorporated Company's Subsidiary Company:
1. a document specifying the trade name or name, and the location of the principal business office or office;
 2. a document specifying the job titles and names of the officers (if any of the officers is a corporation, including a person to perform the duties thereof);
 3. the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. and any other document disclosing the recent status of business, properties and profit and loss of the company; and
 4. a document specified in 6. of sub-item (b).

(Matters to be Notified Pertaining to Specific Low-Cost, Short-Term Insurance Holding Company)

Article 211-76 (1) The matters to be specified by Cabinet Office Ordinance, as

provided in Article 272-35, paragraph (2) of the Act, shall be as follows:

- (i) the fact that the company has become a holding company having a Low-Cost, Short-Term Insurer as its Subsidiary Company;
 - (ii) the grounds for, and the timing when the company became the holding company having a Low-Cost, Short-Term Insurer as its Subsidiary Company; and
 - (iii) the trade name or name and the business details of the company and its Subsidiary Company,
- (2) When a Specific Low-Cost, Short-Term Insurance Holding Company (meaning a Specific Small Amount and Short Term Insurance Holding Company as provided in Article 272-35, paragraph (2) of the Act; hereinafter the same shall apply in this Article and the following Article) intends to file a notification under that paragraph (or a notification under Article 37-8 of the Cabinet Order, if the Specific Low-Cost, Short-Term Insurance Holding Company is a Foreign Holding Company (meaning a holding company having a Low-Cost, Short-Term Insurer as its Subsidiary Company, which is incorporated in accordance with the laws and regulations of the foreign state; the same shall apply hereinafter), it shall submit to the Commissioner of the Financial Services Agency a written notification, with the following documents attached thereto:
- (i) articles of incorporation;
 - (ii) a certificate of registered matters of the company; and
 - (iii) the latest balance sheet of the Specific Low-Cost, Short-Term Insurance Holding Company and its Subsidiary Company.
- (3) If the Specific Low-Cost, Short-Term Insurance Holding Company is a Foreign Holding Company having a Low-Cost, Short-Term Insurer as its Subsidiary Company, if such Foreign Holding Company having a Low-Cost, Short-Term Insurer as its Subsidiary Company intends to obtain an approval of extension of the time limit for submission of the notification under the proviso to Article 37-15 of the Cabinet Order, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons attached thereto.
- (4) When the application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency shall examine whether there exists any inevitable ground for granting the applicant Foreign Holding Company an extension of the time limit for the submission of the notification under the proviso to Article 37-15 of the Cabinet Order.
- (5) When a Specific Low-Cost, Short-Term Insurance Holding Company intends to file a notification under Article 272-35, paragraph (4) of the Act, it shall submit to the Commissioner of the Financial Services Agency a written notification, with the following documents attached thereto:
- (i) a written statement of reasons;

- (ii) a document specifying the timing when the Specific Low-Cost, Short-Term Insurance Holding Company ceased to fall under a holding company having a Low-Cost, Short-Term Insurer as its Subsidiary Company; and
- (iii) documents specifying the measures implemented so that the Specific Low-Cost, Short-Term Insurance Holding Company will be excluded from the definition of the holding company having a Low-Cost, Short-Term Insurer as its Subsidiary Company; or the documents specifying the grounds of the Specific Low-Cost, Short-Term Insurance Holding Company being excluded from the definition of the holding company having a Low-Cost, Short-Term Insurer as its Subsidiary Company.

(Application for Authorization Pertaining to Specific Low-Cost, Short-Term Insurance Holding Company)

Article 211-77 The documents to be specified by Cabinet Office Ordinance, as provided in Article 272-36, paragraph (2) of the Act (limited to the approval under the proviso to Article 272-35, paragraph (3) of the Act), shall be as follows:

- (i) a written statement of reasons;
- (ii) documents specified in Article 211-75, paragraph (2), item (i), 2. to 4. inclusive and 6. to 10. inclusive, and in sub-item (c) of that item;

(Scope of Subsidiary Companies of Low-Cost, Short-Term Insurance Holding Companies)

Article 211-78 The businesses to be specified by Cabinet Office Ordinance, as provided in Article 272-39, paragraph (1), item (ii) of the Act, shall be the businesses specified in the items of Article 211-34, paragraph (1).

(Application for Approval Pertaining to Subsidiary Company of Insurance Holding Company)

Article 211-79 (1) The matters to be specified by Cabinet Office Ordinance, as provided in Article 272-39, paragraph (2) of the Act, shall be the following matters related to the company for which the application for approval is filed.

- (i) trade name or name;
- (ii) the amount of stated capital;
- (iii) the names and job titles of directors and company auditors (or directors and executive officers, in case of a company with committees);
- (iv) the name of the accounting advisor, in case of a company with accounting advisors;
- (v) location of the principal business office or principal office; and
- (iv) the details of business.

(2) The following documents shall be attached to the written application provided

in Article 272-39, paragraph (2) of the Act:

- (i) a written statement of reasons;
 - (ii) the following documents concerning the Small Amount and Short Term Insurance Holding Company and its Subsidiary Company:
 - (a) the latest balance sheet, profit and loss statement and the statement of changes in shareholders' equity, etc. of the Low-Cost, Short-Term Insurance Holding Company and its Subsidiary Company, etc. prepared in a consolidated manner, and any other document disclosing the recent status of business, properties and profit and loss of these companies; and
 - (b) if the company is to become a Subsidiary Company due to the implementation of the share exchange (including the share exchange on Entity Conversion as provided in Article 96-5, paragraph (1) of the Act), the following documents:
 - 1. the minutes of shareholders meetings, or any other documents certifying that necessary procedures have been followed;
 - 2. a document specifying the terms and conditions of the share exchange agreement (including contract for share exchange on Entity Conversion); and
 - 3. a document specifying the costs for share exchange.
 - (iii) the latest balance sheet, profit and loss statement and a statement of change in shareholders' equity, etc., and any other document disclosing the current status of business, property, profit and loss of the company for which the application for approval is filed.
- (3) The provision of the preceding two paragraphs shall apply mutatis mutandis to the approval under the proviso to Article 271-39, paragraph (4) of the Act.

(Exception to Approval Pertaining to Low-Cost, Short-Term Insurance Holding Company)

Article 211-80 The grounds to be specified by Cabinet Office Ordinance, as provided in Article 272-39, paragraph (4) of the Act, shall be as follows:

- (i) acquisition of shares or equity interests by way of exercise of security interests by the Low-Cost, Short-Term Insurance Holding Company or its Subsidiary Company;
- (ii) acquisition of shares or equity interests by way of receipt of subrogation payment by the Low-Cost, Short-Term Insurance Holding Company or its Subsidiary Company;
- (iii) acquisition of voting rights represented by shares or equity interests which prohibits the Low-Cost, Short-Term Insurance Holding Company or its Subsidiary Company from exercising the voting rights (limited to the shares or equity interests acquired due to the occurrence of the event beyond the intention of the Low-Cost, Short-Term Insurance Holding Company or its

- Subsidiary Company);
- (iv) conversion of shares in a company whose shares are owned by the Low-Cost, Short-Term Insurance Holding Company or its Subsidiary Company (excluding the conversion upon the request from the Low-Cost, Short-Term Insurance Holding Company or its Subsidiary Company);
 - (v) consolidation or split of shares in a company whose shares are owned by the Low-Cost, Short-Term Insurance Holding Company or its Subsidiary Company;
 - (vi) amendment of the details of the rights in shares or equity interest or amendment to the number of shares for one unit of shares, as affected by the amendment of the articles of incorporation of the company whose shares are owned by the Low-Cost, Short-Term Insurance Holding Company or its Subsidiary Company; and
 - (vii) acquisition of treasury shares or equity interest of a company whose shares are owned by the Low-Cost, Short-Term Insurance Holding Company or its Subsidiary Company.

(Business Report, etc. of Low-Cost, Short-Term Insurance Holding Company)

Article 211-81 (1) An interim business report as set forth in Article 271-24, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-40, paragraph (1) of the At shall reflect the status of business and properties for the period between the day of commencement of the business year and September 30 of the business year, and shall be submitted to the Commissioner of the Financial Services Agency within three months from the end of said period (or within six months from end of said period, in case of an Low-Cost, Short-Term Insurance Holding Company in Foreign State (meaning a foreign holding company having a Low-Cost, Short-Term Insurer as its Subsidiary Company, which is incorporated with the approval under Article 272-35, paragraph (1) of the act or which is approved under the proviso to that paragraph or the proviso to paragraph (3) of the Article; the same shall apply hereinafter), categorized into the interim business outline statement and interim Consolidated Financial Statements.

(2) A business report under Article 271-24, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-40, paragraph (1) of the Act shall be prepared and submitted within four months from the end of the business year (or within six months from the end of the business year, in case of a Low-Cost, Short-Term Insurance Holding Company in Foreign State), in accordance with the Appended Form No. 16-25 and categorized into the business outline statement and the Consolidated Financial Statements.

(3) The companies in special relationship to be specified by Cabinet Office Ordinance (hereinafter referred to as "Subsidiary Company, etc." in the

following Article), as provided in Article 272-40, paragraph (1) of the Act, shall be as follows:

- (i) Subsidiary Corporation, etc. of the Low-Cost, Short-Term Insurance Holding Company; and
 - (ii) an Affiliated Corporation, etc. of the Low-Cost, Short-Term Insurance Holding Company.
- (4) If, due to any inevitable ground, a Low-Cost, Short-Term Insurance Holding Company is unable to submit its interim business report or business report under paragraph (1) or (2) within the time limit respectively provided therein, it may postpone the submission, with a prior approval from the Commissioner of the Financial Services Agency (if, pursuant to the provision of Article 47-2 of the Cabinet Order, the Director-General of Local Finance Bureau having jurisdiction over the head office or principal office of the Low-Cost, Short-Term Insurer (or the Director-General of the Fukuoka Local Finance Branch Bureau, if the location falls within the district of the Fukuoka Local Finance Branch Bureau) accepts the report, to such Director-General of Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau; the same shall apply in this Article and Article 211-83).
- (5) When a Low-Cost, Short-Term Insurance Holding Company intends to obtain approval under the preceding paragraph, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons.
- (6) When the application for approval under the preceding paragraph is filed, the Commissioner of the Financial Services Agency shall examine whether there exists any compelling ground for the extension of time limit for submission of the interim business report or business report by the Low-Cost, Short-Term Insurance Holding Company which has filed the application.

(Public Inspection of Explanatory Documents Disclosing Status of Business and Properties of Low-Cost, Short-Term Insurance Holding Company)

Article 211-82 (1) The matters to be specified by Cabinet Office Ordinance, as provided in Article 272-40, paragraph (1) of the Act, shall be as follows:

- (i) the following matters related to overview and organizational framework of the Low-Cost, Short-Term Insurance Holding Company:
 - (a) organizational framework for business management (including the organizational framework for business management of the Low-Cost, Short-Term Insurance Holding Company's Subsidiary Company, etc. (excluding any Subsidiary Company, etc. which would not have a material impact on the details of the explanatory documents provided in the first sentence of Article 271-25, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-40, paragraph (1); hereinafter the same

- shall apply in this Article);
- (b) the amount of stated capital, and the total number of shares issued;
- the following matters related to ten or more shareholders in accordance with the number of the shares held in diminishing order: the following matters related to ten or more shareholders in accordance with the number of the shares held in diminishing order:
1. name (if the shareholder is a corporation or any other organization, the name or such organization);
 2. the number of shares held by each of such shareholder; and
 3. the ratio of the number of shares held by each shareholder to the total number of the shares issued.
- (d) the names and job titles of directors and company auditors (or directors and executive officers, in case of a company with committees); and
- (e) the name of the accounting advisor, in case of a company with accounting advisors.
- (ii) the following matters related to the overview of the Low-Cost, Short-Term Insurance Holding Company and its Subsidiary Company, etc.:
- (a) the details of the principal business of the Low-Cost, Short-Term Insurance Holding Company and its Subsidiary Company, etc., and their organizational framework;
- (b) the following matters related to Subsidiary Company, etc. of the Low-Cost, Short-Term Insurance Holding Company;
1. the name;
 2. the location of the principal business office of other principal office;
 3. the amount of stated capital or funds;
 4. the business details;
 5. the date of incorporation;
 6. the ratio of the voting rights in the Subsidiary Company, etc. held by the Low-Cost, Short-Term Insurance Holding Company to the voting rights of all shareholders or equity holders;
 7. the ratio of the voting rights in a single Subsidiary Company, etc. of the Low-Cost, Short-Term Insurance Holding Company held by the other Subsidiary Company, etc. to the voting rights of all shareholders or equity holders.
- (iii) the following matters related to principal business of the Low-Cost, Short-Term Insurance Holding Company and its Subsidiary Company, etc.
- (a) overview of the business for the Most Recent Business Year;
- (b) the following matters, which are the indicators of the status of principal business for the latest three Consolidated Financial Years;
1. ordinary profit;
 2. ordinary profit or ordinary loss;

3. net profit for the period or net loss for the period;
 4. amount of net assets; and
 5. total amount of assts.
- (iv) the following matters related to the status of properties of Low-Cost, Short-Term Insurance Holding Company and its Subsidiary Company, etc. for the latest two Consolidated Financial Years:
- (a) a consolidated balance sheet, consolidated profit and loss statement, and consolidated statement of change in shareholders' equity, etc.;
 - (b) the amount of the following categories of loans, and the total of such amounts:
 1. loans which fall under the Claims Against Failed Debtors;
 2. loans which fall under the Delinquent Claims;
 3. loans which fall under the Three-Month Delinquent Claims; and
 4. loans which fall under the Claim with Relaxed Terms.
 - (c) the state of soundness of solvency margin for Insurance Money, etc. by a Low-Cost, Short-Term Insurer which is the Subsidiary Company, etc. of the Low-Cost, Short-Term Insurance Holding Company (including the amount set forth in the items of Article 130 of the Act as applied mutatis mutandis pursuant to Article 272-28 of the Act);
 - (d) the amount calculated as ordinary profit, ordinary profit, ordinary loss or amount of assets (hereinafter referred to as "Ordinary Revenue, etc." in this item) itemized in accordance with the categories of the types of business when the Low-Cost, Short-Term Insurance Holding Company and its Subsidiary Company, etc. is engaged in two or more types of businesses (excluding the case where the ratio of such amount to the aggregate amount of each of Ordinary Revenue, etc. is small); and
 - (j) if, in connection with the balance sheet, profit and loss statement and statement of change in shareholders' equity, the Low-Cost, Short-Term Insurance Holding Company has obtained an audit certificate of the certified public accountant or an audit firm pursuant to the provision of Article 193-2 of the Financial Instruments and Exchange Act, such fact;
- (v) if, as of the last day of the business year, there exists any event which gives rise to any material doubt as to the precondition that the Low-Cost, Short-Term Insurance Holding Company will continue its business activities in the future or any other event which may have a material impact on business management of the Low-Cost, Short-Term Insurance Holding Company (hereinafter referred to as "Material Event, etc." in this item), such fact and the details thereof, analysis of such Material Event, etc. and matters to be examined, and the details of the measures to be taken in order to eliminate or improve such Material Event, etc.
- (2) Notwithstanding the provision of the preceding paragraph, an Low-Cost,

Short-Term Insurance Holding Company in Foreign State shall keep the documents disclosing the matters related its business and properties (including the documents prepared in non-Japanese languages) at its business office or other office (excluding business offices or other office located in a foreign state; the same shall apply in the following paragraph) of the Low-Cost, Short-Term Insurer which is its Subsidiary Company and make them available for public inspection.

- (3) If the documents provided in the preceding paragraph is written in a Non-Japanese language, an Low-Cost, Short-Term Insurance Holding Company in Foreign State shall, in addition to such documents, prepare the Japanese version of the overview of the Low-Cost, Short-Term Insurance Holding Company in Foreign State as well as the balance sheet and profit and loss statement, and keep them at the business office or other office of the Low-Cost, Short-Term Insurance Holding Company in Foreign State and make them available for public inspection.
- (4) The place to be specified by Cabinet Office Ordinance, provided in Article 271-25, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-40 paragraph (1) of the Act, shall be business office other office of the Low-Cost, Short-Term Insurer which is the Subsidiary of the Low-Cost, Short-Term Insurance Holding Company (excluding the head office and branch office, and also excluding business office or other office located in a foreign state)

Article 211-83 (1) A Low-Cost, Short-Term Insurance Holding Company shall start to make available for public inspection the documents prepared under Article 271-25, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 272-40, paragraph (1) of the Act (or documents provided in paragraphs (2) and (3) of the preceding Article; hereinafter referred to in "Explanatory Documents, etc." in this paragraph and the following paragraph) within five months from the end of its business year, and shall keep them accessible from the public for the period before the commencement of public inspection of each of the explanatory documents pertaining to the business year immediately after the relevant business year.

- (2) If, due to any inevitable ground, a Low-Cost, Short-Term Insurance Holding Company is unable to make available for public inspection the explanatory documents by the period provided in the preceding paragraph, it may, with an approval from the Commissioner of the Financial Services Agency in advance, extend the timing for commencement of the public inspection.
- (3) When a Low-Cost, Short-Term Insurance Holding Company intends to obtain the approval under the preceding paragraph, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons.

(4) When the application for approval under the preceding paragraph has been filed, the Commissioner of the Financial Services Agency shall examine whether the Low-Cost, Short-Term Insurance Holding Company which has filed the application has any inevitable reason for postponing the public inspection under paragraph (1).

Article 211-83-2 The places to be specified by Cabinet Office Ordinance, as provided in Article 271-25, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 272-40, paragraph (1) of the Act, shall be the places provided in Article 211-82, paragraph (4).

Article 211-83-3 The measures to be specified by Cabinet Office Ordinance, as provided in Article 271-25, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 272-40, paragraph (1) of the Act, shall be the method to indicate the information stored in the Electromagnetic Records on the paper or onto the screen.

(Matters to be Stated in Business Report, etc. of Low-Cost, Short-Term Insurance Holding Company)

Article 211-84 (1) The business report under Article 271-26 of the Act as applied mutatis mutandis pursuant to Article 272-40, paragraph (1) of the Act shall be prepared in accordance with the Appended Form No. 16-26.

(2) The supplementary schedule set forth in Article 271-26 of the Act as applied mutatis mutandis pursuant to Article 272-40, paragraph (1) of the Act shall be prepared in accordance with the Appended Form No. 16-27.

(Corporation Whose Management is Controlled by Low-Cost, Short-Term Insurance Holding Company)

Article 211-85 The corporation to be specified by Cabinet Office Ordinance, as provided in Article 272-40, paragraph (2) of the Act shall be the Insurance Holding Company's Subsidiary Company, etc., excluding a Subsidiary Company.

Section 3 Miscellaneous Provisions

(Matters to be Notified)

Article 211-86 (1) The cases to be specified by Cabinet Office Ordinance, as provided in Article 272-42, paragraph (1), item (viii) of the Act, shall be as follows:

- (i) where any amendment to the articles of incorporation or the provisions similar thereto is effected; or
- (ii) where the name is changed; the address, domicile, principal business office

- or other principal office is established, relocated or abolished.
- (2) The cases to be specified by Cabinet Office Ordinance, as provided in Article 272-42, paragraph (2), item (viii) of the Act, shall be as follows:
- (i) where any amendment to the articles of incorporation (or the articles of incorporation or the provisions similar thereto, in case of a Low-Cost, Short-Term Insurance Holding Company in Foreign State) is effected;
 - (ii) where share options or corporate bonds with share options are to be issued;
 - (iii) where a director representing the Insurance Holding Company or a director engaged in its ordinary business (or representative executive officer or executive officer, in case of a company with committees; or a director representing the Insurance Holding Company in Foreign State or any other person holding the position similar thereto, or its director or executive officer engaged in its ordinary business or any other person holding the position similar thereto, in case of an Insurance Holding Company in Foreign State) has assumed, or retired from, the office;
 - (iii)-2 in case of a company with accounting advisors, where any accounting advisor (or accounting advisor or any other person holding the position similar thereto, in case of a Low-Cost, Short-Term Insurance Holding Company in Foreign State) has assumed, or retired from, the office;
 - (iv) where any office is to be established, relocated or abolished;
 - (v) cases where the Low-Cost, Short-Term Insurance Holding Company made any other company its Subsidiary Company, due to the ground set forth in the items of Article 211-80 (excluding the cases where, pursuant to the provision of Article 272-42, paragraph (2), item (iii) of the Act, holding such company as the Subsidiary Company requires a notification under the item);
 - (vi) cases where the Subsidiary Company has effected any amendment to its name, location of the head office or principal business, merger, dissolution or discontinuance of all of its business (excluding the cases set forth in Article 272-42, paragraph (2), items (ii) and (iv) of the Act);
 - (vii) where the Low-Cost, Short-Term Insurance Holding Company has submitted to the ordinary shareholders meeting the business report to be prepared pursuant to the provision of Article 435, paragraph (2) (Preparation and Retention of Financial Statements, etc.) of the Companies Act and its supplementary schedules; and
 - (viii) where the Low-Cost, Short-Term Insurance Holding Company has started to make available for public inspection the document prepared pursuant to the provision of Article 272-40, paragraph (1) of the Act, at the Insurance Company which is its Subsidiary Company.
- (3) When a Low-Cost, Short-Term Insurance Holding Company (including a company which formerly was a Low-Cost, Short-Term Insurance Holding Company) intends to file a notification under Article 271-42, paragraph (2) of

the Act, it shall submit to the Director-General of Local Finance Bureau, etc. a written notification, with a written statement of reasons or any other document stating the matters which would serve as reference information (or business report provided in item (vii) of the preceding paragraph and its supplementary schedules, if such provision applies; or the documents provided in item (viii) of the preceding paragraph, if such provision applies).

(Application for Approval Pertaining to Validity of Approval)

Article 211-87 (1) When a party which has obtained an approval under Article 272-31, paragraph (1) of the Act intends to obtain an approval under Article 271-33, paragraph (1), item (i) of the Act as applied mutatis mutandis pursuant to Article 272-43 of the Act, it shall submit to the Director-General of Local Finance Bureau, etc. a written application for approval, with a written statement of reasons attached thereto.

(2) When a party which has obtained the approval under Article 272-35, paragraph (1) of the Act intends to obtain an approval under Article 271-33, paragraph (2), item (i) of the Act as applied mutatis mutandis pursuant to Article 272-43 of the Act, it shall submit to the Director-General of Local Finance Bureau, etc. a written application for approval, with a written statement of reasons attached thereto.

(3) When the application for approval under the preceding two paragraphs is filed, the Director-General of Local Finance Bureau, etc. shall examine whether the application satisfies the following requirements:

- (i) that there exists any evitable reason for the applicant not being able to implement the matters approved under Article 272-31, paragraph (1) and Article 272-35, paragraph (1) of the Act, within six months from the date of the approval;
- (ii) that it is expected that the applicant will be able to implement the approved matters within a reasonable period of time; and
- (iii) that no material change in the matters which served the basis of examination at the time of granting the approval is expected to occur until the expected timing of the authorized matters.

Part III Insurance Solicitation

Chapter I General Rules

(Cases where Bank, etc. is Permitted to Act as Life Insurance Solicitor and to Conduct Insurance Solicitation)

Article 212 (1) The cases to be specified by Cabinet Office Ordinance, as provided in Article 275, paragraph (1), item (i) of the Act, shall be the case where a Bank, etc. which also is a Life Insurance Solicitor or its officers or

employees providers agency or brokerage services for conclusion of insurance contracts set forth in the following items, and where all of the requirements set forth in the items of the following paragraphs and paragraph (3) (or the requirements set forth in the items of the following items, if the agency or brokerage services for conclusion of insurance contracts specified in items (i) to (iii) inclusive is to be provided) are met.

- (i) an insurance contract for the insurance specified in Article 3, paragraph (4), item (i) of the Act, wherein the Insurance Money is intended to be or will certainly be appropriated for the repayment of debt pertaining to construction, purchase or amelioration (including any debt arising from the acquisition of land or land leasehold in relation to the aforementioned) of a housing (meaning a building to be made available for housing (including the building to be partially made available for business); the same shall apply in paragraph (1) of the following Article) (limited to the case where the amount of the Insurance Money is the same as the outstanding amount of the debt);
- (ii) an insurance contract for the type of insurance specified in Article 3, paragraph (4), item (i) of the Act (excluding a contract wherein the policyholder is a corporation), which is primarily intended for payment of Insurance Money contingent upon the life or death of the insured person, and which satisfies all of the following requirements (limited to those which fall under the categories of the insurance contracts as set forth in the following items);
 - (a) an insurance contract wherein the amount of Insurance Money and the amount of the cancellation refund is to be determined contingent upon the aggregate amount of insurance premiums paid thereunder (including the policy reserve for the Existing Contract provided in Article 53, paragraph (1), item (iv), refunds or any other amount set aside for the insured (referred to as "Conversion Value" in paragraph (1), item (iv), sub-item (a) of the following Article; hereinafter the same shall apply in this item)) or the amount set aside for the insured thereunder;
 - (b) an insurance contract wherein the payment of money excluding the Insurance Money payable contingent upon the life or death of the insured person thereunder (excluding the payment of policy dividends (meaning the policy dividends as provided in Article 114, paragraph (1) of the Act), distribution of surplus to members and also excluding payment of cancellation refunds) is limited to the Insurance Money payable contingent upon the death of the insured person thereunder (including the physical state where the medical doctor has rendered diagnosis that the insured person has limited time to live and also including the state where the insured person suffers the material disabilities), in which case the amount of the Insurance Money is reasonable compared to the aggregate amount of

- insurance premiums paid or amount set aside for the insured person before the time of payment of the Insurance Money.
- (iii) an insurance contract for the insurance specified in Article 3, paragraph (4), item (i) of the Act, which also falls under Article 6, paragraph (1), item (ii), Article 6, paragraph (2), item (ii) and Article 6, paragraph (4), item (ii) of the Workers' Property Accumulation Promotion Act.
 - (iv) an insurance contract for the insurance specified in Article 3, paragraph (4), item (i) of the Act, which also falls under any of the following:
 - (a) an insurance contract (limited to a contract which provides that, after the passage of a fixed period from the conclusion date thereof, the amount of Insurance Money decreases) for the insurance where the insurer undertakes to pay Insurance Money contingent upon the death of the insured person, and where the insurance period terminates upon the death of the insured person (limited to a contract which requires the lump-sum payment of the insurance premiums);
 - (b) an insurance contract for the insurance wherein the insurer undertakes to pay the Insurance Money contingent upon the life or death of the insured person, or contingent upon the death of the insured person before the expiry of the insurance period thereunder (in case of an insurance contract which falls under the type as specified in Article 74, item (i), sub-item (a) or item (iii) (excluding those set forth in Article 83, item (i), sub-items (b) and (d)) or an insurance contract which falls under the type as set forth in Article 153, item (i), sub-item (a) or item (iii), those which provide that, after the passage of a fixed period from the conclusion date thereof, the amount of Insurance Money decreases shall be excluded; and in case of an insurance contract which does not fall under such type of contract, those for which the amount of Insurance Money payable contingent upon the death of the insured exceeds the amount of Insurance Money payable contingent upon the life or death of the insured person), in which case the insurance period shall be ten years or shorter (limited to the case the policyholder is a corporation) or the insurance premiums shall be paid in lump-sum.
 - (v) an insurance contract for the insurance specified in Article 3, paragraph (4), item (ii) of the Act which covers any of the following incidents (hereinafter referred to as "Injury insurance Contract" in this Chapter), and under which the insurer undertakes to pay the maturity refund upon the expiration of the insurance period:
 - (a) a state of human body resulting from an injury inflicted upon the person;
 - (b) death of a human directly resulting from an injury inflicted upon the person;
 - (c) receiving treatment (including activities specified in Article 5 as the

- activities similar to treatment) in connection with the incidents as referred to in sub-item (a); and
- (vi) an insurance contract for the insurance specified in Article 3, paragraph (4), item (i) or (ii) of the Act, excluding the insurance contracts as referred to in the preceding items.
- (2) When a Bank, etc. which is a Life Insurance Solicitor or its officers or employees provides agency or brokerage services for conclusion of the insurance contracts as referred to in the items of the preceding paragraph, such Bank, etc. shall satisfy the following requirements:
- (i) that the Bank, etc. has implemented the following measures in relation to the use of information on its customers:
 - (a) measures to ensure that Non-Disclosure Finance Information (meaning information concerning customers' deposits, exchange trades, or borrowing of funds or other non-disclosure information concerning customers' financial transactions or assets which may come to knowledge of any the officers or employees in the course of their duties (excluding information provided in Article 53-9 and special non-disclosure information provided in Article 53-10); the same shall apply in Article 212-2, paragraph (2), item (i), Article 212-4, paragraph (4), item (i), Article 212-5, paragraph (2), item (i) and Article 234, paragraph (1), item (xviii)) on its customers handled in the course of its businesses (excluding the business pertaining to Insurance Solicitation) is not to be used for any business pertaining to insurance solicitation (excluding the confirmation as to whether the Customer falls under the category of the "Parties Restricted from Life Insurance Solicitation by Bank, etc." provided in the following paragraph), without obtaining a prior consent from the relevant Customer in writing or by any other appropriate means; and
 - (b) measures to ensure that Non-Disclosure Insurance Information (meaning information concerning customers' lives, physical conditions, properties or other non-disclosure information necessary for conducting Insurance Solicitation, which may come to knowledge of any the officers or employees in the course of their duties (excluding information provided in Article 53-9 and special non-disclosure information provided in Article 53-10); the same shall apply in Article 212-2, paragraph (2), item (i), Article 212-4, paragraph (4), item (i), Article 212-5, paragraph (2), item (i) and Article 234, paragraph (1), item (xviii)) on its customers handled in the course of its businesses is not to be used for any business other than Insurance Solicitation, such as monetary loan business, without obtaining a prior consent from the relevant Customer in writing or by any other appropriate means.
 - (ii) that the Bank, etc., for the purpose of assurance of the fairness in

Insurance Solicitation, has articulated the guidelines related to indication of trade name or name of the Insurance Company on behalf of which it underwrites the insurance contract pertaining to the Insurance Solicitation and disclosure of information as may be deemed necessary for the customers in making their respective decision at their own judgment and any other matters, publicized such policies, and has implemented measures so as to enforce such policies;

(iii) that the Bank, etc. has assigned to its respective business offices or other offices which carry out the business pertaining to Insurance Solicitation a supervisor of the affairs to secure compliance with the Laws and Regulations, etc. (collectively meaning the laws and regulations, dispositions of administrative agencies issued under the laws and regulations, internal rules of the Bank, etc., or any other rules equivalent to the aforementioned; hereinafter the same shall apply in this item) applicable to Insurance Solicitation (or, if the affairs to secure compliance with any other Laws and Regulations are implemented by integrating two or more business offices or offices as a single unit (limited to a unit comprising the business offices or offices which carry out the business of Insurance Solicitation), such supervisor shall be assigned to the respective unit); and that the Bank, etc. has assigned to its head office or principal office a chief supervisor which instructs supervisors and to control and manage the business to secure compliance with Laws and Regulations, etc. applicable to Insurance Solicitation.

(3) When a Bank, etc. which is a Life Insurance Solicitor or its officers or employees provides agency or brokerage services for conclusion of the insurance contracts as referred to in items (iv) to (vi) of paragraph (1), such Bank, etc. shall satisfy the following requirements:

(i) that the Bank, etc. has implemented measures to ensure that it will refrain from providing agency or brokerage services for conclusion of an insurance contract (limited to the insurance contracts as referred to in items (iv) to (vi) inclusive of paragraph (1); and excluding the insurance contract for renewal of the insurance contract already in effect (limited to an insurance contract regarding which the Bank, etc. or its officers or employees provided agency or brokerage services for the conclusion, in consideration of fees or any other remunerations)), wherein the policyholder or insured person is any of the following parties (if the Bank, etc. falls under the category of a Cooperative Structured Financial Institution (collectively meaning a shinkin bank, labor bank, credit cooperatives and Agricultural Cooperatives, etc. (meaning agricultural cooperatives as provided in Article 39, item (viii) of the Cabinet Order, and fisheries cooperatives and fishery processing cooperatives as provided in item (ix) of that item; hereinafter the same shall apply in this

item); hereinafter the same shall apply in this Chapter and Article 234, paragraph (1), item (x)) which has prescribed the matters provided in paragraph (5), the parties which are the members or partners of such Cooperative Structured Financial Institution (including the representative of the corporation which is a member or partner, and, if the Cooperative Structured Financial Institution is an Agricultural Cooperatives, etc., including the persons who live together with the partner; hereinafter the same shall apply in this Chapter and in Article 234, paragraph (1), item (x)) shall be excluded; hereinafter referred to as "Parties Restricted from Life Insurance Solicitation by Bank, etc." in this Article and Article 234, paragraph (1), item (ix)), in consideration of any fees or any other remunerations;

- (a) a corporation (excluding the state, local governments, corporations specified in the items of Article 4, paragraph (11) of the Cabinet Order for Enforcement of the Banking Act (Cabinet Order No. 40 of 1982), and any other corporations to be designated by the Commissioner of the Financial Services Agency; hereinafter the same shall apply in this item, the following paragraph, Article 212-2, paragraph (3), item (i), Article 212-4, paragraph (3), item (i), Article 212-5, paragraph (3), item (i) and Article 234, paragraph (1), item (x)) or its representative, when the Bank, etc. provides such corporation or representative with monetary loans required for its business (including funding by way of discounting of bills; hereinafter the same shall apply in this Chapter and Article 234, paragraph (1), items (x) and (xv));
- (b) an individual person engaged in business, when the Bank, etc. provides such individual person with monetary loans required for the person's business;
- (c) full-time employees or officers (excluding representative) of a Small-sized Entrepreneur (meaning an entrepreneur hiring fifty full-time employees or less (or twenty full-time employees or less, if the Bank, etc. falls under the category of an Exceptional Local Financial Institution); hereinafter the same shall apply in this item), when the Bank, etc. provides the individual person or corporation of a Small-sized Entrepreneur or its representative with monetary loans required for the business of such Small-sized Entrepreneur;
- (ii) that the Bank, etc. has implemented the measures to carry out in an accurate manner a confirmation whether the Customer falls under the Party Restricted from Life Insurance Solicitation by Bank, etc. or any other business entrusted from Insurance Companies, and the measures so that the business of Insurance Solicitation would not give negative impact on the Bank, etc. in carrying out its other lines of business in a sound and

- appropriate manner; and
- (iii) that the Bank, etc. has implemented the measures to ensure that its employees who contacts customers in connection with monetary loans required for their businesses shall refrain from conducting Insurance Solicitation (limited to Insurance Solicitation for the insurance contracts referred to in items (iv) to (vi) inclusive of paragraph (1)) (if the Bank, etc. is an Exceptional Local Financial Institution, the measures to be substituted with the aforementioned measures, as specified by the Commissioner of the Financial Services Agency;
- (4) The term "Exceptional Local Financial Institution" as used in this Article shall mean a financial institution designated by the Commissioner of the Financial Services Agency as the financial institution whose regional scope of business is limited within a certain prefecture; and which provides in its guidelines provided in Article 2, paragraph (2), item (ii) that such financial institution or its officers or employees shall, when providing agency or brokerage services for conclusion of an insurance contract under item (iv) or (vi) of paragraph (1) (including insurance options with similar terms and conditions; the same shall apply in the following paragraph) wherein the policyholder is its Lender's Employees, etc. (meaning a full-time employees of an individual person or corporation or an officer of a corporation (excluding its representative), when the financial institutions provides monetary loans necessary for the business of such individual person or corporation engaged in the business or its representative; the same shall apply in Article 212-2, paragraph (4), Article 212-4, paragraph (4) and Article 212-5, paragraph (4)), conduct Insurance Solicitation provided that the total of the Insurance Money or any other benefit payable to a single policyholder of the insurance specified in any of the following items in accordance with the categories respectively set forth therein (in case of an insurance contract which falls under the insurance contract specified in Article 74, item (i), sub-item (a) and item (iii) (excluding insurance contracts specified in Article 83, item (i), sub-items (b) and (d)) or the insurance contract specified in Article 153, item (i), sub-item (a) and item (iii), if the payment of a certain amount of Insurance Money or other type of benefits is guaranteed by an Insurance Company, such amount shall mean the guaranteed amount, and, if the payment is not guaranteed by an Insurance Company, such amount shall mean the aggregate amount of insurance premiums payable under the insurance contract; the same shall apply in the following paragraph, Article 212-2, paragraphs (4) and (5), Article 212-4, paragraph (4) and Article 212-5, paragraphs (4) and (5)) shall be up to the amount as respectively set forth in the relevant items.
- (i) an insurance wherein the insurer undertakes to pay a certain amount of Insurance Money contingent upon the life or death of a person and whereby

the insurer receives insurance premiums (excluding insurances contingent upon the death of a person directly resulting from an injury inflicted upon the person);

- (ii) an insurance wherein the insurer undertakes to pay a certain amount of Insurance Money contingent upon the following incidents or to compensate damages suffered by the person which may arise from such incidents and whereby the insurer receives insurance premiums, which are to be specified by the Commissioner of the Financial Services Agency: the amount specified by the Commissioner of the Financial Services Agency
 - (a) contracting of diseases by a person;
 - (b) state of human resulting from diseases (excluding the state which fall under the serious disabilities);
 - (c) the incidents specified in the items of Article 4; and
 - (d) receiving treatment (including activities specified in Article 5 as the activities similar to treatment) in connection with the incidents as referred to in sub-items (a) to (c) inclusive.
- (5) A Cooperative Structured Financial Institution which is a Life Insurance Solicitor shall provide in its guidelines provided in item (ii) of paragraph (2) that such Cooperative Structured Financial Institution or its officers or employees shall, when providing agency or brokerage services for conclusion of an insurance contract as referred to in item (iv) or (vi) of paragraph (1) wherein the policyholder is its member or partner which fall under a party specified in sub-items (a) to (c) inclusive, item (i) of paragraph (3), conduct Insurance Solicitation provided that the total of the Insurance Money or any other benefit payable to a single policyholder of the insurance specified in the items of the preceding paragraph in accordance with the categories respectively set forth therein shall be up to the amount as respectively set forth in the relevant items.
- (6) When a Bank, etc. which is a Life Insurance Solicitor or its officers or employees provides agency or brokerage services for conclusion of insurance contracts as specified in items (i) to (iii) inclusive of paragraph 81), and if any of following items applies, the insurance option to be added to the insurance contract shall be closely related to the terms and conditions of the insurance contracts, and the insurance premiums and insurance amount pertaining to such insurance option shall be reasonable compared to the insurance premiums and insurance amount under the insurance contract.
 - (i) where the Bank, etc. fails to satisfy the requirements as referred to in the items of paragraph (3); and
 - (ii) where the policyholder or the insured person under the insurance contract falls under the category of a Party Restricted from Life Insurance Solicitation by Bank, etc. (excluding the case as referred to in the preceding

item).

(Cases Where Bank, etc. May Act as Non-Life Insurance Representative)

Article 212-2 (1) The cases to be specified by Cabinet Office Ordinance, as provided in Article 275, paragraph (1), item (ii) of the Act, shall be the case where a Bank, etc. which also is a Non-Life Insurance Representative or its officers or employees provides agency or brokerage services for conclusion of insurance contracts set forth in the following items, and where all of the requirements set forth in the items of the following paragraphs and paragraph (3) (or the requirements set forth in the items of the following items, when the agency or brokerage services for conclusion of insurance contracts specified in items (i) to (v) inclusive is to be provided) are met.

- (i) a fire insurance contract in which the insurance period exceeds one year, regarding which loans granted from a Bank, etc. has been or certainly will be appropriated for the all or part of the fund for construction, purchasing or amelioration of the housing which is the object of insurance (including acquisition of land or land leasehold incidental thereto); or an Earthquake Insurance Contract (meaning an earthquake insurance contract as provided in Article 2, paragraph (2) (Definitions) of the Act on Earthquake Insurance; the same shall apply in Article 212-4, paragraph (1), item (ii)) to be concluded incidental to the aforementioned insurance contract;
- (ii) an insurance contract for the insurance covering the incidents specified in Article 3, paragraph (4), item (ii), sub-item (b) of the Act or for the insurance specified in item (i), paragraph (5) of the Article, wherein the income of policyholder or insured person is protected so that the Insurance Money thereunder will be appropriated for the facilitation of repayment of the debts pertaining to construction, purchasing or amelioration of the housing (including acquisition of land or land leasehold incidental thereto);
- (iii) an insurance contract for the insurance specified in Article 3, paragraph (4), item (ii) or item (i) of paragraph (5) of that Article, which pertains to an insurance wherein the Insurance Money is to be paid contingent upon the incidents occurred during the period between the time when a person left the residence for overseas travel and the time when the person comes back to the residence, or which pertains to an insurance specified in item (iii) of that paragraph.
- (iv) an injury insurance contract (excluding a contract for insurance covering the incidents specified in sub-item (c), item (v), paragraph (1) of the preceding Article, and also excluding a contract wherein the policyholder is a corporation) whose prime object is to pay the refunds on a regular basis for a certain period after the termination of the insurance premiums payment period, and which satisfies all of the following requirements (excluding an

insurance contract which falls under an insurance contract as provided in the following item):

- (a) an insurance contract wherein the total amount of refunds and the refunds upon cancellation of the insurance contract is determined depending on the aggregate amount of insurance premiums (including Conversion Value; hereinafter the same shall apply in this item) payable thereunder or the amount increasingly reserved for the beneficiaries of the refund thereunder;
- (b) an insurance contract for which the amount of Insurance Money payable thereunder is reasonable compared to the aggregate amount of insurance premiums payable thereunder or the amount increasingly reserved for the beneficiaries of the refund thereunder until the time of payment of the Insurance Money;
- (v) an injury insurance contract (excluding a contract for an insurance covering the incidents referred to in sub-item (c), item (v), paragraph (1) of the preceding Article) which is specified in Article 6, paragraph (1), item (ii)-2, Article 6, paragraph (2), item (iii) and Article 6, paragraph (4), item (iii) of the Workers' Property Accumulation Promotion Act;
- (v) an insurance contract for an insurance specified in Article 3, paragraph (5), item (i) of the Act (excluding insurance covering the damages suffered by a business operator in the course of its business activities) (excluding insurance contracts specified in items (i) to (iii) inclusive and also excluding an Automobile insurance Contract (including contracts for automobile liability insurance contract under Article 5 (Mandatory Execution of Liability Insurance Contract) of the Automobile Liability Security Act)), which satisfies any of the following requirements:
 - (a) an insurance contract wherein the insurer undertakes to pay the maturity refund after the expiration of the insurance period;
 - (b) an insurance contract which satisfies all of the following requirements: that the policyholder thereunder is not a corporation or any other organization or group (hereinafter referred to as "Organization, etc." in this item) or its representative; that the insured person thereunder is not the member of such Organization, etc.; and that no contract has been concluded incidental thereto, wherein the policyholders shall be members of the Organization, etc. and the Organization, etc., its representative, or a party entrusted from either of them will collect insurance premiums from the policyholders on behalf of the Insurance Company.
- (vii) an insurance contract specified in item (v), paragraph (1) of the preceding Article (excluding those which fall under the insurance contracts as specified in items (iv) and (v)); and
- (viii) an insurance contract for an insurance specified in Article 3, paragraph

- (5) of the Act, other than as specified in the preceding items.
- (2) When a Bank, etc. which is a Non-Life Insurance Representative or its officers or employees provides agency or brokerage services for conclusion of the insurance contracts as referred to in the items of the preceding paragraph, such Bank, etc. shall satisfy the following requirements:
- (i) that the Bank, etc. has implemented the following measures in relation to the use of information on its customers;
 - (a) measures to ensure that Non-Disclosure Finance Information on its customers handled in the course of its businesses (excluding the business pertaining to Insurance Solicitation) is not to be used for any business pertaining to insurance solicitation (excluding the confirmation as to whether the Customer falls under the category of the "Parties Restricted from Life Insurance Solicitation by Bank, etc." provided in the following paragraph), without obtaining a prior consent from the relevant Customer in writing or by any other appropriate means; and
 - (b) measures to ensure that Non-Disclosure Insurance Information on its customers handled in the course of its businesses is not to be used for any business other than Insurance Solicitation, such as monetary loan business, without obtaining a prior consent from the relevant Customer in writing or by any other appropriate means.
 - (ii) that the Bank, etc., has articulated the guidelines as referred to in item (ii), paragraph (2) of the preceding Article, publicized such policies, and has implemented measures so as to enforce such policies; and
 - (iii) that the Bank, etc. has implemented measures under item (iii), paragraph (2) of the preceding Article.
- (3) When a Bank, etc. which is a Non-Life Insurance Representative or its officers or employees provides agency or brokerage services for conclusion of the insurance contracts as referred to in items (vi) to (viii) of paragraph (1), such Bank, etc. shall satisfy the following requirements:
- (i) that the Bank, etc. has implemented measures to ensure that it will refrain from providing agency or brokerage services for conclusion of an insurance contract (limited to the insurance contracts as referred to in items (vi) to (viii) inclusive of paragraph (1); and excluding the insurance contract for novation of the insurance contract already in effect (a novation shall exclude any novation entailing improvement of insurance benefits such as increase in the amount of the Insurance Money (excluding the improvement due to increase in value of the object of insurance contract or any other factors similar thereto) or extension of insurance period; the same shall apply in Article 212-4, paragraph (3), item (i), Article 212-5, paragraph (3), item (i) and Article 234, paragraph (1), item (x)); and the insurance contract shall be limited to an insurance contract regarding which the Bank, etc. or its officers

or employees provided agency or brokerage services for the conclusion, in consideration of fees or any other remunerations)), wherein the policyholder or insured person is any of the following parties (if the Bank, etc. falls under the category of a Cooperative Structured Financial Institution which has prescribed the matters provided in paragraph (5), the parties which are the members or partners of such Cooperative Structured Financial Institution shall be excluded; hereinafter referred to as "Parties Restricted from Life Insurance Solicitation by Bank, etc." in this Article and Article 234, paragraph (1), item (ix)), in consideration of any fees or any other remunerations;

- (a) a corporation or its representative, when the Bank, etc. provides such corporation or representative with monetary loans required for its business;
- (b) an individual person engaged in business, when the Bank, etc. provides such individual person with monetary loans required for the person's business;
- (c) full-time employees or officers (excluding representative) of a Small-sized Entrepreneur (meaning an entrepreneur hiring fifty full-time employees or less (or twenty full-time employees or less, if the Bank, etc. falls under the category of an Exceptional Local Financial Institution); hereinafter the same shall apply in this item), when the Bank, etc. provides the individual person or corporation of a Small-sized Entrepreneur or its representative with monetary loans required for the business of such Small-sized Entrepreneur;
- (ii) that the Bank, etc. has implemented the measures to carry out in an accurate manner a confirmation whether the Customer falls under the Party Restricted from Life Insurance Solicitation by Bank, etc. or any other business entrusted from Insurance Companies, and the measures so that the business of Insurance Solicitation would not give negative impact on the Bank, etc. in carrying out its other lines of business in a sound and appropriate manner; and
- (iii) that the Bank, etc. has implemented the measures to ensure that its employees who contacts customers in connection with monetary loans required for their businesses shall refrain from conducting Insurance Solicitation (limited to Insurance Solicitation for the insurance contracts referred to in items (vi) to (viii) inclusive of paragraph (1)) (if the Bank, etc. is an Exceptional Local Financial Institution, the measures to be substituted with the aforementioned measures, as specified by the Commissioner of the Financial Services Agency;
- (4) The term "Exceptional Local Financial Institution" as used in this Article shall mean a financial institution designated by the Commissioner of the

Financial Services Agency as the financial institution whose regional scope of business is limited within a certain prefecture; and which provides in its guidelines provided in paragraph (2), item (ii) that such financial institution or its officers or employees shall, when providing agency or brokerage services for conclusion of an insurance contract under item (viii) of paragraph (1) (including insurance options with similar terms and conditions; the same shall apply in the following paragraph) wherein the policyholder is its Lender's Employees, etc., conduct Insurance Solicitation provided that the total of the Insurance Money or any other benefit payable to a single policyholder of the insurance specified in any of the following items in accordance with the categories respectively set forth therein shall be up to the amount as respectively set forth in the relevant items.

- (5) A Cooperative Structured Financial Institution which is a Non-Life Insurance Representative shall provide in its guidelines provided in item (ii) of paragraph (2) that such Cooperative Structured Financial Institution or its officers or employees shall, when providing agency or brokerage services for conclusion of an insurance contract as referred to in item (viii) of paragraph (1) wherein the policyholder is its member or partner which fall under a party specified in sub-items (a) to (c) inclusive, item (i) of paragraph (3), conduct Insurance Solicitation provided that the total of the Insurance Money or any other benefit payable to a single policyholder of the insurance specified in the items of the preceding paragraph in accordance with the categories respectively set forth therein shall be up to the amount as respectively set forth in the relevant items.
- (6) When a Bank, etc. which is a Life Insurance Solicitor or its officers or employees provides agency or brokerage services for conclusion of insurance contracts as specified in items (i) to (v) inclusive of paragraph (1), and where any of following items applies, the insurance option to be added to the insurance contract shall be closely related to the terms and conditions of the insurance contracts, and the insurance premiums and insurance amount pertaining to such insurance option shall be reasonable compared to the insurance premiums and insurance amount under the insurance contract.
- (i) where the Bank, etc. fails to satisfy the requirements as referred to in the items of paragraph (3); and
 - (ii) where the policyholder or the insured person under the insurance contract falls under the category of a Party Restricted from Life Insurance Solicitation by Bank, etc. (excluding the case as referred to in the preceding item).

(Types of Insurances to be Handled by Specific Low-Cost, Short Term Insurance Agents)

Article 212-3 The types of insurances to be specified by Cabinet Office Ordinance,

as provided in Article 275, paragraph (1), item (iii) of the Act, shall be as follows:

- (i) insurance specified in Article 3, paragraph (4), item (ii) of the Act; and
- (ii) insurance specified in Article 3, paragraph (5), item (iii) of the Act.

(Cases Where Banks, etc. May Perform Insurance Solicitation as Low-Cost, Short Term Insurance Agents)

Article 212-4 (1) The cases to be specified by Cabinet Office Ordinance, as provided in Article 275, paragraph (1), item (ii) of the Act, shall be the case where a Bank, etc. which also is a Low-Cost, Short Term Insurance Agent or its officers or employees provide agency or brokerage services for conclusion of insurance contracts set forth in the following items, and where all of the requirements set forth in the items of the following paragraphs and paragraph (3) (or the requirements set forth in the items of the following items, when the agency or brokerage services for conclusion of insurance contracts specified in items (i) to (iv) inclusive is to be provided) are met.

- (i) insurance contract specified in Article 212, paragraph (1), item (i);
- (ii) insurance contract specified in Article 212-2, paragraph (1), item (i) (excluding an earthquake insurance contract);
- (iii) insurance contract specified in Article 212-2, paragraph (1), item (ii);
- (iv) insurance contract specified in Article 212-2, paragraph (1), item (iii);
- (v) an insurance contract (excluding an insurance contract specified in items (ii) to (iv) inclusive and an automobile insurance contract) for insurance specified in Article 3, paragraph (5), item (i) of the Act (excluding insurance covering damage suffered by a business operator in the course of its business activities), which satisfies all of the following requirements: that the policyholder thereunder is not a corporation or any other organization or group (hereinafter referred to as "Organization, etc." in this item) or its representative; that the insured person thereunder is not a member of such Organization, etc.; and that no contract has been concluded incidental thereto, wherein the policyholders shall be members of the Organization, etc. and the Organization, etc., its representative, or a party entrusted from either of them will collect insurance premiums from the policyholders on behalf of the Insurance Company.
- (vi) an insurance contract for an insurance specified in Article 3, paragraph (4), items (i) and (ii) and paragraph (5) of the Act, other than as specified in the preceding items.

(2) When a Bank, etc. which is a Low-Cost, Short-Term Insurance Agent or its officers or employees provides agency or brokerage services for conclusion of the insurance contracts as referred to in the items of the preceding paragraph, such Bank, etc. shall satisfy the following requirements:

- (i) that the Bank, etc. has implemented the following measures in relation to the use of information on its customers:
 - (a) measures to ensure that Non-Disclosure Finance Information on its customers handled in the course of its businesses (excluding the business pertaining to Insurance Solicitation) is not to be used for any business pertaining to insurance solicitation (excluding the confirmation as to whether the Customer falls under the category of the "Parties Restricted from Life Insurance Solicitation by Bank, etc." provided in the following paragraph), without obtaining a prior consent from the relevant Customer in writing or by any other appropriate means; and
 - (b) measures to ensure that Non-Disclosure Insurance Information on its customers handled in the course of its businesses is not to be used for any business other than Insurance Solicitation, such as monetary loan business, without obtaining a prior consent from the relevant Customer in writing or by any other appropriate means.
 - (ii) that the Bank, etc., for the purpose of assurance of the fairness in Insurance Solicitation, has articulated the guidelines related to indication of trade name or name of the Insurance Company on behalf of which it underwrites the insurance contract pertaining to the Insurance Solicitation and disclosure of information as may be deemed necessary for the customers in making their respective decision at their own judgment and any other matters, publicized such policies, and has implemented measures so as to enforce such policies; and
 - (iii) that the Bank, etc. has implemented measures under Article 212, paragraph (2), item (iii).
- (3) When a Bank, etc. which is a Low-Cost, Short-Term Insurance Agent or its officers or employees provides agency or brokerage services for conclusion of the insurance contracts as referred to in item (v) or (vi) of paragraph (1), such Bank, etc. shall satisfy the following requirements:
- (i) that the Bank, etc. has implemented measures to ensure that it will refrain from providing agency or brokerage services for conclusion of an insurance contract (limited to the insurance contracts as referred to in item (vi) of paragraph (1); and excluding the insurance contract for renewal or novation of the insurance contract already in effect (limited to an insurance contract regarding which the Bank, etc. or its officers or employees provided agency or brokerage services for the conclusion, in consideration of fees or any other remunerations)), wherein the policyholder or insured person is any of the following parties (if the Bank, etc. falls under the category of a Cooperative Structured Financial Institution which has prescribed the matters provided in paragraph (5), the parties which are the members or partners of such Cooperative Structured Financial Institution shall be excluded; hereinafter

- referred to as "Parties Restricted from Low-Cost, Short-Term Insurance Solicitation by Bank, etc." in this Article and Article 234, paragraph (1), item (ix)), in consideration of any fees or any other remunerations;
- (a) a corporation or its representative, the Bank, etc. provides such corporation or representative with monetary loans required for its business;
 - (b) an individual person engaged in business, when the Bank, etc. provides such individual person with monetary loans required for the person's business;
 - (c) full-time employees or officers (excluding representative) of a Small-sized Entrepreneur (meaning an entrepreneur hiring fifty full-time employees or less (or twenty full-time employees or less, if the Bank, etc. falls under the category of an Exceptional Local Financial Institution); hereinafter the same shall apply in this item), when the Bank, etc. provides the individual person or corporation of a Small-sized Entrepreneur or its representative with monetary loans required for the business of such Small-sized Entrepreneur;
- (ii) that the Bank, etc. has implemented the measures to carry out in an accurate manner a confirmation whether the Customer falls under the Party Restricted from Low-Cost, Short-Term Insurance Solicitation by Bank, etc. or any other business entrusted from Insurance Companies, and the measures so that the business of Insurance Solicitation would not give negative impact on the Bank, etc. in carrying out its other lines of business in a sound and appropriate manner; and
- (iii) that the Bank, etc. has implemented the measures to ensure that its employees who contacts customers in connection with monetary loans required for their businesses shall refrain from conducting Insurance Solicitation (limited to Insurance Solicitation for the insurance contracts referred to in items (vi) to (viii) inclusive of paragraph (1)) (if the Bank, etc. is an Exceptional Local Financial Institution, the measures to be substituted with the aforementioned measures, as specified by the Commissioner of the Financial Services Agency;
- (4) The term "Exceptional Local Financial Institution" as used in this Article shall mean a financial institution designated by the Commissioner of the Financial Services Agency as the financial institution whose regional scope of business is limited within a certain prefecture; and which provides in its guidelines provided in paragraph (2), item (ii) that such financial institution or its officers or employees shall, when providing agency or brokerage services for conclusion of an insurance contract under item (viii) of paragraph (1) (including insurance options with similar terms and conditions; the same shall apply in the following paragraph) wherein the policyholder is its Lender's

Employees, etc., conduct Insurance Solicitation provided that the total of the Insurance Money or any other benefit payable to a single policyholder of the insurance specified in any of the following items in accordance with the categories respectively set forth therein shall be up to the amount as respectively set forth in the relevant items.

(5) A Cooperative Structured Financial Institution which is a Low-Cost, Short-Term Insurance Agent shall provide in its guidelines provided in item (ii) of paragraph (2) that such Cooperative Structured Financial Institution or its officers or employees shall, when providing agency or brokerage services for conclusion of an insurance contract as referred to in item (viii) of paragraph (1) wherein the policyholder is its member or partner which fall under a party specified in sub-items (a) to (c) inclusive, item (i) of paragraph (3), conduct Insurance Solicitation provided that the total of the Insurance Money or any other benefit payable to a single policyholder of the insurance specified in the items of the preceding paragraph in accordance with the categories respectively set forth therein shall be up to the amount as respectively set forth in the relevant items.

(6) When a Bank, etc. which is a Low-Cost, Short-Term Insurance Agent or its officers or employees provides agency or brokerage services for conclusion of insurance contracts as specified in items (i) to (v) inclusive of paragraph (1), and if any of following items applies, the insurance option to be added to the insurance contract shall be closely related to the terms and conditions of the insurance contracts, and the insurance premiums and insurance amount pertaining to such insurance option shall be reasonable compared to the insurance premiums and insurance amount under the insurance contract.

(i) where the Bank, etc. fails to satisfy the requirements as referred to in the items of paragraph (3); and

(ii) that the policyholder or insured person under the insurance contract falls under the category of a Party Prohibited from Low-Cost, Short-Term Insurance Solicitation by Bank, etc. (excluding the cases specified in the preceding item).

(Cases Where Bank, etc. May Perform Insurance Solicitation as an Insurance Broker)

Article 212-5 (1) The cases to be specified by Cabinet Office Ordinance, as provided in Article 275, paragraph (1), item (iv) of the Act, shall be the case where a Bank, etc. which also is an Insurance Broker or its officers or employees provides agency or intermediary service for conclusion of insurance contracts set forth in the following items, and where all of the requirements set forth in the items of the following paragraphs and paragraph (3) (or the requirements set forth in the items of the following items, if the agency or

intermediary service for conclusion of insurance contracts specified in items (i) to (v) inclusive is to be provided) are met.

- (i) insurance contracts specified in Article 212, paragraph (1), items (i) to (iii) inclusive;
 - (ii) insurance contracts specified in Article 212-2, paragraph (1), items (i) to (v) inclusive;
 - (iii) insurance contracts specified in items (i) to (iv) inclusive of the preceding Article;
 - (iv) insurance contracts specified in Article 212, paragraph (1), items (iv) and (v);
 - (i) insurance contracts specified in Article 212-2, paragraph (1), items (vi) and (vii);
 - (vi) an insurance contract specified in item (v), paragraph (1) of the preceding Article;
 - (vii) an insurance contracts specified in Article 212, paragraph (1), item (vi);
 - (viii) an insurance contracts specified in Article 212-2, paragraph (1), item (viii); and
 - (ix) an insurance contract specified in item (vi), paragraph (1) of the preceding Article;
- (2) When a Bank, etc. which is an Insurance Broker or its officers or employees provides agency or intermediary service for conclusion of the insurance contracts as referred to in the items of the preceding paragraph, such Bank, etc. shall satisfy the following requirements:
- (i) that the Bank, etc. has implemented the following measures in relation to the use of information on its customers:
 - (a) measures to ensure that Non-Disclosure Finance Information on its customers handled in the course of its businesses (excluding the business pertaining to Insurance Solicitation) is not to be used for any business pertaining to insurance solicitation (excluding the confirmation as to whether the Customer falls under the category of the "Parties Restricted from Life Insurance Solicitation by Bank, etc." provided in the following paragraph), without obtaining a prior consent from the relevant Customer in writing or by any other appropriate means; and
 - (b) measures to ensure that Non-Disclosure Insurance Information on its customers handled in the course of its businesses is not to be used for any business other than Insurance Solicitation, such as monetary loan business, without obtaining a prior consent from the relevant Customer in writing or by any other appropriate means.
 - (ii) that the Bank, etc., for the purpose of assurance of the fairness in Insurance Solicitation, has articulated the guidelines related to disclosure of information as may be deemed necessary for the customers in making their

respective decision at their own judgment and any other matters, publicized such policies, and has implemented measures so as to enforce such policies; and

(iii) that the Bank, etc. has implemented the measures under Article 212, paragraph (2), item (iii).

(3) When a Bank, etc. which is an Insurance Broker or its officers or employees provides agency or intermediary service for conclusion of the insurance contracts as referred to in items (iv) to (ix) of paragraph (1), such Bank, etc. shall satisfy the following requirements:

(i) that the Bank, etc. has implemented measures to ensure that it will refrain from providing agency or intermediary service for conclusion of an insurance contract (limited to the insurance contracts as referred to in item (iv) to (ix) inclusive of paragraph (1); and excluding the insurance contract for renewal or novation of the insurance contract already in effect (limited to an insurance contract regarding which the Bank, etc. or its officers or employees provided agency or intermediary service for the conclusion, in consideration of fees or any other remunerations)), wherein the policyholder or insured person is any of the following parties (if the Bank, etc. falls under the category of a Cooperative Structured Financial Institution which has prescribed the matters provided in paragraph (5), the parties which are the members or partners of such Cooperative Structured Financial Institution shall be excluded; hereinafter referred to as "Parties Restricted from Insurance Solicitation by Bank, etc." in this Article and Article 234, paragraph (1), item (ix)), in consideration of any fees or any other remunerations;

(a) a corporation or its representative, when the Bank, etc. provides such corporation or representative with monetary loans required for its business;

(b) an individual person engaged in business, when the Bank, etc. provides such individual person with monetary loans required for the person's business;

(c) full-time employees or officers (excluding representative) of a Small-sized Entrepreneur (meaning an entrepreneur hiring fifty full-time employees or less (or twenty full-time employees or less, if the Bank, etc. falls under the category of an Exceptional Local Financial Institution); hereinafter the same shall apply in this item), when the Bank, etc. provides the individual person or corporation of a Small-sized Entrepreneur or its representative with monetary loans required for the business of such Small-sized Entrepreneur;

(ii) that the Bank, etc. has implemented the measures to carry out in an accurate manner a confirmation whether the Customer falls under the Party

Restricted from Insurance Solicitation by Bank, etc. or any other business entrusted from Insurance Companies, and the measures so that the business of Insurance Solicitation would not give negative impact on the Bank, etc. in carrying out its other lines of business in a sound and appropriate manner; and

(iii) that the Bank, etc. has implemented the measures to ensure that its employees who contacts customers in connection with monetary loans required for their businesses shall refrain from conducting Insurance Solicitation (limited to Insurance Solicitation for the insurance contracts referred to in items (vi) to (viii) inclusive of paragraph (1)) (if the Bank, etc. is an Exceptional Local Financial Institution, the measures to be substituted with the aforementioned measures, as specified by the Commissioner of the Financial Services Agency.

(4) The term "Exceptional Local Financial Institution" as used in this Article shall mean a financial institution designated by the Commissioner of the Financial Services Agency as the financial institution whose regional scope of business is limited within a certain prefecture; and which provides in its guidelines provided in paragraph (2), item (ii) that such financial institution or its officers or employees shall, when providing agency or intermediary service for conclusion of an insurance contract under Article 212, paragraph (1), item (iv) or (vi), Article 212-2, paragraph (1), item (viii) or Article 212-4, paragraph (1), item (vi) (including insurance options with similar terms and conditions; the same shall apply in the following paragraph) wherein the policyholder is its Lender's Employees, etc., conduct Insurance Solicitation provided that the total of the Insurance Money or any other benefit payable to a single policyholder of the insurance specified in any of the following items in accordance with the categories respectively set forth therein shall be up to the amount as respectively set forth in the relevant items.

(5) A Cooperative Structured Financial Institution which is an Insurance Broker shall provide in its guidelines provided in paragraph (2), item (ii) that such Cooperative Structured Financial Institution or its officers or employees shall, when providing agency or intermediary service for conclusion of an insurance contract as referred to in Article 212, paragraph (1), item (iv) or (vi), Article 212-2, paragraph (1), item (viii) or Article 212-4, paragraph (1), item (vi) wherein the policyholder is its member or partner which fall under a party specified in sub-items (a) to (c) inclusive, item (i) of paragraph (3), conduct Insurance Solicitation provided that the total of the Insurance Money or any other benefit payable to a single policyholder of the insurance specified in the items of the preceding paragraph in accordance with the categories respectively set forth therein shall be up to the amount as respectively set forth in the relevant items.

(6) When a Bank, etc. which is an Insurance Broker or its officers or employees provides agency or intermediary service for conclusion of insurance contracts as specified in items (i) and (ii) of paragraph (1), and if any of following items applies, the insurance option to be added to the insurance contract shall be closely related to the terms and conditions of the insurance contracts, and the insurance premiums and insurance amount pertaining to such insurance option shall be reasonable compared to the insurance premiums and insurance amount under the insurance contract.

(i) where the Bank, etc. fails to satisfy the requirements as referred to in the items of paragraph (3); and

(ii) where the policyholder or the insured person under the insurance contract is a Party Restricted from Insurance Solicitation by Bank, etc.

(Insurance Contract Pertaining to Foreign Insurers Other Than Foreign Insurance Company, etc., For Which Insurance Solicitation by Insurance Broker is Allowed)

Article 212-6 The insurance contract to be specified by Cabinet Office Ordinance, as provided in Article 39-2 of the Cabinet Order, shall be as follows:

(i) an insurance contract which covers, in whole or part, launching to the outer space, shipped cargos pertaining to the launching (including man-made satellites), means to ship the cargos and liabilities arising from the aforementioned;

(ii) an insurance contract which covers, in whole in part, vessels used for international maritime transportation or aircrafts used for commercial flight, cargos in the process of international shipment by such vessels or aircrafts, and any liability arising from the aforementioned (excluding the cargos under Article 19, items (ii) and (iii) of the Cabinet Order);

(iii) an insurance contract covering the cargoes which are in the process of international shipping (excluding the cargos under Article 19, items (ii) and (iii) of the Cabinet Order and the preceding item).

Chapter II Insurance Solicitor and Entrusting Insurance Company, etc.

Section 1 Insurance Solicitors

(Application for Registration)

Article 212-7 When a person who intends to obtain a registration under Article 267 of the Act (referred to as "Registration" in the following Article and Article 216; and such person shall be hereinafter referred to as "Registration Applicant in this Section), such person shall submit to the Commissioner of the Financial Services Agency (or to the Director-General of Local Finance Bureau, etc., if, pursuant to the provision of Article 47-3, paragraph (1) of the Cabinet

Order, the authority of the Commissioner of the Financial Services Agency is delegated to such Director-General of Local Finance Bureau, etc.; the same shall apply in Article 215) a written application for registration prepared in accordance with the Appended Form No. 17, as well as the following documents provided in the paragraph (2) of the Article attached thereto:

(Matters to be Stated in Written Application for Registration)

Article 213 The matters to be specified by Cabinet Office Ordinance, as provided in Article 277, paragraph (1), item (v) of the Act, shall be as follows:

- (i) if the Registration Applicant is a corporation (including an association or foundation without juridical personality for which a representative person or an administrator has been appointed; hereinafter the same shall apply in this paragraph), the name of the officer representing such corporation (including a representative person or an administrator of an association or foundation without juridical personality; hereinafter the same shall apply in this Article to Article 218);
- (ii) if the Registration Applicant is an employee (or officers or employees, if the Life Insurance Solicitor is a corporation) of a Life Insurance Solicitor, the trade name or name of such Life Insurance Solicitor; and
- (iii) if, pursuant to the provision of Article 284 of the Act, an application for registration is filed by Entrusting Insurance Company, etc. as an agent, the trade name or name of such Entrusting Company, etc.

(Attachment to Written Application for Registration)

Article 214 (1) The documents to be specified by Cabinet Office Ordinance, as provided in Article 277, paragraph (2), item (iii) of the Act, shall be the following documents:

- (i) a document certifying that the Registration Applicant is a Specified Insurance Solicitor (meaning a Specified Insurance Solicitor as provided in Article 276 of the Act; the same shall apply hereinafter);
 - (ii) if the Registration Applicant is a corporation, its articles of incorporation or a certificate of registered matters, or any other substitutive document; and
 - (iii) if the Registration Applicant is an individual person, the extract of certificate of residence of the Registration Applicant (or, if the Registration Applicant has a statutory agent, certificates of residence of the Registration Applicant and the statutory agent), or any other substitutive document.
- (2) A document provided in Article 277, paragraph (2), item (i) of the Act shall be prepared in accordance with the Appended Form No. 17-2.

Article 214-2 The place to be specified by Cabinet Office Ordinance, as provided in Article 278, paragraph (1) of the Act, shall be Local Finance Bureau or

Fukuoka Local Finance Branch Bureau.

(Notification of Change, etc.)

Article 215 A party which intends to file a notification pursuant to the provision of Article 280, paragraph (1) of the Act shall submit to the Commissioner of the Financial Services Agency a written notification as set forth in the following items, in accordance with the categories of cases respectively set forth therein:

- (i) where the notification is filed pursuant to the provision of item (i) of that paragraph: a notification of change to registered matters, prepared in accordance with the Appended Form No. 18 (or the Appended Form No. 18 or any other form in lieu thereof, in case of a notification by an Entrusting Insurance Company, etc. as an agent filed pursuant to the provision of Article 284 of the Act); and
- (ii) where the notification is filed pursuant to the provision of items (ii) to (vi) inclusive of that paragraph: a notification of abolition of business, etc., prepared in accordance with the Appended Form No. 19 (or the Appended Form No. 19 or any other form in lieu thereof, in case of a notification by an Entrusting Insurance Company, etc. as an agent filed pursuant to the provision of Article 284 of the Act).

(Method of Payment for Application of Registration by Way of Electronic Data Processing System)

Article 215-2 When a cash payment of the fee is to be made pursuant to the proviso to Article 39-3, paragraph (2) of the Cabinet Order, such payment shall be made in accordance with the information about the payment obtained by filing an application for registration under Article 276 of the Act using the electronic information processing system provided in Article 3, paragraph (1) of the Act on Use of Information and Communications Technology in Administrative Procedure (Act No. 151 of 2002) pursuant to that paragraph.

(Scope of Tax-Free Registration of Specified Insurance Solicitor)

Article 215-3 Type of entrustment to be specified by Cabinet Office Ordinance, as provided in Article 281, item (i) of the Act, shall be a fixed-term entrustment to be made on a temporary and as-needed basis (hereinafter referred to as "Fixed-Term Entrustment" in this Article), in which case it is not provided in the written application for registration under Article 277, paragraph (1) of the Act that the Registration Applicant has accepted entrustment from of a Life Insurance Company or a Low-Cost, Short-Term Insurer.

Section 2 Entrusting Insurance Company, etc.

(Matters to be Entered in Registry of Specified Insurance Solicitors)

Article 216 (1) An Entrusting Insurance Company, etc. shall, in connection with Specified Insurance Solicitors of the Entrusting Insurance Companies, enter the following matters in the registry as set forth in Article 285, paragraph 81) of the Act (hereinafter referred to as "Registry" in this Article):

- (i) trade name or name, and date of birth;
- (ii) name and location of the office; and
- (iii) the date when the registration was granted.

(2) In addition to what are provided for in the items of the preceding paragraph, if the Specified Insurance Solicitors of the Entrusting Insurance Companies is a party entrustment from the Entrusting Insurance Company, the date of such acceptance of entrustment shall be entered into the Registry.

(3) In addition to what are provided for in the preceding two paragraph, if the Specified Insurance Solicitors of the Entrusting Insurance Companies is an employee (or officers or employees, if the Life Insurance Solicitor is a corporation) of another Life Insurance Solicitor, the trade name or name of such another Life Insurance Solicitor shall be entered into the Registry.

Chapter III Insurance Broker

(Application for Registration)

Article 217 When a person who intends to obtain a registration under Article 286 of the Act (referred to as "Registration" in the following Article and Article 219; and such person shall be hereinafter referred to as "Registration Applicant in this Section), such person shall submit to the Commissioner of the Financial Services Agency (or to the Director-General of Local Finance Bureau, etc., if, pursuant to the provision of Article 47-3, paragraph (1) of the Cabinet Order, the authority of the Commissioner of the Financial Services Agency is delegated to such Director-General of Local Finance Bureau, etc.; the same shall apply in Articles 220 to 227 inclusive and Article 238) a written application for registration prepared in accordance with the Appended Form No. 20, as well as the documents provided in paragraph (1) of that Article attached thereto:

(Matters to be Stated in Written Application for Registration)

Article 218 The matters to be specified by Cabinet Office Ordinance, as provided in Article 287, paragraph (1), item (v) of the Act, shall be the names of the officers representing a corporation, if the Registration Applicant is a corporation.

(Attachment to Written Application for Registration)

Article 219 (1) The documents to be specified by Cabinet Office Ordinance, as provided in Article 287, paragraph (2), item (iii) of the Act, shall be the following documents:

- (i) a document certifying that the Registration Applicant has a capacity to perform the business of Insurance Solicitation in a precise manner;
 - (ii) if the Registration Applicant is a corporation, its articles of incorporation or a certificate of registered matters, or any other substitutive document; and
 - (iii) if the Registration Applicant is an individual person, the extract of certificate of residence of the Registration Applicant, or any other substitutive document.
 - (iv) the document that describes the matters set forth in sub-items (a) or (b) in accordance with the categories of cases listed in the respective item:
 - (a) in the case where there is a Designated Dispute Resolution Organization for Insurance Solicitation by Insurance Broker (meaning the Designated Dispute Resolution Organization for Insurance Solicitation by Insurance Broker provided in Article 299-2, paragraph (1), item (i) of the Act; the same shall apply in this item), a trade name or name of the Designated Dispute Resolution Organization for Insurance Solicitation by Insurance Broker, which is a party to a Basic Contract for Implementation of Dispute Resolution Procedures to be concluded for the Insurance Solicitation by Insurance Broker as the measure provided in Article 299-2, paragraph (1), item (i) of the Act; or
 - (b) in the case where there is not a Designated Dispute Resolution Organization for Insurance Solicitation by Insurance Broker, the content of the Complaint Processing Measures and Dispute Resolution Measures pertaining to the Insurance Solicitation by Insurance Broker under Article 299-2, paragraph (1), item (ii) of the Act.
- (2) A document provided in Article 287, paragraph (2), item (i) of the Act shall be prepared in accordance with the Appended Form No. 21.

Article 219-2 The place to be specified by Cabinet Office Ordinance, as provided in Article 288, paragraph (1) of the Act, shall be Local Finance Bureau or Fukuoka Local Finance Branch Bureau.

(Notification of Change, etc.)

Article 220 A party which intends to file a notification pursuant to the provision of Article 290, paragraph (1) of the Act shall submit to the Commissioner of the Financial Services Agency a written notification as set forth in the following items, in accordance with the categories of cases respectively set forth therein:

- (i) where the notification is filed pursuant to the provision of item (i) of that paragraph: a notification of change to registered matters, prepared in

- accordance with the Appended Form No. 22; and
- (ii) where the notification is filed pursuant to the provision of items (ii) to (vi) inclusive of that paragraph: a notification of abolition of business, etc., prepared in accordance with the Appended Form No. 23.

(Notification of Depositing of Security Deposit; Notification of Contract Substituted for Security Deposit in Whole or Part; and Notification of Insurance Broker Liability Insurance Contract to be Partially Substituted for Security Deposit)

Article 221 (1) When any of the cases specified in the following items is applicable to an Insurance Broker, the Insurance Broker shall notify the Commissioner of the Financial Services Agency to that effect.

- (i) case where, pursuant to the provision of Article 291, paragraph (1), (4) or (8) or Article 292, paragraph (2) of the Act, or Article 13, paragraph (6) or Article 14, paragraph 81) of the Ordinance on Security Deposits by Insurance Brokers (Ordinance of Ministry of Justice, Ordinance of Ministry of Finance, and Cabinet Order No. 3 of 1996), an Insurance Broker has completed depositing of security deposit;
 - (ii) case where a party which has concluded a contract under Article 291, paragraph (3) of the Act (hereinafter referred to as "Guarantee Contract" in this Article to Article 223 inclusive) with an Insurance Broker (hereinafter referred to as "Counterparty to Guarantee Contract" in this Article and the following Article) has completed the depositing of security deposit, pursuant to the provision of Article 291, paragraph (4) of the Act;
 - (iii) case where, pursuant to the provision of Article 291, paragraph (10) of the Act, or Article 13, paragraphs (7) to (9) inclusive or Article 14 of the Ordinance on Security Deposits of Insurance Brokers, an Insurance Broker or a Counterparty to Guarantee Contract has restituted the security deposit in whole or part;
 - (iv) case where an Insurance Broker has concluded a Guarantee Contract, has cancelled the Guarantee Contract with an approval under Article 42, item (ii) of the Cabinet Order, or has effected amendment to any of the terms and conditions thereunder; or
 - (v) case where an Insurance Broker has concluded an Insurance Broker Liability Insurance Contract (hereinafter referred to as "Compensation Liability Insurance Contract" in this Article and Article 227), or where it has cancelled such Liability Insurance Contract or effected any amendment to terms and conditions thereunder with an approval under Article 44, paragraph (1), item (iv) of the Cabinet Order.
- (2) In the case referred to in the preceding paragraph, an Insurance Broker shall submit to the Commissioner of the Financial Services Agency the documents

specified in the following items, in accordance with the categories respectively set forth therein:

- (i) the case specified in item (i) of the preceding paragraph: an original of the certificate of deposit and a statement of security deposit, etc., in relation to the deposit;
 - (ii) the case specified in item (ii) or (iii) of the preceding paragraph: a statement of security deposit, etc.; and
 - (iii) the case specified in item (iv) or (v) of that paragraph: a document certifying the fact, and a statement of security deposit, etc.
- (3) A statement of security deposit, etc. provided in the items of the preceding paragraph shall be prepared in accordance with the Appended Form No. 24.
- (4) When the Commissioner of the Financial Services Agency receives an original of the certificate of deposit as set forth in item (i) of paragraph (2), the Commissioner of the Financial Services Agency shall issue the certificate of custody to the Insurance Broker.

Article 222 (1) When a Counterparty to Guarantee Contract deposits the security deposits pursuant to the provision of Article 291, paragraph (4) of the Act, such party shall make the deposit with the deposit office nearest to the principal office of the Insurance Broker which has concluded the Guarantee Contract.

- (2) When a Counterparty to Guarantee Contract completes the deposit under the preceding paragraph, such party shall submit to the Commissioner of the Financial Services Agency an original of the certificate of deposit.
- (3) When the Commissioner of the Financial Services Agency receives an original of the certificate of deposit as set forth in the preceding paragraph, the Commissioner of the Financial Services Agency shall issue the certificate of custody to the Counterparty to Guarantee Contract.

Article 223 (1) When an Insurance Broker intends to obtain an approval under Article 42, item (ii) of the Cabinet Order, it shall, no later than one month prior to the day when it intends to effect cancellation of the guarantee contract for which the approval is sought or to amend any terms and conditions thereunder, submit to the Commissioner of the Financial Services Agency a written application for approval, as well as a written statement of reasons and any document describing reference information.

- (2) When an application for approval under the preceding paragraph has been filed, the Commissioner of the Financial Services Agency shall examine whether it is unlikely that the protection of the investor would be hindered if the Insurance Broker which has filed the application for approval effects any change or cancellation of the Guarantee Contract.

(Counterparties to Contracts in Lieu of All or Part of Security Deposit)

Article 224 The financial institutions to be specified by Cabinet Office Ordinance as provided in Article 42 of the Cabinet Order shall be the financial institutions specified in the items of Article 52-8-2.

(Commencement Day for Counting of Time Limit for Additional Security Deposit)

Article 225 The day to be specified by Cabinet Office Ordinance, as provided in Article 291, paragraph (8) of the Act, shall be the day when the Insurance Broker receives a copy of the payment consignment letter issued pursuant to the provision of Article 11, paragraph (2) of the Ordinance on Security Deposits by Insurance Brokers (or any other day to be designated separately by the Commissioner of the Financial Services Agency, if the Commissioner of the Financial Services Agency is unable to locate the address of the office of the Insurance Broker).

(Types of Securities Which May be Substituted for Security Deposit)

Article 226 (1) The Securities to be specified by Cabinet Office Ordinance, as provided in Article 291, paragraph (9) of the Act, shall be as follows:

(i) national government bond securities;

(ii) municipal bond securities;

(iii) Government Guaranteed Bond Certificates; and

(iv) corporate bond certificates and any other bond certificates (excluding registered bond certificates, short-term corporate bonds, etc. and the bonds as set forth in the preceding three items), which are approved by the Commissioner of the Financial Services Agency to be substituted for payment of the Deposit for Operation.

(2) When an Insurance Broker intends to obtain an approval under item (iv) of the preceding paragraph, it shall submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons and documents containing any other matters which would serve as reference information.

(3) The provision of Article 132 shall apply mutatis mutandis to the value of Securities, when such Securities are to be substituted for security deposits pursuant to the provision of Article 291, paragraph (9) of the Act. In this case, the term "item (iv), paragraph (1) of the preceding Article" in Article 132, paragraph (1), item (iv) shall be deemed to be replaced with "Article 226, paragraph (1), item (iv)"; the terms "the items of paragraph (1) of the preceding Article" and "the basic exchange rate or arbitrated exchange rate as provided in Article 7, paragraph (1) (Foreign Exchange Rate) of the Foreign Exchange

and Foreign Trade Act (Act No. 228 of 1949)" in paragraph (4) of that Article shall be deemed to be replaced with "the items of Article 226, paragraph (1)" and "the basic exchange rate or arbitrated exchange rate as provided in Article 7, paragraph (1) (Foreign Exchange Rate) of the Foreign Exchange and Foreign Trade Act as of the day when the Insurance Broker is registered under Article 286 of the Act or the day of commencement of the business year of the Insurance Broker," respectively.

(Application for Approval of Insurance Broker Liability Insurance Contract
Substituted for Security Deposit in Part)

- Article 227 (1) When an Insurance Broker intends to obtain an approval under Article 292, paragraph (1) of the Act, it shall, no later than one month prior to the day when it elects not to deposit a part of the security interest in virtue of the Compensation Liability Insurance Contract for which the approval is sought, submit to the Commissioner of the Financial Services Agency a written application for approval, with a written statement of reasons and any other documents containing the matters which would serve as reference information.
- (2) When an application for the approval under the preceding paragraph has been filed, the Commissioner of the Financial Services Agency shall examine whether the terms and conditions of the Compensation Liability Insurance Contract to be concluded by the Insurance Broker which has filed an application for the approval conforms the requirements specified in the items of Article 33, paragraph (1) of the Cabinet Order.
- (3) When an Insurance Broker intends to obtain an approval under Article 44, paragraph (1), item (iv) of the Cabinet Order, it shall, no later than one month prior to the day when it intends to effect cancellation of the Compensation Liability Insurance Contract for which the approval is sought or to amend any of the terms and conditions thereunder, submit to the Commissioner of the Financial Services Agency a written application for approval, as well as a written statement of reasons and any document describing reference information.
- (4) When an application for approval under the preceding paragraph has been filed, the Commissioner of the Financial Services Agency shall examine whether it is unlikely that the protection of the Policyholders, etc. would be hindered if the Insurance Broker which has filed the application for approval effects any change or cancellation of the Compensation Liability Insurance Contract.

Chapter IV Business

(Explanation to Customers)

Article 227-2 The matters to be specified by Cabinet Office Ordinance, as provided in Article 294, item (iii) of the Act, shall be the trade name or name of Insurance Solicitors.

(Prohibition from Self-Contract Pertaining to Insurance Brokers)

Article 228 The insurance contracts to be specified by Cabinet Office Ordinance, as provided in Article 295, paragraph (1) of the Act, shall be as follows:

- (i) an insurance contract wherein the insurer is a Non-Life Insurance Company and a Foreign Non-Life Insurance Company, etc. (including Underwriting members of a Specified Corporation licensed under Article 219, paragraph (5) of the Act); and
- (ii) an insurance contract wherein the insurer is a Foreign Insurer other than a Foreign Insurance Company, etc. (including Underwriting Members of Licensed Specified Corporation), as provided in Article 39-2 of the Cabinet Order.

(Total Amount of Insurance Premiums under Self-Contracts)

Article 229 (1) The amount to be calculated as the total amount of insurance premiums under Self-Contracts subject to Insurance Solicitation as provided in Article 295, paragraph (2) of the Act (hereinafter referred to as "Insurance Premiums under Self-Contract Subject to Insurance Solicitation" in this paragraph), in accordance with the formula to be provided by Cabinet Office Ordinance, shall be the amount equivalent to the average per business year of the Insurance Premiums under Self-Contracts Subject to Insurance Solicitation by a Non-Life Insurance Representative or Insurance Broker for the latest two business years (in case of an insurance contract wherein the policyholder is itself or its employer, excluding insurance premiums under the insurance contracts which satisfy all of the following requirements):

- (i) that the policyholder has no Insured Person's Benefits (meaning economic benefit to which the insured is entitled, in relation to non-occurrence of insured event);
 - (ii) that the insurance premiums are borne by the insured person; and
 - (iii) that there is any inevitable ground to designate itself or its employer as a policyholder.
- (2) The amount to be calculated as the total amount of insurance premiums under insurance contracts subject to Insurance Solicitation as provided in Article 295, paragraph (2) of the Act, in accordance with the formula to be provided by Cabinet Office Ordinance, shall be the amount equivalent to the average per business year of the insurance premiums under insurance contracts subject to Insurance Solicitation by a Non-Life Insurance Representative or Insurance Broker for the latest two business years (in case of

an Insurance Broker, the average per business year of the insurance premiums under insurance contracts as specified in the items of the preceding Article).

- (3) For the purpose of calculation of the insurance premiums as provided in the preceding two paragraphs, if any Non-Life Insurance Representative or Insurance Broker provides agency or brokerage services for conclusion of insurance contracts of two or more Insurance Companies, insurance premiums pertaining to all such two or more Insurance Companies shall be aggregated.
- (4) The insurance premiums as provided in paragraphs (1) and (2) shall be calculated based on the amount actually received, and in case of an insurance contract with an installment payment option or an insurance contract wherein the insurance period exceeds one year, such amount shall be the amount of annualized insurance premiums.

(Clear Indication of Names, etc. of Insurance Brokers)

Article 230 (1) An Insurance Broker shall, in its documents to be delivered to customers pursuant to the provision of Article 296, paragraph (1) of the Act upon providing intermediary service for conclusion of insurance contracts, clearly indicate the fact that it is not allowed to perform the following activities on behalf of an Insurance Company, as information concerning authority of Insurance Brokers as provided in item (ii) of that Article.

(i) to conclude insurance contracts;

(ii) to accept offer for amendment or cancellation of terms and conditions of insurance contracts;

(iii) to receive or refund insurance premiums;

(iv) to receive from policyholders an announcement or notice concerning insurance contracts;

(v) to make judgment whether the insurer is liable to compensate for damages arising from insured event, and to determine the amount to be compensated; and

(vi) to issue insurance policy certificates.

(2) An Insurance Broker shall, in its documents provided in the preceding paragraph, clearly indicate the fact that it shall be liable for the damage it may cause to the policyholder in the course of providing intermediary service for conclusion of an insurance contract, and that the Insurance Company shall in no event be liable for such damage, as information concerning compensation of damages by Insurance Brokers as provided in Article 296, paragraph (1), item (iii) of the Act.

(3) The matters to be specified by Cabinet Office Ordinance, as provided in Article 296, paragraph (1), item (iv) of the Act, shall be as follows:

- (i) registration serial number as referred to in Article 288, paragraph (1), item (ii) of the Act;

- (ii) types of insurance contracts to be handled; and
 - (iii) name of the persons in charge of Insurance Solicitation for the relevant Customer.
- (4) Documents provided in Article 296, paragraph (1) of the Act shall be written in letters, characters and numerals larger than 8-point as provided in JIS Z8305.
- (5) When documents under the preceding paragraph are to be delivered to a Customer, such delivery shall be implemented by a method whereby the Customer is informed that it is necessary for the Customer to peruse the documents or any other method whereby the Customer will be able to securely understand the details of the documents.

(Methods Using Information and Communications Technology)

Article 230-2 (1) The methods to be specified by Cabinet Office Ordinance using an electronic data processing system or any other information and communication technology, as provided in Article 296, paragraph (2) of the Act shall be as follows:

- (i) a method whereby an electronic data processing system is to be used, as specified in the following sub-item (a) or (b):
 - (a) to transmit information via a telecommunications line connected between a computer used by the Insurance Broker and that used by the Customer, and to record such information in a file stored on a computer used by the recipient; or
 - (b) to make the Information recorded in files stored on a computer used by an Insurance Broker available for a Customer's inspection via a telecommunications line, and to record the Information in a Customer File of the relevant Customer stored on the computer used by such Customer, etc. (or, if the Customer acknowledges the provision of information by the method provided in Article 296, paragraph (2) of the Act, or the Customer states to the effect that the Customer declines to receive information by such means, to record such acknowledgment or notice in a file stored on the computer used by the Insurance Company);
 - (ii) to deliver the file storing the Information, which shall be prepared with any object enabling secure storage of certain information through magnetic disks, CD-ROMs or any other means equivalent thereto.
- (2) The methods listed in the items of the preceding paragraph shall be the methods enabling an Insurance Broker to prepare a document by way of outputting the information recorded into the file.
- (3) In the case where an Insurance Broker, by the method specified in the items of paragraph (1), provides information to be stated in the documents, it shall provide such information by the method whereby the Customer is instructed to

view the image informing that it is necessary for the Customer to peruse the information or any other method whereby the Customer will be able to securely understand the details of the documents.

- (4) The term "Electronic Data Processing System" as used in item (i) of paragraph (1) means an electronic data processing system connecting a computer used by an Insurance Broker and a computer used by a Customer via telecommunications line.

Article 230-3 The types and details of the methods to be indicated pursuant to the provision of Article 44-2, paragraph (1) of the Cabinet Order shall be as follows:

- (i) from among the means provided in the items of paragraph (1) of the preceding Article, the means to be used by the Insurance Broker:
- (ii) the format for recording information into files.

(Disclosure Information of Insurance Broker)

Article 231 The matters to be specified by Cabinet Office Ordinance, as provided in Article 297 of the Act, shall be as follows:

- (i) the trade name or name of the major insurers having business relationship with the Insurance Broker in connection with intermediary service for conclusion of insurance contracts; the ratio of the total amount of fees, remuneration or other types of considerations received from such major insurers to the grand total amount of fees, remuneration or other types of considerations received by the Insurance Broker; and
- (ii) the amount of security deposit deposited by the Insurance Broker; the contracted amount of the Guarantee Contract concluded by the Insurance Broker; and the amount of Insurance Money payable under the Compensation Liability Insurance Contract.

(Matters to be Specified in Letter of Consummation)

Article 232 The matters to be specified by Cabinet Office Ordinance, as provided in Article 546, paragraph (1) (Duty to Prepare and Deliver Letter of Consummation) of the Commercial Code applied by replacing certain terms under Article 298 of the Act, shall be as follows:

- (i) the trade name or name and address of the Insurance Broker;
- (ii) the registration serial number as referred to in Article 288, paragraph (1), item (ii) of the Act;
- (iii) the trade name or name of the insured person or the person entitled to receive the insurance amount;
- (iv) the type of insurance contracts, and the terms and conditions thereunder;
- (v) the object of insurance, and the value thereof;

- (vi) the insured amount;
- (vii) the starting and ending of the insurance period; and
- (viii) the insurance premiums and the method of payment thereof.

(Items Amounts of Which Are Contingent)

Article 233 The matters to be specified by Cabinet Office Ordinance, as provided in Article 300, paragraph (1), item (vii) of the act, shall be Insurance Money, refunds or any other benefits, or insurance premiums, the amount of which are contingent upon the asset investment outcomes and any other factors.

(Prohibited Acts in Relation to Conclusion of Insurance Contracts and Insurance Solicitation)

Article 234 (1) The conducts to be specified by Cabinet Office Ordinance, as provided in Article 300, paragraph (1), item (ix) of the Act, shall be as follows:

- (i) circumvention of prohibitions provided in Article 300, paragraph (1), item (v) imposed on activities specified in that paragraph, irrespective of the name under which such activity is to be conducted.
- (ii) a conduct of a Life Insurance Solicitor, Low-Cost, Short-Term Insurance Agent or Insurance Broker which is a corporation where, in connection with any insurance other than those designated by the Commissioner of the Financial Services Agency, it causes any of its officers or employees, or any other party designated by the Commissioner of the Financial Services Agency which has a close relationship with such Life Insurance Solicitor, Low-Cost, Short-Term Insurance Agent or Insurance Broker to make an application for an insurance contract where in the insurer is a Life Insurance Company, a Foreign Life Insurance Company, etc., an Underwriting Members licensed under Article 219, paragraph (4) of the Act or Low-Cost, Short-Term Insurer, or where it causes the policyholder or insured person to make an application for insurance contract or to terminate the insurance contract already in effect, by way of intimidation or by unjustly taking advantage of its business position, etc.;
- (iii) a conduct to cause a policyholder to make an application for an insurance contract, knowing that any of the Persons in Specified Relationship (meaning a Person in Specified Relationship provided in Article 100-3 of the Act (including the cases where applied mutatis mutandis pursuant to Article 272-13, paragraph (2) of the Act) and a Person in Special Relationship provided in Article 194 of the Act) of the Insurance Company, etc. has extended or has undertaken to extend credit to the policyholder or insured thereunder on the condition that such policyholder or insured shall conclude the insurance contract with the Insurance Company, etc.;
- (iv) a conduct to notify or present the policyholder, insured person or

- unspecified person misleading information as to important matters related to insurance contracts, etc. which may affect their respective judgments;
- (v) a conduct to inform policyholder of any misleading information which may create the confusion as to type of insurance under the insurance contract or the trade name or name of the Insurance Company, etc. or Foreign Insurance Company, etc.;
 - (vi) when agency or brokerage services for conclusion of insurance contract with an option of lump-sum payment of insurance premiums is to be provided and where the application for such contract to be made by the Customer falls under the case where the Revocation, etc. of application thereof as provided in Article 309, paragraph (1) of the Act is unacceptable (excluding the cases specified in items (i) to (v) inclusive of that paragraph, the case specified in Article 45, item (vii) of the Cabinet Order, and the case where the Foreign Insurance Company, etc. accepts such Revocation, etc. of the application), an act to cause the Customer to make an application for the insurance contract without providing explanation of such fact by means of delivery of documents, or without obtaining a signature or seal in acknowledgement of receipt of such documents from the Customer;
 - (vii) a conduct of a Bank, etc. which is a Specified Insurance Solicitor or Insurance Broker or its officers or employees to carry out Insurance Solicitation as the condition precedent to extending credit by such Bank, etc., or any other Insurance Solicitation while unjustly taking advantage of dominant business portion of such Bank, etc.;
 - (viii) a conduct of a Bank, etc. which is a Specified Insurance Solicitor or Insurance Broker or its officers or employees to carry out Insurance Solicitation, without providing the Customer with prior explanation by means of delivery of documents that the transaction pertaining to agency or brokerage services for conclusion of the insurance contract will not give any impact on the business of such Customer;
 - (ix) a conduct of a Bank, etc. which is a Specified Insurance Solicitor or Insurance Broker or any of its officers or employees to provide agency or brokerage services for conclusion of insurance contracts as set forth in Article 212, paragraph (1), items (iv) to (vi) inclusive, Article 212-2, paragraph (1), items (vi) to (viii) inclusive or Article 212-4, paragraph (1), items (v) and (vi), without providing a Customer with a prior explanation on the verification as to whether the Customer falls under the Party Restricted from Life Insurance Solicitation, etc. by Bank, etc. (meaning a Party Restricted from Life Insurance Solicitation by Bank, etc., a Party Restricted from Non-Life Insurance Solicitation by Bank, etc., a Party Restricted from Low-Cost, Short-Term Insurance Solicitation by Bank, etc. or Party Restricted from Life Insurance Solicitation by Bank, etc.); the same shall

- apply in item (xiv)), by means of delivery of a document to such Customer;
- (x) a conduct of a Bank, etc. which is a Specified Insurance Solicitor or Insurance Broker or any of its officers or employees, despite knowing that any Customer is making an application for monetary loan from such Bank, etc., to provide the Customer or the Customer's Closely Related Party (meaning a representative of a corporation, if the Customer is the corporation; or meaning a corporation, if the monetary loan is a loan required for the business of the corporation; the same shall apply in item (xv)) (if the Bank, etc. is a Cooperative Structured Financial Institution, such party shall exclude the members or partners of such Cooperative Structured Financial Institution; the same shall apply in item (xv)) with agency or brokerage services for conclusion of insurance contracts as set forth in Article 212, paragraph (1), items (iv) to (vi) inclusive, Article 212-2, paragraph (1), items (vi) to (viii) inclusive or Article 212-4, paragraph (1), items (v) and (vi) (excluding an insurance contract for the purpose of securing performance of the obligations under a monetary loan contract, lease contract or any other contract (excluding a contract related to fund required for business); and also excluding an insurance contract for renewal or novation of an insurance contract already in effect (limited to a contract for which an officer or employee of the Bank, etc. has provided agency or brokerage services therefor in consideration of fees or other types of remuneration));
- (xi) a conduct of a Bank, etc. which is a Life Insurance Solicitor, Low-Cost, Short-Term Insurance Agent or Insurance Broker or any of its officers or employees, to cause the policyholder to make an application for an insurance contract specified in Article 212, paragraph (1), item (i) when providing agency or brokerage services for conclusion thereof, without providing with such policyholder with an explanation on the Bank's section or any other section to consult with when the policyholder becomes incapable of repaying the debts to be covered by the Insurance Money payable under such insurance contract, by means of delivery of a document;
- (xii) a conduct of an Insurance Company, etc. or a Foreign Insurance Company, etc. which falls under a Party in Special Relationship with the Bank, etc. (meaning a party set forth in Article 4-2, paragraph (1), items (i) to (x) inclusive of the Order for Enforcement of the Banking Act (including the case where applied mutatis mutandis pursuant to Article 6, paragraph (1) (Mutatis Mutandis Application of Order for Enforcement of the Banking Act) of the Order for Enforcement of the Long Term Credit Bank Act (Cabinet Order No. 42 of 1982)); Article 7, paragraph (1), items (i) and (ii) (Parties in Special Relationship with Shoko Chukin Bank) of the Order for Enforcement of the Shoko Chukin Bank Limited Act (Cabinet Order No. 367 of 2007); Article 11-2, paragraph (1), item (i) (Parties in Special Relationship with

Shinkin Banks) of the Order for Enforcement of the Shinkin Bank Act (Cabinet Order No. 142 of 1968); Article 5-2, paragraph (1), item (i) (Parties in Special Relationship with Labor Banks) of the Order for Enforcement of the Labor Bank Act (Cabinet Order No. 46 of 1982); Article 3-2, paragraph (1), item (i) (Parties in Special Relationship with Credit Cooperatives, etc.) of the Order for Enforcement of the Act on Financial Businesses by Cooperative (Cabinet Order No. 44 of 1982); the items of Article 5-8 (Parties in Special Relationship with Cooperatives) of the Order for Enforcement of the Agricultural Cooperatives Act (Cabinet Order No. 271 of 1962) (in case of a party provided in item (iii), limited to a party specified in Article 10, paragraph (1), item (i) (Parties in Special Relationship to be Specified by Ordinance of Competent Ministry as Referred to in Article 11-2-3, Item (iii)) of the Ordinance for Credit Business of Agricultural Cooperatives and Federation of Agricultural Cooperatives (Ordinance of Ministry of Finance/Ordinance of Ministry of Agriculture, Forestry and Fisheries No. 1 of 1993); Article 9, paragraph (1), item (i) (Parties in Special Relationship with Cooperatives, etc.) of the Order for Enforcement of the Fishery Cooperative Act (Cabinet Order No. 328 of 1993); and Article 8, paragraph (1), item (i) (Parties in Special Relationship with Norinchukin Bank) of the Order for Enforcement of the Norinchukin Bank Act (Cabinet Order No. 285 of 2001)); hereinafter the same shall apply in this paragraph) or any of its officers or employees to cause the policyholder or insured person to subscribe for make an application for an insurance contract or to terminate an insurance contract already in effect, by unjustly taking advantage of its dominant business position;

(xiii) a conduct of a Party in Special Relationship with a Bank, etc. which is a Specified Insurance Solicitor or Insurance Broker of any of its officers or employees to perform Insurance Solicitation, despite knowing that such Bank, etc. has extended or undertakes to grant credit to the policyholder or insured person under an insurance contract on the condition that such agency or brokerage services for conclusion thereof shall be rendered by such Party in Special Relationship, or that the Bank, etc. otherwise unjustly takes advantage of its dominant business position;

(xiv) a conduct of a Party in Special Relationship with a Bank, etc. which is a Specified Insurance Solicitor or Insurance Broker of any of its officers or employees to provide agency or brokerage services for conclusion of an insurance contract (excluding insurance contracts specified in Article 212-, paragraph (1), item (i) to (iii), Article 212-2, paragraph (1), items (i) to (v) inclusive and Article 212-4, paragraph (1), items (i) to (iv) inclusive (if any insurance option is to be provided in the insurance contract, limited to the case where such insurance option is closely related to the terms and

condition of the insurance contract, and where the amount of insurance premiums and insurance amount payable under the insurance option is reasonable compared to the insurance premiums and insurance amount payable under the insurance contract; the same shall apply in the following item)), despite knowing that the policyholder or the insured person falls under the category of the Party Restricted from Insurance Solicitation by Bank, etc. pertaining to such Bank, etc.;

- (xv) a conduct of a Party in Special Relationship with a Bank, etc. which is a Specified Insurance Solicitor or Insurance Broker of any of its officers or employees to provide a Customer or the Customer's Closely Related Party with an agency or brokerage services for conclusion of an insurance contract (excluding insurance contracts specified in Article 212, paragraph (1), items (i) to (iii) inclusive, Article 212-2, paragraph (1), items (i) to (v) inclusive and Article 212-4, paragraph (1), items (i) to (iv) inclusive), despite knowing that the Customer has made an application for monetary loan from the Bank, etc.;
- (xvi) a failure by a Life Insurance Solicitor (excluding a person who is an officer or employee of a Life Insurance Company (excluding a Foreign Life Insurance Company; hereinafter the same shall apply in this item) or an employee of any of the aforementioned parties; and also excluding a person who is an officer or employee of a consignee (including an association or foundation without juridical personality for which a representative person or administrator has been appointed) of a Life Insurance Company), Non-Life Insurance Representative, Low-Cost, Short-Term Insurance Agent (excluding a person who is an officer or employee of a Low-Cost, Short-Term Insurer or an employee of any of the aforementioned parties; and also excluding a person who is an officer or employee of a consignee (including an association or foundation without juridical personality for which a representative person or administrator has been appointed) of a Low-Cost, Short-Term Insurer) or Insurance Broker in implementation of necessary and appropriate measures for prevention of leakage, loss or destruction of information, in connection with confidentiality control of information on individual customers which it handles, supervision of employees, or supervision of the consignee when the handling of such information is to be consigned to a third party.
- (xvii) failure in implementation of measures to ensure that the information it handles in the course of the business which relate to the individual Customer's race, creed, family origin, registered domicile, health and medical care or criminal records, or any other undisclosed and special information (meaning undisclosed information which may come to knowledge in the course of business) will not be used for any purpose other than the assurance of the proper operation of the business or any other purpose as may be deemed necessary;

- (xvii) failure by a Bank Agent, etc. which is an Insurance Company (including a Foreign Insurance Company, etc., and excluding an Insurance Company which is a Specified Insurance Solicitor; hereinafter the same shall apply in this Article), Specified Insurance Solicitor or Insurance Broker in implementation of the following measures:
- (a) measures to ensure that the Undisclosed Finance Information on customers it handles in the course of its Bank Agency Business, etc. will not be used for the business of Insurance Solicitation, without obtaining a prior consent from the relevant Customer in writing or by any other appropriate means; and
 - (b) measures to ensure that the Undisclosed Insurance Information on customers it handles in the course of its business of Insurance Solicitation will not be used for the Bank Agency Business, or any business incidental thereto, without obtaining a prior consent from the relevant Customer in writing or by any other appropriate means.
- (xix) failure by a Bank Agent, etc. which is an Insurance Company, Specified Insurance Solicitor or Insurance Broker in implementation of the measures necessary and appropriate for assigning to its respective business offices or other offices to carry out the business pertaining to Insurance Solicitation a supervisor of the affairs to secure compliance with the Laws and Regulations, etc. (collectively meaning the laws and regulations, dispositions of administrative agencies issued under the laws and regulations, internal rules of the Bank Agent, etc., or any other rules equivalent to the aforementioned; hereinafter the same shall apply in this item) applicable to Insurance Solicitation (or, if the affairs to secure compliance with any other Laws and Regulations are implemented by two or more business offices or offices integrated as a single unit (limited to a unit comprising the business offices or offices which carry out the business of Insurance Solicitation), such supervisor shall be assigned to the respective units), and for assigning to its head office or principal office a chief supervisor which instructs supervisors and to control and manage the business to secure compliance with Laws and Regulations, etc. applicable to Insurance Solicitation.
- (2) The conduct as provided in item (vii) of the preceding paragraph shall apply to an officer (excluding an officer with authority of representation and also excluding company auditors; hereinafter the same shall apply in this paragraph) or employee of a Bank Agent, etc. which is an Insurance Company or an employee of any of the aforementioned parties, or to a Bank Agent, etc. which is a Specified Insurance Solicitor or Insurance Broker or any of its officers or employees; and the conduct as provided in item (xi) of that paragraph shall apply to an officer of employee shall apply to an officer or employee of a Bank Agent, etc. which is an Insurance Company (including a

Foreign Insurance Company, etc.; and excluding a Life Insurance Company which is a Life Insurance Solicitor or Low-Cost, Short-Term Insurance Agent) or an employee of the aforementioned parties, or to a Bank Agent, etc. which is a Life Insurance Solicitor, Low-Cost, Short-Term Insurance Agent or Insurance Broker or any of its officers or employees. In this case, the terms "the Bank, etc." and "extension of credit" in item (vii) of that paragraph shall be deemed to be replaced with "the Bank Agent, etc." and "providing agency or brokerage services for conclusion of the contract for monetary loan or for discounting bills"; and the term "the Bank, etc." in item (xi) of that paragraph shall be deemed to be replaced with "the Bank Agent, etc. and its Principal Bank, etc. (meaning a Principal Bank as provided in Article 2, paragraph (16) of the Banking Act; a Principal Long Term Credit Bank as provided in Article 16-5, paragraph (3) of the Long Term Credit Bank Act; a Principal Shinkin Bank as provided in Article 85-2, paragraph (3) of the Shinkin Bank Act; a Principal Labor Bank as provided in Article 89-3, paragraph (3) of the Labor Bank Act; a Principal Credit Cooperatives as provided in Article 6-3, paragraph (3) of the Act on Financial Businesses by Cooperative; a Principal Cooperative as provided in Article 92-2, paragraph (3) of the Agricultural Cooperatives Act; a Principal Cooperative as provided in Article 121-2, paragraph (3) of the Fisheries Cooperatives Act; and The Norinchukin Bank as provided in Article 95-2, paragraph (3) of the Norinchukin Bank Act; hereinafter the same shall apply in this Article).

- (3) The conduct as provided in paragraph (1), item (xiii) shall apply mutatis mutandis to a Party in Specified Relationship (meaning a party set forth in Article 4-2, paragraph (1), items (xi) to (xiii) inclusive of the Order for Enforcement of the Banking Act (in case of a party specified in item (xi), a Bank Agent as provided in that item shall be excluded; and including the cases where these provisions are applied mutatis mutandis pursuant to Article 6, paragraph (1) of the Order for Enforcement of the Long Term Credit Bank Act); Article 7, paragraph (1), item (iii) (excluding a Cooperative Agent, etc. as provided in that paragraph) and item (iv) of the Order for Enforcement of the Shoko Chukin Bank Act; Article 11-2, paragraph (1), items (ii) to (iv) inclusive of the Order for Enforcement of the Shinkin Bank Act (in case of a party specified in item (ii), a Shinkin Bank Agent as provided in that item shall be excluded); Article 5-2, paragraph (1), items (ii) to (iv) inclusive (in case of a party specified in item (ii), a Labor Bank Agent as provided in that item shall be excluded) of the Order for Enforcement of the Labor Bank Act; Article 3-2, paragraph (1), items (ii) to (iv) inclusive (in case of a party specified in item (ii), a Credit Cooperative Agent as provided in the item shall be excluded) of the Order for Enforcement of the Act on Financial Businesses by Cooperative; Article 9, paragraph (1), items (ii) to (iv) inclusive (in case of a party specified

- in item (ii), a Specified Credit Service Agent as provided in the item shall be excluded) of the Order for Enforcement of the Fisheries Cooperatives Act; Article 6, paragraph (1), items (ii) to (iv) (in case of a party specified in item (ii), a Norinchukin Agent as referred to in the item shall be excluded) of the Order for Enforcement of the Norinchukin Bank Act; and Article 10, paragraph (1), items (ii) to (iv) inclusive (in case of a party specified in item (ii), a Specified Credit Service Agent as provided in the item shall be excluded) of the Ordinance for Credit Business of Agricultural Cooperatives and Federation of Agricultural Cooperatives) of a Bank Agent, etc. which is an Insurance Company, Specified Insurance Solicitor or Insurance Broker or any of its officer or employees. In this case, the term "that such Bank, etc. has extended or undertakes to grant credit to the policyholder or insured person under an insurance contract" in item (xiii) of paragraph (1) shall be deemed to be replaced with "that such Bank Agent, etc. has provided, or has undertaken to provide the policyholder or the insured person under the insurance contract with agency or intermediary service for conclusion of a contract for monetary loan or discounting of bills to be implemented by the Principal Bank, etc."
- (4) In lieu of the delivery of a document prescribed in items (vii) and (ix) of paragraph (1), a Specified Insurance Solicitor or Insurance Broker which is a Bank, etc. may provide the matters to be stated in said document by the Electromagnetic Means, with the consent from the policyholder, as specified in the following paragraph. In this case, it shall be deemed that the Specified Insurance Solicitor or Insurance Broker which is a Bank, etc. has delivered the document.
- (i) the method whereby Electronic Data Processing System is used, and whereby the Customer is given access to the information to be stated in written documents as stored in the file on the computer used by a Specified Insurance Solicitor or Insurance Broker which is a Bank, etc. via telecommunication lines;
- (ii) to deliver the file storing the Information, which shall be prepared with any object enabling secure storage of certain information through magnetic disks, CD-ROMs or any other means equivalent thereto.
- (5) The method specified in the items of the preceding paragraph shall be the method which enables a Customer to create a document by way of outputting information stored in the file.
- (6) The term "Electronic Data Processing System" as used in item (i) of paragraph (4) means an electronic data processing system connecting a computer used by a Life Insurance Solicitor or a Non-Life Insurance Solicitor which is a Bank, etc. and a computer used by a Customer via telecommunications line.
- (7) When a Life Insurance Solicitor or a Non-Life Insurance Solicitor which is a

Bank, etc. intends to provide the matters to be stated in the document pursuant to the provision of paragraph (4), it shall indicate the types and the details of the following Electromagnetic Means that it intends to use to the policyholder and obtain a prior consent in writing or by the Electromagnetic Means.

(i) from among the means provided in the items of paragraph (4), the means to be used by the Specified Insurance Solicitor or Insurance Broker, which is a Bank, etc.;

(ii) the format for recording information into files.

(8) A Specified Life Insurance Solicitor or an Insurance Broker which is a Bank, etc. and which has obtained the consent under the preceding paragraph may not provide the matters to be stated in the document to the policyholder by the Electromagnetic Means when the policyholder states, either in writing or by the Electronic Means, to the effect that the policyholder shall not receive the provisions of the matters by the Electromagnetic Means; provided, however, that this shall not apply if the policyholder has given a consent under the provision of that paragraph again.

(Specified Insurance Contracts)

Article 234-2 The insurance contracts to be specified by Cabinet Office Ordinance, as provided in Article 300-2 of the Act, shall be as follows:

(i) insurance contracts as set forth in the items of Article 74 and the items of Article 153;

(ii) an insurance contract (excluding the insurance contracts as referred to in the preceding item) regarding which the amount of cancellation refund may fall short of the total amount of insurance premiums, as a result of a fluctuation in indicators such as interest rate, value of currencies or quotations on the Financial Instruments Market; and

(iii) an insurance contract (excluding the insurance contracts referred to in the preceding two items and insurance contracts for insurance under Article 3, paragraph (5), item (i) of the Act, wherein the amount of damage to be compensated by the insurer is indicated in the foreign currency (excluding insurance contracts for which the Reserve Account provided in Article 8, paragraph (3) and Article 120, paragraph (3) shall be excluded, and limited to the contract where the policyholder is a business operator), under which the amount of insurance money, refunds or any other benefits are indicated in foreign currencies.

(Types of Contracts)

Article 234-3 The contracts to be specified by Cabinet Office Ordinance, as provided in Article 34 of the Financial Instruments and Exchange Act as

applied mutatis mutandis pursuant to Article 300-2 of the Act (referred to as "Financial Instruments and Exchange Act as Applied Mutatis Mutandis" in Article 234-5 to Article 234-28 inclusive), shall be Specified Insurance Contract, etc. (collectively meaning a Specified Insurance Contracts and a contract for providing intermediary service for conclusion thereof for customers; the same shall apply hereinafter).

Article 234-4 Deleted

(Matters to be Stated in Documents to be Delivered to Professional Investors Who Made Request)

Article 234-5 The matters to be specified by Cabinet Office Ordinance, as provided in Article 34-2, paragraph (3), item (iv) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be that the Applicant (meaning the Applicant provided in the same paragraph) shall be treated as a Customer other than a Professional Investor with regard to the Subject Contract (meaning the Subject Contract provided in paragraph (2) of the same Article; the same shall apply in Article 234-7-2), only by the Insurance Company, etc. or Foreign Insurance Company, etc. or Insurance Broker which has given an approval pursuant to the provision of Article 34-2, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis.

(Provision by Use of Information and Communications Technology)

Article 234-6 (1) The methods to be specified by Cabinet Office Ordinance as provided in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (including the cases where applied mutatis mutandis pursuant to Article 34-3, paragraph (12) (including the case where applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis), 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; hereinafter the same shall apply in this Article) shall be the following methods:

- (i) the methods using an Electronic Data Processing System, as set forth by the following items:
 - (a) to transmit information to be contained in a document (hereinafter referred to as the "Information" in this Article) via telecommunications line connecting the computers used by an Insurance Company, etc., Foreign Insurance Company, Insurance Solicitor or Insurance Broker (including a person who, pursuant to the contract with an Insurance Company, etc., Foreign Insurance Company, or Insurance Broker providing information

provided in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, stores files onto a computer managed by such person, and make such files available for the party to which such information is provided (hereinafter referred to as the "Customers" in this Article) or for such Financial Instruments Business Operator, etc.; hereinafter the same shall apply in this Article) and the computers used by the Customers, etc. (meaning a Customer, and a person who, pursuant to a contract with the Customer, stores the Customer File (meaning the file solely made available to the Customers; hereinafter the same shall apply in this Article) onto a computer managed by such person; hereinafter the same shall apply in this Article), and to record the Information into the Customer File stored onto the computer used by the Customers, etc. (if the Applicant acknowledges the provision of information by the method provided in Article 34-2, paragraph (4) of the Act, or if the Applicant notifies to the effect that the Applicant will not receive information by such means, the method by which to record such acknowledgment or notice into a file stored on the computer used by the Insurance Company, etc., Foreign Insurance Company, Insurance Solicitor or Insurance Broker which provides the information provided in that paragraph);

- (b) to make the Information recorded into the files stored on a computer used by an Insurance Company, etc., Foreign Insurance Company, Insurance Solicitor or Insurance Broker available for a Customer's inspection via telecommunications line, and to record the Information into the Customer File of the relevant Customer stored on the computer used by such Customer, etc. (or, if the Applicant acknowledges the provision of information by the method provided in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, or if the Applicant notifies to the effect that the Applicant will not receive information by such means, to record such acknowledgment or notice into a file stored on the computer used by the Insurance Company, etc., Foreign Insurance Company, Insurance Solicitor or Insurance Broker);
- (c) to make the Information recorded into the Customer Files stored on the computer used by an Insurance Company, etc., Foreign Insurance Company, Insurance Solicitor or Insurance Broker available for a Customer's inspection via telecommunications line; and
- (d) to make the Information recorded into the Inspection File (meaning a file stored on a computer used by an Insurance Company, etc., Foreign Insurance Company, or Insurance Broker with which to record the Information for the purpose of making them available for public inspection by multiple Customers at the same time; hereinafter the same shall apply

in this Article) available for a Customer's inspection via telecommunications line;

(ii) to deliver the file storing the Information, which shall be prepared with any object enabling secure storage of certain information through magnetic disks, CD-ROMs or any other means equivalent thereto.

(2) The methods specified in the items of the preceding paragraph shall be in conformity with the following requirements:

(i) that the method enables a Customer to prepare a document by way of outputting information recorded into the Customer File or Inspection File;

(ii) in the case of the method listed in sub-item (a), (c) or (d) of item (i) of the preceding paragraph (excluding the method to record the Information into the Customer File stored on a computer used by a Customer), that the Customer shall be informed of the fact that the Information will be or have been recorded into the Customer File or the Inspection File; provided, however, that this shall not apply to the cases where it is confirmed that the Customer has inspected the Information;

(iii) in the case of the method listed in sub-item (c) or (d) of item (i) of the preceding paragraph, that the following matters cannot be deleted or altered for the period until five years passes from the day when the transaction referred to in the Information has been finally conducted (if any complaint related to the Information has been raised within the period before the expiration date of such period, for the period until either the expiration date of such period or the day when such complaint was settled, whichever comes later); provided, however, that the Information may be deleted if the Information which have been made available for inspection are delivered in writing, if such Information are provided by the methods listed in sub-item (a) or (b) of item (i) of the preceding paragraph or in item (ii) of the preceding paragraph with the Customer's consent (meaning consent given by the method provided in Article 44-3 of the Cabinet Order), or if the Customer has instructed that the Information should be deleted:

(a) in the case of the method specified in sub-item (c) of item (i) of the preceding paragraph, the Information recorded in the Customer File; and

(b) in the case of the method specified in sub-item (d) of item (i) of the preceding paragraph, the Information recorded in the Inspection File;

(iv) in the case of the method specified in sub-item (d) of item (i) of the preceding paragraph, that it conforms to the following requirements:

(a) that information necessary for a Customer's inspection of the Inspection File is recorded into the Customer File; and

(b) that, before the passage of the period provided in the preceding item, the Customer File recording the information necessary for the Customer's inspection of the Inspection File as set forth in sub-item (a) and such

Inspection File shall be kept connectible via telecommunications line; provided, however, that this shall not apply to the cases where the Customer who has been given access to the files has notified to the effect that such connectibility need not be maintained.

- (3) The term "Electronic Data Processing System" as used in item (i) of paragraph (1) means an electronic data processing system connecting a computer used by an Insurance Company, etc., Foreign Insurance Company, Insurance Solicitor or Insurance Broker and a computer storing Customer Files used by their Customer, etc. of the Insurance Company, etc., Foreign Insurance Company, Insurance Solicitor or Insurance Broker, via telecommunications line.

(Types and Details of Electromagnetic Means)

Article 234-7 The types and details of the methods to be specified as set forth in Article 44-3, paragraph (1) and Article 44-4, paragraph (1) of the Cabinet Order shall be as follows:

- (i) the methods listed in the items of paragraph (1) of the preceding Article or the items of Article 234-7-3, paragraph (1), which are to be used by an Insurance Company, etc., Foreign Insurance Company, etc. or Insurance Broker; and
- (ii) the format for recording information into a file.

(Matters to be Stated in Document Indicating Consent by Applicant for Reinstatement as a Professional Investor)

Article 234-7-2 The matters to be specified by a Cabinet Office Ordinance as provided in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be those listed in the following items:

- (i) the day on which the acceptance under Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be given (such date shall be referred to as "Date of Acceptance" in items (iv) and (v));
- (ii) the fact that the Subject Contract is a Specific Trust Agreement, etc.;
- (iii) the fact that the Applicant for Reinstatement (meaning the Applicant for Reinstatement provided in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; the same shall apply in this Article) understands the facts listed in the following sub-items;
 - (a) the fact that the provisions listed in the items (excluding the items (iii) and (iv)) of Article 45 of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall not apply to the cases where the Applicant for Reinstatement falls under any of the persons respectively set forth in

- such items with regard to the Subject Contract (excluding the case provided in the proviso of the same Article);
- (b) the risk of insufficient protection involved in a case where a person who, in light of the person's knowledge, experience and state of property, is deemed inappropriate to be treated as a Professional Investor with regard to Subject Contracts is treated as a Professional Investor;
- (iv) a statement to the effect that the Applicant for Reinstatement is to be treated once again as a Professional Investor when soliciting the Applicant for Reinstatement to conclude, or concluding with the Applicant for Reinstatement, the Subject Contract on or after the Date of Acceptance; and
- (v) the fact that the Applicant for Reinstatement may submit a request pursuant to Article 34-2, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, at any time on or after the Date of Acceptance.

(Obtaining Consent by Use of Information and Communication Technology)

Article 234-7-3 (1) The methods to be specified by a Cabinet Office Ordinance, as provided in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (including the cases where applied mutatis mutandis pursuant to Article 34-3, paragraph (3) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (including the cases where applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis)); hereinafter the same shall apply in this Article), shall be as follows:

- (i) the methods using an Electronic Data Processing System, as listed in the following:
 - (a) to transmit information via telecommunications line connected between a computer used by an Insurance Company, etc. or Foreign Insurance Company, etc. or Insurance Broker and that used by the other party from whom it seeks consent pursuant to Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (hereinafter referred to as the "Customer" in this Article), and to record such information in a file stored on a computer used by the recipient; and
 - (b) to make information related to the Customer's consent recorded into a file stored on a computer used by an Insurance Company, etc. or Foreign Insurance Company, etc. or Insurance Broker available for the Customer's inspection via telecommunications line, and to record information related to the Customer's consent into a file stored on a computer used by such an Insurance Company, etc. or Foreign Insurance Company, etc. or Insurance Broker;
- (ii) to obtain the file storing the Information related to the consent, which shall

- be prepared with any object enabling secure storage of certain information through magnetic disks, CD-ROMs or any other means equivalent thereto.
- (2) The methods listed in the items of the preceding paragraph shall be the methods enabling Insurance Company, etc. or Foreign Insurance Company, etc. or Insurance Broker to prepare a document by way of outputting the information recorded into the file.
- (3) The term "Electronic Data Processing System" as used in item (i) of paragraph (1) means an electronic data processing system connecting a computer used by an Insurance Company, etc. or Foreign Insurance Company, etc. or Insurance Broker and a computer used by a Customer, via telecommunications line.

(Expiration Date When Corporation Which Is Customer Other Than Professional Investor Is Deemed To Be Professional Investor)

- Article 234-8 (1) The case to be specified by a Cabinet Office Ordinance as provided in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be the case where an Insurance Company, etc., Foreign Insurance Company or Insurance Broker has designated a certain date and publicized the following matters by posting them at a place easily accessible to the public at its business office or any other office, or by any other appropriate means:
- (i) such designated date; and
- (ii) to the effect that the day provided in the following paragraph shall be the Expiration Date (meaning the Expiration Date provided in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; the same shall apply in paragraph (2), item (i) of the following Article and Article 234-10).
- (2) The day to be specified by a Cabinet Office Ordinance as provided in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be the day designated by the Insurance Company, etc., Foreign Insurance Company, etc. or Insurance Broker under the preceding paragraph, which shall be the latest of the days when one year has passed from the Date of Acceptance (meaning the Date of Acceptance provided in paragraph (2), item (i) of the same Article; the same shall apply in paragraph (2), item (iii) of the following Article and Article 234-10).

(Matters to be Specified in Document Indicating Consent by Corporation Which is Customer Other Than Professional Investors that Made Request)

- Article 234-9 (1) The matters to be specified by a Cabinet Office Ordinance as provided in Article 34-3, paragraph (2), item (iv), sub-item (a) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be the fact

that the provisions listed in the items (excluding items (iii) and (iv)) of Article 45 of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall not apply to the cases where the Applicant (meaning the Applicant provided in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; the same shall apply in the following paragraph) falls under any of the persons respectively set forth in such items with regard to the Subject Contract (meaning the Subject Contract provided in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; the same shall apply in the following paragraph and Article 234-10-2) (excluding the case provided in the proviso to Article 45 of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis).

- (2) The matters to be specified by a Cabinet Office Ordinance, as provided in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be as follows:
- (i) that, in regard to any act related to the Subject Contract concluded prior to the Expiration Date, which is to be conducted pursuant to the provisions of laws and regulations or the contract, the Applicant shall be treated as a Professional Investor, even in the cases where such act is conducted after the Expiration Date;
 - (ii) that the Applicant shall be treated as a Professional Investor with regard to the Subject Contract, only by the Insurance Company, etc., Foreign Insurance Company or Insurance Broker which has accepted the request pursuant to the provision of Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis.
 - (iii) that the Applicant may make a request under Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis at any time after the Date of Acceptance.

(Period Required to be Elapsed before a Corporation, Which is Customer Other Than Professional Investors that Made Request, Makes a Request for Renewal)

Article 234-10 (1) The period to be specified by a Cabinet Office Ordinance, as provided in Article 34-3, paragraph (7), shall be 11 months (or, if any of the following items applies, the periods set forth in each item):

- (i) if the period from the Date of Acceptance to the Expiration Date is less than 1 year (excluding the case set forth in the following item), a period deducting 1 month from the period; or
 - (ii) if the period from the Date of Acceptance to the Expiration Date is 1 month or less, 1 day.
- (2) For the purpose of application of the preceding paragraph in the case

provided in Article 34-3, paragraph (8) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, the "Date of Acceptance" in the items of the preceding paragraph shall be deemed to be replaced with "the day following the previous Expiration Date".

(Matters to be Specified in Documents to be Delivered to a Corporation Which Made Request for Reinstatement as a Customer Other Than Professional Investors)

Article 234-10-2 The matters to be specified by a Cabinet Office Ordinance, as provided in Article 34-3, paragraph (11) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be as follows:

- (i) the date on which the request is accepted pursuant to Article 34-3, paragraph (10) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (this date shall be referred to as "the Date of Acceptance" in item 3);
- (ii) the fact that the Subject Contract is a Specific Trust Agreement, etc.; and
- (iii) a statement to the effect that the corporation who submitted a request under Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis is to be treated once again as a Customer other than Professional Investor when soliciting the corporation to conclude, or concluding with the corporation, the Subject Contract on or after the Date of Acceptance.

(Proprietors, etc. Who May Request Treatment as a Professional Investor)

Article 234-11 (1) The excluded individual to be specified by Cabinet Office Ordinance, as provided in Article 34-4, paragraph 4(1), item (i) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be one who satisfies any of the following requirements:

- (i) one who has not obtain the consent of all of the silent partners on making a request under Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; or
 - (ii) one where the total amount of equity investment under the Silent Partnership Contract provided in Article 535 of the Commercial Code (Silent Partnership Contract) is less than 300 million yen.
- (2) The individuals to be specified by Cabinet Office Ordinance as provided in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be as follows:
- (i) an individual who has concluded a Partnership Contract provided in Article 667, paragraph (1) (Partnership Contract) of the Civil Code and has become a partner appointed to execute the business of the partnership (limited to an individual who satisfies all of the following requirements):

- (a) one who has obtained the consent of all of the other partners on making a request under Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; and
 - (b) one where the total amount of equity investment under the Partnership Contract is not less than 300 million yen.
- (ii) an individual who has concluded a Limited Liability Partnership Agreement provided in Article 3, paragraph (1) of the Limited Liability Partnership Act (Act No. 40 of 2005), participates in the decision-making on the execution of the important business of the partnership, and is a partner executing such business by himself/herself (limited to an individual who satisfies all of the following requirements):
- (a) that the individual has obtained the consent from all of the other partners on making a request under Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; and
 - (b) that the total amount of the equity investment under the Limited Liability Partnership Agreement is 300 million yen or more.

(Individual Who May Request Treatment as Professional Investor)

Article 234-12 The requirements to be specified by a Cabinet Office Ordinance, as provided in Article 34-4, paragraph (1), item (ii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be the fulfillment of all of the following:

- (i) that, judging reasonably from the status of the transactions or any other circumstances, the total amount of the assets of the Applicant (meaning the Applicant provided in Article 34-4, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; hereinafter the same shall apply in this Article and Article 64) as of the Date of Acceptance (meaning the Date of Acceptance provided in Article 34-3, paragraph (2), item (i) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; the same shall apply in the following item, paragraph (2) of the following Article, Article 234-14, paragraph (2), item (iii) and Article 234-14-2), less the total amount of its liabilities as of that date is likely to be 300 million yen or more;
- (ii) that, judging reasonably from the status of the transactions or any other circumstances, the total amount of the Applicant's assets (limited to the assets listed in the following) as of the Date of Acceptance is likely to be 300 million yen or more:
 - (a) Securities (excluding the Securities specified in item (e));
 - (b) rights pertaining to a Derivative Transaction;

- (c) Specified Deposits, etc. as provided in Article 11-2-4 of the Agricultural Cooperatives Act (Act No. 132 of 1947), Specified Deposits, etc. as provided in Article 11-9 of the Fishery Cooperatives Act (mutatis mutandis application of the Financial Instruments and Exchange Act in connection with the conclusion of a specified deposit contract), Specified Deposits, etc. as provided in Article 6-5-2 of the Act on Financial Businesses by Cooperative (mutatis mutandis application of the Financial Instruments and Exchange Act), Specified Deposits, etc. as provided in Article 89-2 of the Shinkin Bank Act (mutatis mutandis application of the Financial Instruments and Exchange Act), Specified Deposits, etc. as provided in Article 17-2 of the Long Term Credit Bank Act (mutatis mutandis application of the Financial Instruments and Exchange Act), Specified Deposits, etc. as provided in Article 94-2 of the Labor Bank Act (mutatis mutandis application of the Financial Instruments and Exchange Act), Specified Deposits, etc. as provided in Article 13-4 the Banking Act (mutatis mutandis application of the Financial Instruments and Exchange Act), Specified Deposits, etc. as provided in Article 59-3 of the Norinchukin Bank Act (mutatis mutandis application of the Financial Instruments and Exchange Act) and Specified Deposits, etc. as provided in Article 29 of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007)(mutatis mutandis application of the Financial Instruments and Exchange Act);
- (d) the rights pertaining to benefits such as insurance money, mutual aid benefits and refunds payable under a Specified Insurance Contract (meaning a Specified Insurance Contract as defined in Article 300-2 of the Act; the same shall apply hereinafter), a Specific Mutual Aid Contract as provided in Article 11-10-3 (Business) of the Agricultural Cooperatives Act, a Specific Mutual Aid Contract as provided in Article 12-3, paragraph (1) (Specific Mutual Aid Contract) of the Consumer Cooperatives Act (Act No. 200 of 1948), a Specific Mutual Aid Contract as provided in Article 15-7 of the Fisheries Cooperatives Act (mutatis mutandis application of the Financial Instruments and Exchange Act in connection with the conclusion of the Specific Mutual Aid Contract), and a Specific Mutual Aid Contract as provided in Article 9-7-5, paragraph (3) of the Small and Medium-Sized Enterprise Cooperatives Act (mutatis mutandis application of the Commercial Code, etc.);
- (e) beneficial interest in a trust pertaining to a Specific Trust Agreement as provided in Article 24-2 of the Trust Business Act (mutatis mutandis application of the Financial Instruments and Exchange Act);
- (f) rights under a Real Estate Specified Joint Enterprise Contract as provided in Article 2, paragraph (3) (Definition) of the Real Estate Specified Joint Enterprise Act (Act No. 77 of 1994); and

- (g) rights pertaining to a Futures Transaction as provided in Article 2, paragraph (8) (Definitions) of the Commodity Exchange Act;
- (iii) that one year has passed from the day when the Applicant concluded with the Insurance Company, etc., Foreign Insurance Company or Insurance Broker a Specified Insurance Contract, etc. for the first time.

(Expiration Date of Period When Individual Who is Customer Other Than Professional Investor is Deemed to be Professional Investor)

Article 234-13 (1) The case to be specified by a Cabinet Office Ordinance as provided in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be the case where an Insurance Company, etc., Foreign Insurance Company or Insurance Broker has designated a certain date and publicized the following matters by posting them at a place accessible to the public at its business office or any other office, or by any other appropriate means:

- (i) such designated date; and
 - (ii) to the effect that the day provided in the following paragraph shall be the Expiration Date (meaning the Expiration Date provided in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; the same shall apply in paragraph (2), item (i) of the following Article and Article 234-14-2).
- (2) The day to be specified by a Cabinet Office Ordinance as provided in Article 34-3, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be the day designated by the Insurance Company, etc., Foreign Insurance Company or Insurance Broker under the preceding paragraph, which shall be the latest of the days when one year has passed from the Date of Acceptance.

(Matters to be Stated in Document Indicating Consent by Individual Who is Customer Other Than Professional Investors that Made Request)

Article 234-14 (1) The matters to be specified by a Cabinet Office Ordinance as provided in Article 34-3, paragraph (2), item (iv), sub-item (a) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be the fact that the provisions listed in the items (excluding items (iii) and (iv)) of Article

45 of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall not apply to the cases where the Applicant falls under any of the persons set forth respectively in such items in regard to the Subject Contract (meaning the Subject Contract provided in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis; the same shall apply in the following paragraph and Article 234-14-3) (excluding the case provided in the proviso to Article 45 of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis).

(2) The matters to be specified by a Cabinet Office Ordinance as provided in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be as follows:

- (i) that, with regard to any act related to the Subject Contract (excluding an Investment Advisory Contract and a Discretionary Investment Contract) concluded prior to the Expiration Date, which is to be conducted pursuant to the provisions of laws and regulations or the contract, the Applicant shall be treated as a Professional Investor, even in the cases where such act is conducted after the Expiration Date; and
- (ii) that the Applicant shall be treated as a Professional Investor in regard to the Subject Contract, only by the Insurance Company, etc., Foreign Insurance Company or Insurance Broker which has accepted the request pursuant to the provision of Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis.
- (iii) that the Applicant may make a request under Article 34-4, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis at any time after the Date of Acceptance.

(Period Required to be Elapsed before an Individual, Which is Customer Other Than Professional Investors that Made Request, Makes a Request for Renewal)

Article 234-14-2 (1) The period to be specified by a Cabinet Office Ordinance, as provided in Article 34-3, paragraph (7) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be 11 months (or, if any of the following items applies, the periods set forth in each item):

- (i) if the period from the Date of Acceptance to the Expiration Date is less than 1 year (excluding the case set forth in the following item), a period deducting

- 1 month from the period; or
- (ii) if the period from the Date of Acceptance to the Expiration Date is 1 month or less, 1 day.
- (2) For the purpose of application of the preceding paragraph in the case provided in Article 34-3, paragraph (8) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, the "Date of Acceptance" in the items of the preceding paragraph shall be deemed to be replaced with "the day following the previous Expiration Date".

(Matters to be Specified in Documents to be Delivered to an Individual Which Made Request for Reinstatement as a Customer Other Than Professional Investors)

Article 234-14-3 The matters to be specified by a Cabinet Office Ordinance, as provided in Article 34-3, paragraph (11) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be as follows:

- (i) the date on which the request is accepted pursuant to Article 34-4, paragraph (5) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (this date shall be referred to as "the Date of Acceptance" in item (iii));
- (ii) the fact that the Subject Contract is a Specific Trust Agreement, etc.; and
- (iii) a statement to the effect that the individual who submitted a request under Article 34-4, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis is to be treated once again as a Customer other than Professional Investor when soliciting the individual to conclude, or concluding with the individual, the Subject Contract on or after the Date of Acceptance.

(Acts Similar to Advertising)

Article 234-15 The acts to be specified by a Cabinet Office Ordinance, as provided in the paragraphs of Article 37 of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be the provision of identical information to many persons, by means of postal mail, Correspondence Delivery Service, transmission by facsimile devices, transmission by Electronic Mails, distribution of leaflet s or pamphlet s or by any other means (excluding those listed in the following):

- (i) distribution of documents prepared in accordance with laws or regulations, or in accordance with the dispositions rendered by administrative agencies

- under the laws and regulations;
- (ii) distribution of materials on the analysis and appraisal of the respective companies not intended to be used for solicitation for the conclusion of a Specified Insurance Contract, etc.;
- (iii) provision of premiums or any other goods only indicating all of the following information (limited to premiums or goods clearly and accurately indicating the information listed in sub-items (b) to (d) inclusive) (if any of the following information is not indicated on the premiums or other goods, such provision shall include the case of provision of such premiums or other goods incorporating other goods indicating such information as an integral part thereof):
 - (a) the name of the instruments (including commonly known names);
 - (b) the trade name, name or alias of the Insurance Company, etc., Foreign Insurance Company or Insurance Broker which provides identical information to many persons by the means provided in this item;
 - (c) the matters specified in Article 16, paragraph (2), item (i) of the Cabinet Order (limited to the case where the letters or numbers representing such matter are indicated in a size which does not differ substantially from the size of the largest letters or numbers representing matters other than such matters);
 - (d) a notice to the effect that the recipient thereof shall read any of the following documents comprehensively:
 1. the document provided in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (hereinafter referred to as the "Document for Delivery Prior to Conclusion of Contract" in this Article to Article 52-13-24 inclusive);
 2. the Explanatory Document on Change to Contract Information provided in Article 234-22, paragraph (1), item (ii).

(Method of Indication of Advertisement, etc. on Details of Business of Conclusion of Specified Insurance Contract, etc.)

Article 234-16 (1) When an Insurance Company, etc., Foreign Insurance Company, Insurance Solicitor or Insurance Broker intends to make an advertisement or to conduct any other acts provided in the preceding Article (hereinafter referred to as an "Advertisement, etc." in the following paragraph) with regard to the details of its business of conclusion of Specified Insurance Contract, etc., it shall clearly and accurately indicate the matters listed in the items of Article 37, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis.

(2) When an Insurance Company, etc., Foreign Insurance Company, Insurance Solicitor or Insurance Broker intends to make an Advertisement, etc. in regard

to the details of its business of conclusion of Specified Insurance Contract, etc., it shall indicate the letters or numbers representing the matters specified in Article 44-5, paragraph (1), item (ii) of the Cabinet Order in a size which does not differ substantially from the size of the largest letters or numbers representing the matters other than such matter.

- (3) Notwithstanding the provision of the preceding paragraph, when an Insurance Company, etc., Foreign Insurance Company, Insurance Solicitor or Insurance Broker intends to make any advertisement of the details of its business of conclusion of Specified Insurance Contract, etc. by means of broadcasting using the broadcasting facilities of a Private Broadcaster or by any of the means listed in the items of Article 234-19, paragraph (1) (excluding the means of sound broadcasting), it shall indicate the letters or numbers representing the matters specified in Article 44-5, paragraph (2), item (i) of the Cabinet Order in a size which does not differ substantially from the size of the largest letters or numbers representing the matters other than such matters.

(Matters Related to Consideration Payable by Customers)

Article 234-17 (1) The matters to be specified by a Cabinet Office Ordinance, as provided in Article 44-5, paragraph (1), item (i) of the Cabinet Order, shall be the amount of the consideration payable by Customers in relation to a Specified Insurance Contract, etc. irrespective of its name such as fees, remuneration, expenses or others (referred to as "Fees, etc. in the following paragraph and Article 234-25), itemized by the types of such consideration or the upper limit thereof, or the outline of the method of calculation thereof (including the ratio to the amount of Insurance Money, etc. pertaining to such Specified Insurance Contract, or the ratio to the profit generating from the conclusion of such Specified Insurance Contract, etc.; hereinafter the same shall apply in this paragraph); and the total of such amount or upper limit thereof, or the outline of the method of calculation thereof; provided, however, that if these details cannot be indicated, such fact and the reason therefor shall be indicated.

- (2) If the investment of monies or any other assets received as insurance premiums pertaining to the Specified Insurance Contract, etc. is to be carried out through the acquisition of Investment Trust Beneficial Interests, etc. (meaning the rights to be indicated on the Securities as referred to in Article 2, paragraph (1), item (x) of the Financial Instruments and Exchange Act, or the rights specified in item (v) or (vi) of paragraph (2) of that Article; hereinafter the same shall apply in this Article), the Fees, etc. set forth in the preceding paragraph shall include a trust fee and any other Fees, etc. pertaining to such Target Investment Trust Beneficial Interests, etc.
- (3) If the property pertaining to the Investment Trust Beneficial Interests, etc.

set forth in the preceding paragraph are to be invested or contributed in another Investment Trust Beneficial Interests, etc., such other Investment Trust Beneficial Interests, etc. shall be deemed to be the Investment Trust Beneficial Interests, etc. referred to in the preceding paragraph, and the provisions of the preceding two paragraphs shall apply.

- (4) The provision of the preceding paragraph shall apply mutatis mutandis to cases where the property pertaining to the Investment Trust Beneficial Interests, etc. which is deemed to be the Investment Trust Beneficial Interests, etc. pursuant to the provision of that paragraph (including the cases where applied mutatis mutandis pursuant to this paragraph) is to be invested or contributed in another Investment Trust Beneficial Interests, etc.

(Important Matters Which May Have Impact on Customers' Decision)

Article 234-18 The matters to be specified by Cabinet Office Ordinance, as provided in Article 44-5, paragraph (1), item (iii) of the Cabinet Order, shall be the facts regarding material matters on the relevant Specified Insurance Contract, etc., which would be unfavorable to the Customer.

(Method Equivalent to Broadcasting Using Broadcasting Facilities of Private Broadcaster)

Article 234-19 (1) The methods to be specified by Cabinet Office Ordinance, as provided in Article 44-5, paragraph (2) of the Cabinet Order, shall be as follows:

- (i) to broadcast using the broadcasting facilities of any of the following persons:
 - (a) Cable Television Broadcaster;
 - (b) a party engaged in the business of Cable Radio Broadcasting; or
 - (c) a person engaged in the business of Broadcast on Telecommunications;
 - (ii) to make available for the Customer's inspection the details of the information recorded into the files stored on the computer used by an Insurance Company, etc., Foreign Life Insurance Company, etc., Insurance Solicitor or Insurance Broker or by a person who has accepted entrustment of the service of an Advertisement, etc. to be made by the Insurance Company, etc., Foreign Life Insurance Company, etc., Insurance Solicitor or Insurance Broker (limited to information identical to that provided by means of broadcasting using the broadcasting facilities of a Private Broadcaster or by the means specified in the preceding item) via telecommunications line; or
 - (iii) to expose to the public an indoor or outdoor advertisement regularly or continuously for a fixed period, by means of posting or indicating it on signboards, standing signboards, bills, notices, advertising towers, billboards, buildings or any other structures, or any other methods similar thereto.
- (2) The matters to be specified by Cabinet Office Ordinance as provided in Article

44-5, paragraph (2), item (ii) of the Cabinet Order shall be the matters specified in Article 234, item (iii), sub-item (d).

(Matters Prohibited from Misleading Advertisement)

Article 234-20 The matters to be specified by Cabinet Office Ordinance as provided in Article 37, paragraph (2) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be as follows:

- (i) the matters related to cancellation of a Specified Insurance Contract, etc.;
- (ii) the matters related to the sharing of all or part of the losses or a guarantee of profit, in connection with a Specified Insurance Contract, etc.;
- (iii) the matters related to agreement for liquidated damages (including penalties) pertaining to the Specified Insurance Contract, etc.; and
- (iv) the matters related to the amount of the Fees, etc. payable by customers in connection with a Specified Insurance Contract, etc. or the method of calculation therefor, and the method and timing of the payment of such Fees, etc. and the payee of such Fees, etc.

(Method of Statement of Document for Delivery Prior to Conclusion of Contract)

Article 234-21 (1) The matters listed in the items of Article 37-3, paragraph (1) (excluding items (ii) to (iv) inclusive and item (vi)) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be stated unambiguously and accurately in the Document for Delivery Prior to Conclusion of Contract by using letters, characters and numerals larger than 8-point as provided in JIS Z8305.

(2) Notwithstanding the provision of the preceding paragraph, the matters specified in Article 37-3, paragraph (1), item (v) and Article 234-23, paragraph (1), item (viii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be stated unambiguously and accurately after the matters required to be stated provided in the following paragraph in the frame of the Document for Delivery Prior to Conclusion of Contract by using letters, characters and numerals larger than 12-point as provided in the JIS Z8305.

(3) A Insurance Company, etc., Foreign Insurance Company, Insurance Solicitor or Insurance Broker shall, when preparing the Document for Delivery Prior to Conclusion of Contract, state plainly the matter listed in Article 234-23, paragraph (1), item (i) and items of Article 37-3, paragraph (1) (excluding items (ii) to (iv) inclusive and item (vi) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, and particularly important matters that may have an impact on customers' judgment among the matters listed in the items of Article 37-3, paragraph (1) of the Act at the beginning of the Document for Delivery Prior to Conclusion of Contract by using letters, characters and

numerals larger than 12-point as provided in the JIS Z8305.

(Exemption from Requirement of Delivery of Document for Delivery Prior to Conclusion of Contract)

Article 234-22 (1) For the cases where a Specified Insurance Contract, etc. to effect partial amendment to the Specified Insurance Contract, etc. already in effect, or for the cases where agency or intermediary service for conclusion of a Specified Insurance Contract is to be provided, the cases to be specified by Cabinet Office Ordinance, as provided in the proviso to Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be as follows :

- (i) where such partial change does not result in a change to the matters to be stated in the Document for Delivery Prior to Conclusion of Contract pertaining to the Specified Insurance Contract already in effect; or
- (ii) if such partial change results in a change to the matters to be stated in the Document for Delivery Prior to Conclusion of Contract pertaining to the Specified Insurance Contract already in effect, the cases where the customer is provided with a document stating the matters subject to such change (hereinafter referred to as the "Explanatory Document on Amendment to Contract Terms" in the following paragraph and Article 234-27, paragraph (1), item (iii)).

(2) The provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, and Article 44-3 of the Cabinet Order, and Article 234-6 of this Cabinet Office Ordinance shall apply mutatis mutandis to delivery of an Explanatory Document on Amendment to Contract Terms under item (ii) of the preceding paragraph.

(Matters Related to Consideration Payable by Customers)

Article 234-23 (1) The matters to be specified by a Cabinet Office Ordinance, as provided in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be the amount of the consideration payable by customers in relation to a Specified Insurance Contract irrespective of its name such as fees, remuneration, expenses or others, itemized by the types of such consideration or the upper limit thereof, or the outline of the method of calculation thereof (including the ratio to the amount of Insurance Money, etc. pertaining to the Specified Insurance Contract, or the ratio to the profit generating from the conclusion of such Specified Insurance Contract; hereinafter the same shall apply in this paragraph); and the total of such amount or upper limit thereof, or the outline of the method of calculation thereof; provided, however, that if these details cannot be indicated, such fact and the reason therefor shall be indicated.

(2) The provisions of Article 234-17, paragraphs (2) to (4) inclusive shall apply mutatis mutandis to the fees, etc. as set forth in the preceding paragraph.

(Matters to be Stated in Document for Delivery Prior to Conclusion of Contract)

Article 234-24 (1) The matters to be specified by Cabinet Office Ordinance, as provided in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be as follows:

- (i) a notice to the effect that the recipient of the Document for Delivery Prior to Conclusion of Contract shall read the details thereof comprehensively;
- (ii) the matters related to revocation, etc. of an application for a Specified Insurance Contract (meaning revocation, of an application for a Specified Insurance Contract provided in Article 309, paragraph (1) of the Act);
- (iii) the matters related to announcement to be made by policyholders or insured;
- (iv) the matters related to the time of commencement of insurance liability;
- (v) the matters related to grace period for insurance premiums;
- (vi) the matters related to expiration of a Specified Insurance Contract, and the matters related to restoration after the expiration of a Specified Insurance Contract;
- (vii) the matters related to cancellation of a Specified Insurance Contract, and refund upon cancellation;
- (viii) the matters related to special measures for protection of Policyholders, etc., such as financial assistance, etc. from Insurance Policyholders Protection Corporation of Japan;
- (ix) if there are risks that a loss could be incurred due to fluctuations in interest rates, the value of currencies, quotations on the Financial Instruments Market, and other indicators as a direct cause in relation to the conclusion of a Specified Insurance Contract by a Customer, the following matters:
 - (a) the indicator(s); and
 - (b) a reason that a loss may be incurred due to fluctuations in such indicator(s);
- (x) outline of the taxation on the Specific Trust Agreement;
- (xi) the method whereby a Customer contacts the Life Insurance Company, etc.;
- (xii) information as to whether the Life Insurance Company, etc., Foreign Insurance Company, etc. or an Insurance Broker is a Target Business Operator of any Certified Investor Protection Organization (meaning a Certified Investor Protection Organization as provided in Article 79-10, paragraph (1) (Notification of Abolition of Business) of the Financial Instruments and Exchange Act; and limited to the Certified Investor

Protection Organization when the Specified Insurance Contract is covered by the Certified Business) (and, if it is a Target Business Operator of the Certified Investor Protection Organization, the name thereof); and (xiii) the matters set forth in sub-items (a) or (b) in accordance with the categories of cases listed in the respective item:

(a) in the case where there is a Designated Dispute Resolution Organization, for which Category for Business of Dispute Resolution, etc. is the Insurance Business, etc. conducted by an Insurance Company, etc., Foreign Insurance Company, etc. or Insurance Broker which concludes the Specified Insurance Contract, etc., a trade name or name of the Designated Dispute Resolution Organization, which is a party to a Basic Contract for Implementation of Dispute Resolution Procedures to be concluded by the Insurance Company, etc., Foreign Insurance Company, etc. (or, in case of an Underwriting Member of a Licensed Specified Corporation deemed to be a Foreign Insurance Company, etc. pursuant to Article 240, paragraph (1), item (i) of the Act, a Licensed Specified Corporation whose member is the Underwriting Member; the same shall apply in the sub-item (b)) or Insurance Broker which concludes the Specified Insurance Contract, etc. for its own Insurance Business, etc. as the measure pursuant to the provisions of the Act; or

(b) in the case where there is not a Designated Dispute Resolution Organization, for which Category for Business of Dispute Resolution, etc. is the Insurance Business, etc. conducted by an Insurance Company, etc., Foreign Insurance Company, etc. or Insurance Broker which concludes the Specified Insurance Contract, etc., the content of the Complaint Processing Measures and Dispute Resolution Measures pertaining to its own Insurance Business, etc. as the measures to be taken by the Insurance Company, etc., Foreign Insurance Company, etc. or Insurance Broker pursuant to the provisions of the Act.

(xiv) other matters which shall be noted by the Customer.

(2) Notwithstanding the provision of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, in the cases where an Insurance Company, etc., Foreign Insurance Company, etc., Insurance Solicitor or Insurance Broker are required to deliver to the Customer a Document for Delivery Prior to Conclusion of Contract with regard to the conclusion of a single Specified Insurance Contract pursuant to the provision of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, and where one of them has delivered to the Customer the Document for Delivery Prior to Conclusion of Contract stating the matters set forth in the items of the preceding paragraph, the remaining parties need not include in its Document for Delivery Prior to

Conclusion of Contract the matters set forth in the items of the preceding paragraph.

(Matters to be Stated in Document for Delivery Upon Conclusion of Contract)
Article 234-25 (1) In a document provided in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, which is to be prepared upon effectuation of a Specified Insurance Company, etc. (hereinafter referred to as "Document for Delivery Upon Conclusion of Contract" in this paragraph and the following Article), the following information (in case where an Insurance Policy, etc. (which collectively means an Insurance Policy and a document as provided in Article 546 (Obligation to Prepare and Delivery of Letter of Consummation) of the Commercial Code applied by replacing certain terms under Article 298 of the Act (including the cases where applied mutatis mutandis pursuant to Article 293 of the Act); hereinafter the same shall apply in this Article) shall be stated:

- (i) the trade name or name of the Insurance Company, etc., Foreign Insurance Company, etc. or Insurance Broker which concludes the Specified Insurance Contract, etc.;
 - (ii) the date of the Specified Insurance Contract;
 - (iii) the matters related to Fees, etc. pertaining to the Specified Insurance Contract;
 - (iv) the name of the Customer;
 - (v) the method whereby the Customer contacts the Insurance Company, etc., Foreign Insurance Company, etc. or Insurance Broker which concludes the Specified Insurance Contract, etc.;
 - (vi) in the case of a Specified Insurance Contract, the following information:
 - (a) the trade name or name of the insured and the person entitled to receive the insurance amount (if it is impossible to state the trade name or name of the insured and the person entitled to receive the insurance amount, the scope of such persons);
 - (b) the types and terms of the Specified Insurance Contract;
 - (c) the purposes and the value of insurance;
 - (d) insurance amount;
 - (e) the start and end of the of the insurance period; and
 - (f) the insurance premiums, and the method of payment thereof.
 - (vii) in cases of a contract wherein brokerage service for conclusion of a Specified Insurance Contract on behalf of the Customer, the outline of such contract.
- (2) Notwithstanding the provision of the preceding paragraph, in the cases where an Insurance Company, etc., Foreign Insurance Company, etc., Insurance Solicitor or Insurance Broker are required to deliver to the Customer a

Document for Delivery Upon Conclusion of Contract with regard to the conclusion of a single Specified Insurance Contract pursuant to the provision of Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, and where one of them has delivered to the Customer the Document for Delivery Upon Conclusion of Contract stating the matters set forth in the items of the preceding paragraph, the remaining parties need not include in its Document for Delivery Upon Conclusion of Contract the matters set forth in the items of the preceding paragraph.

(Exemption from Requirement of Delivery of Document for Delivery Upon Conclusion of Contract)

Article 234-26 (1) For the cases where a Specified Insurance Contract, etc. to effect partial amendment to the Specified Insurance Contract, etc. already in effect is effectuated, the cases pertaining to the Document for Delivery Upon Conclusion of Contract to be specified by Cabinet Office Ordinance as provided in the proviso to Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis shall be as follows:

- (i) where such partial change does not result in a change to the matters to be stated in the Document for Delivery Upon Conclusion of Contract pertaining to the Specified Insurance Contract already in effect; or
 - (ii) if such partial change results in a change to the matters to be stated in the Document for Delivery Upon Conclusion of Contract pertaining to the Specified Insurance Contract already in effect, the cases where the customer is provided with a document stating the matters subject to such change
- (2) The provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, and Article 44-3 of the Cabinet Order, and Article 234-6 of this Cabinet Office Ordinance shall apply mutatis mutandis to delivery of a the document under item (ii) of the preceding paragraph.

(Significance of Registration of Credit Rating Agency and Other Matters)

Article 234-26-2 The matters to be specified by Cabinet Office Ordinance, as provided in Article 38, item (iii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be as follows:

- (i) significance of the registration under Article 66-27 (Registration) of the Financial Instruments and Exchange Act;
- (ii) the following matters with respect to the persons who provided the Credit Ratings:
 - (a) trade name or name;
 - (b) in case of a corporation, name of Officer; and
 - (c) the name and location of head office or other principal business office or

- office;
- (iii) summary of policy and method used by the person who provided the Credit Ratings in order to provide such Credit Ratings; and
- (iv) premise, significance and limit of the Credit Ratings.

(Prohibited Acts in Relation to Conclusion of Specified Insurance Contract and Insurance Solicitation)

Article 234-27 (1) The acts to be specified by Cabinet Office Ordinance, as provided in Article 38, item (vii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be as follows:

- (i) the acts specified in the items of Article 234, paragraph (1);
- (ii) if a Bank, etc. which is a Life Insurance Solicitor or Insurance Broker, or its officers or employees provides agency or brokerage services for conclusion of an insurance contract as set forth in Article 74, item (i), sub-item (a) and item (iii) (excluding the insurance contract set forth in Article 83, item (i), sub-item (b) and (d)) of an insurance contract as set forth in Article 153, item (i), sub-item (a) and item (iv), an act to make the policyholder to apply for the insurance contract without giving written explanation that the prospective amount of insurance money payable under the insurance contract and refund upon cancellation of the insurance contract may fluctuate depending on the investment performance of the assets, as a result of which these amounts may be less than the total amount of credited amount and interests accrued on such credited amount and that the policyholder may have difficulty in repayment of the credited amount, or an act to make the policyholder apply for the insurance contract, without obtaining acknowledgement of the receipt by the policyholder of such written explanation by way of gaining the policyholder's signature or seal, if credit is to be granted to the policyholder and where the policyholder appropriates such credit to payment of the insurance premiums under the insurance contract;
- (iii) an act to provide agency or intermediary service conclusion of a Specified Insurance Contract, without having provided a Customer (excluding a Professional Investor (excluding a person who is deemed to be a Customer other than a Professional Investor pursuant to the provision of Article 34-2, paragraph (5) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, but including a person deemed to be a Professional Investor pursuant to the provision of Article 34-3, paragraph (4) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (including the cases where applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis); the same shall apply hereinafter); hereinafter the same shall apply in this item) with a prior explanation on the matters specified in

Article 37-3, paragraph (1), items (iii) to (v) inclusive and item (vii) of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis (if the Explanatory Document on Change to Contract Term is to be delivered, a prior explanation on the matters specified in items (iii) to (v) inclusive and item (vii) of that paragraph as set forth in such Explanatory Document on Change to Contract Term) upon the delivery of the following documents, in a manner and to the extent necessary for ensuring that the Customer understands such matters, in light of the Customer's knowledge, experience, status of the properties and in light of the purpose of concluding the Specified Insurance Contract:

- (iv) in connection with the conclusion or cancellation of a Specified Insurance Contract, an act to solicit a Customer (limited to an individual Customer) by telephone or by making a personal visit timed in such a way that the Customer would be disturbed.
- (2) The act provided in item (ii) of the preceding paragraph shall apply mutatis mutandis to officers or employees of Bank Agent, etc. which is a Life Insurance Company (including a Foreign Life Insurance Company, etc., but excluding a Life Insurance Company which is a Life Insurance Solicitor) or their employees, or a Bank Agent, et. which is a Life Insurance Solicitor or Insurance Solicitor or their officers or employees.
- (3) The provision of Article 234, paragraphs (2) to (8) inclusive shall apply mutatis mutandis for the purpose of the application of the provision of item (i) of paragraph (1).

(Exception to Exclusion from Application of Restriction on Activities)

Article 234-28 The case to be specified by Cabinet Office Ordinance, as provided in the proviso to Article 45 of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, shall be the case where, in relation to the application of the provision of Article 37-4 of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis, the company has not put in place the system which enables prompt responses to the inquiries on the Specified Insurance Contracts, etc. concluded with customers.

(Acts between Specified Related Parties, etc.)

Article 235 The acts and transactions to be specified by Cabinet Office Ordinance, as provided in Article 301, item (ii) of the Act, shall be acts or transactions to circumvent the prohibition as set forth in the preceding Article in relation to the act as provided in item (i) of the preceding Article, irrespective of the name under which such act or transaction is to be conducted.

Article 235-2 The acts and transactions to be specified by Cabinet Office

Ordinance, as provided in Article 301-2, item (ii) of the Act, shall be acts or transactions to circumvent the prohibition as set forth in the preceding Article in relation to the act as provided in item (i) of the preceding Article, irrespective of the name under which such act or transaction is to be conducted.

Chapter V Supervision

(Notification of Officers or Employees)

Article 236 When a Non-Life Insurance Representative, Low-Cost, Short-Term Insurance Agent or an Insurance Broker intends to file a notification under Article 302 of the Act, it shall submit to the Commissioner of the Financial Services Agency (to the Director-General of Local Finance Bureau and Other Official, if the authority of the Commissioner of the Financial Services Agency is to be delegated to the Director-General of Local Finance Bureau and Other Official) a written notification prepared in accordance with the Appended Form No. 25.

(Books and Documents to be Kept by Insurance Broker)

Article 237 (1) The matters to be specified by Cabinet Office Ordinance, as provided in Article 303 of the Act, shall be as follows:

- (i) the matters to be stated in a document to be prepared under Article 546, paragraph (1) (Obligation to Prepare and Delivery Letter of Consummation) of the Commercial Code applied by replacing certain terms under Article 298 of the Act (including the cases where applied mutatis mutandis pursuant to Article 293 of the Act) (referred to as the "Letter of Consummation" in the following paragraph);
 - (ii) the fees, remuneration or any other consideration received by the Insurance Broker in connection with intermediary service for conclusion of insurance contracts;
 - (iii) if the insurance contract falls under the category of a Self-Contract (meaning a Self-Contract as provided in Article 295, paragraph (1) of the Act), such fact.
- (2) The books and documents as provided in Article 303 of the Act shall be as follows; and an Insurance Broker shall keep the books and documents for each office where they are required to be kept.
- (i) copies of Letters of Consummation (if it was impossible to deliver a Letter of Consummation, including the document specifying the reason);
 - (ii) the document specifying the matters provided in item (ii) or (iii) of the preceding paragraph;
 - (iii) the copies of the documents delivered to the policyholders pursuant to the provision of Article 296, paragraph (1) of the Act; and

- (iv) the documents containing the details of the intermediary service for conclusion of insurance contracts provided to policyholders.
- (3) An Insurance Broker shall keep the books and documents as provided in the preceding paragraph for the period of at least five years from the day when the insurance contract ceases to be in effect.

(Format of Business Report of Insurance Broker)

- Article 238 (1) The business report as provided in Article 304 of the Act shall be prepared in accordance with the Appended Form No. 26, if the Insurance Broker is a corporation; or in accordance with the Appended Form No. 27, if the Insurance Broker is an individual person.
- (2) When submitting the business report under the preceding paragraph, two copies thereof shall be attached thereto and submitted to the Commissioner of the Financial Services Agency.

(Public Notice of Rescission of Registration)

- Article 239 The public notice as provided in Article 307, paragraph (2) of the Act shall be given by means of publication on the official gazette.

Part IV Designated Dispute Resolution Organization

Chapter I General Rules

(Calculation of Proportion)

- Article 239-2 The proportion under Article 308-2, paragraph (1), item (viii) of the Act shall be the number of Insurance Service Providers provided in Article 2, paragraph (42) of the Act (limited to Insurance Service Providers who are involved in the categories of the Business of Dispute Resolution, etc. for which the relevant person intends to obtain designation under Article 308-2, paragraph (1) of the Act; hereinafter simply referred to as "Insurance Service Providers"), who have stated against the person intending to make the application under Article 308-2, paragraph (1) their objections to the matters concerning the cancellation of the Basic Contract for Implementation of Dispute Resolution Procedures, other details of the Basic Contract for Implementation of Dispute Resolution Procedures (excluding the matters listed in the items of paragraph (2) of Article 308-7), and other details of the Operational Rules (excluding the matters which are to be the details thereof as provided by Article 308-7, paragraph (3) of the Act and the matters necessary for conforming to the criteria listed in the items of paragraph (4) of that Article and item (i) of paragraph (5) of that Article) (limited to objections with reasonable grounds attached thereto) by means of submission of a document (referred to as a "written opinion" in the following Article) stating whether

there is any objection regarding the details of the Operational Rules (meaning the Operational Rules provided in Article 308-2, paragraph (1), item (vii) of the Act; the same shall apply hereinafter) and, if there is any objection, describing the substance and reasons for the objection, divided by the number of Insurance Service Providers published by the Commissioner of the Financial Services Agency (referred to as the "All Insurance Service Providers" in the following Article and Article 239-5, paragraph (2)) as of the date when the person who intends to make the application delivered or sent the Operational Rules, etc. provided in paragraph (1), item (ii) of the following Article (if the Operational Rules, etc. were provided or sent more than one day, the latest day; the same shall apply in Article 239-4).

(Opinion-Hearing, etc. from Insurance Service Providers)

Article 239-3 (1) If the person who intends to make the application under Article 308-2, paragraph (1) is to explain the details of the Operational Rules to the Insurance Service Provider and to hear opinions from the Insurance Service Providers as to whether they have any objections (if there are objections, reasons therefor shall be included) pursuant to the provisions of paragraph (2) of that Article, the person shall hold an explanatory meeting in accordance with the following provisions:

- (i) the time and place of the explanatory meeting shall be determined taking into consideration the convenience for participation by the All Insurance Service Providers;
- (ii) the person who intends to make the application shall deliver or send to All Insurance Service Providers a document stating the matters listed below and the Operational Rules (referred to as the "Operational Rules, etc." in the following Article and Article 239-5, paragraph (2)) by two weeks prior to the day of the explanatory meeting (if more than one explanatory meeting is to be held, the earliest day of the explanatory meetings):
 - (a) the trade name or name, location of principal business office or office and telephone number and other contact information of the person who intends to make the application;
 - (b) the date and time and place of the explanatory meeting; and
 - (c) the fact that the Insurance Service Providers must submit their written opinions to the person who intends to make the application within a specified period from the date of the explanatory meeting (if more than one explanatory meeting is to be held, the last day of the explanatory meetings);
- (iii) the statement that the specified period under the preceding item (c) shall not be less than two weeks.

(2) All of the following matters shall be stated in the document stating the result

as provided in Article 308-2, paragraph (2) of the Act:

- (a) the date and time and place of the all explanatory meetings; (a) the date and time and place of the all explanatory meetings;
 - (b) for All Insurance Service Providers, whether or not they participated in the explanatory meetings; (b) for All Insurance Service Providers, whether or not they participated in the explanatory meetings;
 - (c) for All Insurance Service Providers, whether or not they submitted their written opinions; (c) for All Insurance Service Providers, whether or not they submitted their written opinions;
 - (d) whether any objection is stated in the written opinions submitted; and (d) whether any objection is stated in the written opinions submitted; and
 - (e) if any objection, which does not fall under the category of the objection provided in Article 308-2, paragraph (1), item (viii) of the Act, is stated in the written opinions submitted, the fact thereof and the reason why the objection is considered not to fall under the category of the objection provided in that item. (e) if any objection, which does not fall under the category of the objection provided in Article 308-2, paragraph (1), item (viii) of the Act, is stated in the written opinions submitted, the fact thereof and the reason why the objection is considered not to fall under the category of the objection provided in that item.
- (3) All of the written opinions submitted by the Insurance Service Providers shall be attached to the document stipulated in the preceding paragraph.

(Submission of Written Application for Designation)

Article 239-4 The written application for designation prescribed in Article 308-3, paragraph (1) of the Act shall be submitted within three months from the day when the Operational Rules, etc. were delivered or sent.

(Documents to be Attached to Written Application for Designation)

Article 239-5 (1) The documents to be specified by Cabinet Office Ordinance, as provided in Article 308-3, paragraph (2), item (v) of the Act, shall be the following documents:

- (i) the balance sheets, income and expenditure account statement or profit and loss statements of the business year immediately preceding the business year containing the date of the application under Article 308-2, paragraph (1) of the Act and inventory of property at the end of that business year or other documents equivalent thereto (if the person who intends to receive the designation under Article 308-2, paragraph (1) of the Act (referred to as the "Applicant" in paragraph (3)) is a corporation (meaning the corporation provided in Article 308-2, paragraph (1), item (i) of the Act; the same shall apply in Article 239-11, paragraph (3), item (iii)) incorporated in the business

- year containing the date of the application, the inventory of property or document equivalent thereto at the time of the incorporation; and
- (ii) the document stating the prospects for income and expenditure after receiving the designation under Article 308-2, paragraph (1) of the Act.
- (2) The documents to be specified by Cabinet Office Ordinance, as provided in Article 308-3, paragraph (2), item (vi) of the Act, shall be the following documents:
- (i) the Operational Rules, etc. delivered or sent to All Insurance Service Providers under Article 239-3, paragraph (1), item (ii);
 - (ii) a document certifying the date and method for the delivery or sending of the Operational Rules, etc. to All Insurance Service Providers; and
 - (iii) where the Operational Rules, etc. were sent to the Insurance Service Providers, a document certifying the matters set forth in the following sub-item (a) or (b), as the document stating as to whether the Operational Rules, etc. arrived to the Insurance Service Providers and the facts concerning the arrival, in accordance with the categories of cases listed in the respective item:
 - (a) if the Operational Rules, etc. arrived, the date of the arrival; or
 - (b) if the Operational Rules, etc. did not arrive, the reason why the Operational Rules, etc. did not arrive by a usual method.
- (3) The documents to be specified by Cabinet Office Ordinance, as provided in Article 308-3, paragraph (2), item (vii) of the Act, shall be the following documents:
- (i) a document stating the name or trade name and address or location of principal business office or office of the person who holds five percent or more of the Voting Rights Held by All the Shareholders, etc. (meaning the voting rights of the all shareholders, all employees, all members, all partners, or all equity investors of the Applicant; the same shall apply in the following item) of the Applicant and the number of voting rights held by the person;
 - (ii) a document stating the trade name or name, location of principal business office or office and the business content of the Parent Corporation of the Applicant (meaning the corporation or other organization who holds a majority of the Voting Rights Held by All the Shareholders, etc. of the Applicant) and the Subsidiary of the Applicant (meaning the corporation or other organization whose majority of the voting rights of all shareholders, all employees, all members, all partners, or all equity investors is held by the Applicant);
 - (iii) an extract of certificate of residence (if an Officer does not have Japanese nationality, the certificate of items entered in the alien registration card) of an Officer (when an Officer is a corporation, including a person who should conduct its duties; the same shall apply in this paragraph, Article 239-8 and

- Article 239-9) or a document equivalent thereto (when an Officer is a corporation, a certificate of registered matters of the Officer);
- (iv) a certificate of a public agency, stating that the Officer does not fall under the categories set forth in Article 308-2, paragraph (1), item (iv), sub-item (a) or (b) (if the Officer does not have Japanese nationality, a document containing a pledge by said Officer that the Officer does not fall under the categories set forth in sub-item (a) or (b) of that item);
 - (v) a curriculum vitae of the Officer (if the Officer is a corporation, a document stating the history of the Officer);
 - (vi) a document stating the status of securing a candidate of Dispute Resolution Mediator (meaning the Dispute Resolution Mediator provided under Article 308-4, paragraph (1) of the Act; the same shall apply in Article 239-12, paragraphs (2), item (iii)), an Officer and an employee who have the knowledge and experience pertaining to the Business of Dispute Resolution, etc. (referred to as "Officer, etc." in this item and the following item and Article 239-14) and the status of the assignment of the Officer, etc.;
 - (vii) a document containing a pledge by the Officer, etc. that the Officer is not an Organized Crime Group Member, etc. (meaning the Organized Crime Group Member, etc. as provided in Article 308-9 of the Act; the same shall apply in Article 239-14, paragraph (1), item (ii)); and
 - (viii) a document stating other matters that will be helpful.

Chapter II Business

(Matters to be Provided in Operational Rules)

Article 239-6 The matters to be specified by Cabinet Office Ordinance, as provided in Article 308-7, paragraph (1), item (viii) of the Act, shall be as follows:

- (i) matters concerning the hours for conducting the Business of Dispute Resolution, etc. and holidays;
- (ii) matters concerning the name and location of business office or office and the area in which the business office or office conducts the Business of Dispute Resolution, etc.;
- (iii) matters concerning the supervision system of the employees conducting the Business of Dispute Resolution, etc.;
- (iv) when the operation of Complaint Processing Procedures or Dispute Resolution Procedures is entrusted, matters concerning the entrustment; and
- (v) other necessary matters concerning the Business of Dispute Resolution, etc.

(Content of Basic Contract for Implementation of Dispute Resolution Procedures)

Article 239-7 The matters to be specified by Cabinet Office Ordinance, as provided in Article 308-7, paragraph (2), item (xi) of the Act, shall be the fact that the Designated Dispute Resolution Organization may, if a Customer (meaning the Customer provided in Article 308-5, paragraph (2) of the Act; the same shall apply in Article 239-10, paragraph (1), Article 239-11, paragraph (3), item (iii) and Article 239-12, paragraph (1)) of a Member Insurance Service Provider (meaning the Member Insurance Service Provider provided in Article 308-5, paragraph (2) of the Act; hereafter the same shall apply) makes a request, investigate the status of performance of obligations specified through settlement in the Dispute Resolution Procedures and recommend that the Member Insurance Service Provider perform the obligations.

(Substantial Controller, etc.)

Article 239-8 A person, who substantially controls business of the Designated Dispute Resolution Organization or who has a material influence on business thereof through the holding of the shares of the Designated Dispute Resolution Organization, financing to the Designated Dispute Resolution Organization or any other causes, to be specified by Cabinet Office Ordinance, as provided in Article 308-7, paragraph (4), item (iii) of the Act, shall be any of the persons listed in the following items who is not found to be obviously incapable of having control over business policy decisions of the Designated Dispute Resolution Organization and having a material influence on the business in the light of their business relationships:

- (i) a particular person whose total number of voting rights held by said person on the person's own account and the voting rights held by persons who are found to exercise their voting rights in the same manner as the intent of said particular person due to a close relationship with said particular person in terms of contribution, personnel affairs, funds, technology, transactions or other matters, or by persons who agree to exercise their voting rights in the same manner as the intent of said particular person, are one-third or more of the voting rights of the Designated Dispute Resolution Organization (including cases where said particular person does not hold any voting rights on the person's own account);
- (ii) a person who is or who was an Officer of the Designated Dispute Resolution Organization;
- (iii) a person who is a relative within the third degree of kinship of an Officer of the Designated Dispute Resolution Organization;
- (iv) a person whose representative (including the representative or the administrator of an organization which is not a corporation and which appoints a representative or an administrator; the same shall apply in item (iv) of the following Article) is a person set forth in the preceding two items;

- (v) a person for whom one-third or more of the persons who are Officers of the Designated Dispute Resolution Organization serve or had served as Officers or employees;
- (vi) a person who is under contract with the Designated Dispute Resolution Organization to have control over the Designated Dispute Resolution Organization's business policy decisions;
- (vii) a particular person who provides a loan (including a guarantee of liabilities and provision of collateral; the same shall apply in this item and item (vii) of the following Article) for one-third or more of the total amount of the Designated Dispute Resolution Organization's procured funds (limited to those included in the liabilities on the balance sheet; the same shall apply in this item and item (vii) of the following Article) (including cases where the amount of such loan is equivalent to or more than 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 said particular person in terms of contribution, personnel affairs, funds, technology, transactions or other matters);
- (viii) in addition to the persons set forth in the preceding items, a person whose circumstances suggest that such person has control over the Designated Dispute Resolution Organization's business policy decisions;
- (ix) a particular person whose relationship with a person set forth in any of the preceding items is the same as the relationship of a person set forth in any of the preceding items (excluding items (ii) to (iv) inclusive; hereinafter the same shall apply in this item) with the Designated Dispute Resolution Organization as prescribed in the preceding items; and
- (x) a particular person whose relationship with any of the persons set forth in items (i) to (viii) inclusive is the same as the relationship of the Designated Dispute Resolution Organization provided in items (i) or item (v) to (viii) inclusive of the following Article with any of the persons set forth in item (i) or item (v) to (viii) inclusive of the following Article.

(Subsidiary, etc.)

Article 239-9 A person, whose business is substantially controlled by the Designated Dispute Resolution Organization through the holding of the shares or any other causes, to be specified by Cabinet Office Ordinance, as provided in Article 308-7, paragraph (4), item (iii) of the Act, shall be any of the persons listed in the following items for whom it is found that the Designated Dispute Resolution Organization is not obviously incapable of having control over the business policy decisions of the person listed in any of the following items in the light of their business relationships:

- (i) another Corporation or an organization which is not a Corporation and

- which appoints a representative or an administrator (referred to as the "Corporation, etc." in this item and item (v)) where the total number of voting rights held by the Designated Dispute Resolution Organization on the Designated Dispute Resolution Organization's own account and the voting rights held by persons who are found to exercise their voting rights in the same manner as the intent of the Designated Dispute Resolution Organization due to having a close relationship with the Designated Dispute Resolution Organization in terms of contribution, personnel affairs, funds, technology, transactions or other matters, or by persons who agree to exercise their voting rights in the same manner as the intent of the Designated Dispute Resolution Organization, account for one-third or more of the voting rights of said other Corporation, etc. (including cases where the Designated Dispute Resolution Organization does not hold any voting rights on the Designated Dispute Resolution Organization's own account);
- (ii) a person who is or who was an Officer of the Designated Dispute Resolution Organization or an employee of the Designated Dispute Resolution Organization or both;
 - (iii) a person who is a relative within the third degree of kinship to an Officer of the Designated Dispute Resolution Organization;
 - (iv) a person whose representative is a person set forth in the preceding two items;
 - (v) another Corporation, etc. where a person or persons who fall under item (ii) account for one-third or more of the Officers of said other Corporation, etc.;
 - (vi) a particular person where the Designated Dispute Resolution Organization is under contract with said person to have control over such person's business policy decisions;
 - (vii) a particular person where the Designated Dispute Resolution Organization provides a loan for one-third or more of the total amount of said particular person's procured funds (including cases where the amount of such loan is equivalent to or more than 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, technology, transactions or other matters);
 - (viii) in addition to the persons set forth in the preceding items, a particular person whose circumstances suggest that the Designated Dispute Resolution Organization has control over said particular person's business policy decisions; and
 - (ix) a particular person whose relationship with a person set forth in any of the preceding items is the same as the relationship of the Designated Dispute Resolution Organization provided in any of the preceding items (excluding

items (ii) to (iv) inclusive; hereinafter the same shall apply in this item) with a person set forth in any of the preceding items.

(Matters to be Described in Records concerning Complaint Processing Procedures, etc.)

Article 239-10 (1) A Designated Dispute Resolution Organization shall, pursuant to the provisions of Article 308-11 of the Act, prepare records concerning Complaint Processing Procedures implemented by it, describing the matters listed in the following items:

- (i) the date and content of the application for resolution of a Complaint Related to Insurance Business, etc. (meaning the Complaint Related to Insurance Business, etc. provided in Article 2, paragraph (38) of the Act; the same shall apply in paragraph (3), item (iii) of the following Article) filed by a Member Insurance Service Provider's Customer;
- (ii) the name or trade name of a Member Insurance Service Provider's Customer who made the application set forth in the preceding item and the representative of said Customer, and the name or trade name of the Member Insurance Service Provider;
- (iii) the particulars of the Complaint Processing Procedures followed; and
- (iv) the result of the Complaint Processing Procedures (including the reason for and date of the termination of the Complaint Processing Procedures).

(2) The Designated Dispute Resolution Organization shall preserve the records describing the matters provided in the preceding paragraph for at least five years from the date of termination of the Complaint Processing Procedures implemented by it.

(Interest, etc. of Dispute Resolution Mediators)

Article 239-11 (1) The person who has an interest with the Party pertaining to the application provided in Article 308-13, paragraph (1) of the Act as prescribed in paragraph (3) of the same Article, as provided in Article 308-7, paragraph (1), item (v) of the Act (hereafter simply referred to as "Party" in this paragraph), shall be the person falling under any of the categories listed in the following items:

- (i) a person who is or who was the spouse of the Party;
- (ii) a person who is or who was the Party's relative by blood within the fourth degree, relative through marriage within the third degree or relative living together, or both;
- (iii) the guardian, the supervisor of the guardian, the curator, the supervisor of the curator, the assistant or the supervisor of the assistant of the Party;
- (iv) a person who is or who was the counsel or the assistant in court of the Party in connection with the Dispute Related to Insurance Business, etc.

- (meaning the Dispute Related to Insurance Business, etc. provided in Article 2, paragraph (39) of the Act; the same shall apply in the following Article) pertaining to said application, or both; and
- (v) a person who earns income by providing a service to the Party or for whom three years have not passed from the date when the person ceased to earn income from the Party.
- (2) The person to be specified by Cabinet Office Ordinance, as provided in Article 308-13, paragraph (3), item (iii) of the Act, shall be the person who holds any of the qualifications set forth in the following items and whose period of having engaged in the service responding to Consumer Affairs Consultation (meaning the Consumer Affairs Consultation provided in Article 13 (Certification of Qualified Consumer Organizations), paragraph (3), item (v), sub-item (a) of the Consumer Contract Act (Law No. 61 of 2000)) is five years or longer in total:
- (i) the qualification of the consumer specialized counselor granted by Incorporated Administrative Agency National Consumer Affairs Center of Japan;
- (ii) the qualification of the consumer advisor granted by the Incorporated Foundation Japan Industrial Association (meaning the corporation incorporated on February 26, 1918 under the name of the Incorporated Foundation Domestic Products Promotion Association); and
- (iii) the qualification of the consumer consultant granted by the Incorporated Foundation Japan Consumers' Association (meaning the corporation incorporated on September 5, 1961 under the name of the Incorporated Foundation Japan Consumers' Association).
- (3) The person to be specified by Cabinet Office Ordinance, as provided in Article 308-13, paragraph (3), item (v) of the Act, shall be a person who falls under any of the following.
- (i) a person whose period of having engaged in one or more of the following occupations is five years or longer in total:
- (a) judge;
- (b) assistant judge;
- (c) public prosecutor;
- (d) attorney; or
- (e) professor of law or associate professor for the subject in the category of law at a department, major course or graduate school of a university as stipulated by the School Education Act (Act No. 26 of 1947);
- (ii) a person whose period of having engaged in one or more of the following occupations is five years or longer in total:
- (a) certified public accountant;
- (b) tax accountant; or
- (c) professor or associate professor for the subject in the category of

- economics or commercial science at a department, major course or graduate school of a university as stipulated by the School Education Act;
- (iii) a person whose period of having engaged in investigation, instruction, recommendation, establishment of rules and other services necessary for protection of customers at a corporation engaging in business of processing the Complaints Related to Insurance Business, etc. or business related thereto is ten years or longer in total;
- (iv) a person who has been certified by the Commissioner of the Financial Services Agency as having the equivalent or higher level of academic knowledge and experience to that of any of the persons listed in the preceding three items.

(Explanation to Customer of Member Insurance Service Provider Who is a Party to Dispute Related to Insurance Business, etc.)

Article 239-12 (1) If a Customer of a Member Insurance Service Provider who is a Party to a Dispute Related to Insurance Business, etc. requests that the Designated Dispute Resolution Organization deliver a document when making an explanation provided in Article 308-13, paragraph (8) of the Act, the Designated Dispute Resolution Organization shall deliver the document and make an explanation thereof.

- (2) The matters to be specified by Cabinet Office Ordinance, as provided in Article 308-13, paragraph (8), item (iii) of the Act, shall be the following matters:
 - (i) the method for handling the secrets of the Party to a Dispute Related to Insurance Business, etc. or other third parties that are contained in the opinions stated or materials submitted or presented in the Dispute Resolution Procedures, or contained in the dispute resolution procedures record provided in Article 308-13, paragraph (9) of the Act (referred to as "dispute resolution procedures record" in paragraph (1) of the following Article);
 - (ii) the requirements and modes of operation for the Parties to a Dispute Related to Insurance Business, etc. to terminate the Dispute Resolution Procedures;
 - (iii) that, when the Dispute Resolution Mediator determines that there is no prospect of reaching a settlement between the Parties to the Dispute Related to Insurance Business, etc. through Dispute Resolution Procedures, the Dispute Resolution Mediator shall promptly terminate said Dispute Resolution Procedures and notify the Parties to the Dispute Related to Insurance Business, etc. to that effect; and
 - (iv) whether there is a document to be prepared if a settlement is arranged between the Parties to the Dispute Related to Insurance Business, etc., and

if there is, the person who will prepare the document, the number of copies to be prepared and any other outlines pertaining to preparation of the document.

(Preservation and Preparation of Dispute Resolution Procedures Record)

Article 239-13 (1) The Designated Dispute Resolution Organization shall preserve the dispute resolution procedures records for ten years or more from the date of termination of the Dispute Resolution Procedures which the Designated Dispute Resolution Organization has carried out.

(2) The matters to be specified by Cabinet Office Ordinance, as provided in Article 308-13, paragraph (9), item (vi) of the Act, shall be the following matters:

- (i) the content of the application for the Dispute Resolution Procedures;
- (ii) when a Special Conciliation Proposal (meaning the Special Conciliation Proposal provided in Article 308-7, paragraph (vi) of the Act; the same shall apply in this item) is presented in the Dispute Resolution Procedures, the content and date of presentation of the Special Conciliation Proposal; and
- (iii) if the Dispute Resolution Procedures result in settlement, the details of such settlement.

Chapter III Supervision

(Matters to be Notified)

Article 239-14 (1) When a Designated Dispute Resolution Organization intends to give the notification under Article 308-19 of the Act, the Designated Dispute Resolution Organization shall submit to the Commissioner of the Financial Services Agency a written notice by attaching a written statement of reason and documents describing other matters that will be helpful (in the cases set forth in the following items, including the matters set forth in such items):

- (i) in the case prescribed in Article 308-19, item (i) of the Act, the date of conclusion or termination of the Basic Contract for Implementation of Dispute Resolution Procedures and the trade name or name of the Insurance Service Providers;
- (ii) in the case prescribed in item (vi) of the following paragraph, a pledge of the person, who has become an Officer, etc. of a Designated Dispute Resolution Organization, that the Officer is not an Organized Crime Group Member, etc.;
- (iii) in the case prescribed in item (vii) of the following paragraph, the reason why it is expected to be uncertain whether an Insurance Service Provider shall perform the obligations pertaining to the Basic Contract for Implementation of Dispute Resolution Procedures or any other obligations

- regarding the implementation of Business of Dispute Resolution, etc., and the trade name or name of the Insurance Service Provider; and
- (iv) in the case prescribed in item (viii) or (ix) of the following paragraph, the following matters:
- (a) the name of business office or office where the violation occurs;
 - (b) the name or trade name and title of an Officer, etc. who has committed the violation;
 - (c) outlines of the violation; and
 - (d) measures for improvement.
- (2) The cases to be specified by Cabinet Office Ordinance, as provided in Article 308-19, item (ii) of the Act, shall be as follows:
- (i) if the articles of incorporation or stipulations equivalent thereto are amended;
 - (ii) if the trade name or name, location of principal business office or office, or business content of the Parent Corporation (meaning the corporation or other organization who holds a majority of the Voting Rights Held by All the Shareholders, etc. of the Designated Dispute Resolution Organization (meaning the voting rights of all shareholders, all employees, all members, all partners or all equity investors of the Designated Dispute Resolution Organization; the same shall apply in item (v)); the same shall apply in the following item) or the Subsidiary Corporation (meaning the corporation or other organization whose majority of the voting rights of all shareholders, all employees, all members, all partners, or all equity investors is held by the Designated Dispute Resolution Organization; the same shall apply in item (iv)) is amended;
 - (iii) if the Parent Corporation is no longer the Parent Corporation;
 - (iv) if the Subsidiary Corporation is no longer the Subsidiary Corporation, or the voting rights of the Subsidiary Corporation are acquired or come to be held;
 - (v) if five percent or more of the Voting Rights Held by All the Shareholders, etc. of the Designated Dispute Resolution Organization are acquired or come to be held by one person;
 - (vi) if there is a person who newly becomes an Officer, etc. of the Designated Dispute Resolution Organization after submission of the application for designation under Article 308-3, paragraph (1) of the Act;
 - (vii) if an Insurance Service Provider makes a request for conclusion of a Basic Contract for Implementation of Dispute Resolution Procedures and such request is rejected;
 - (viii) if the Designated Dispute Resolution Organization learns about the fact that an act in violation of the laws and regulations or the Operational Rules of the Designated Dispute Resolution Organization had occurred in the

- course of execution of the Business of Dispute Resolution, etc. (limited to the business entrusted by the Designated Dispute Resolution Organization, in case of the trustee who received entrustment of business) by an Officer, etc. of the Designated Dispute Resolution Organization or an trustee who received entrustment of business from the Designated Dispute Resolution Organization; and
- (ix) if the Designated Dispute Resolution Organization learns about the fact that a Member Insurance Service Provider or an Officer, etc. thereof had committed an act in violation of the Operational Rules of the Designated Dispute Resolution Organization.
- (3) The notification in the case falling under item (viii) or (ix) of the preceding paragraph shall be submitted within one month from the date when the Designated Dispute Resolution Organization learned about any fact provided in these items.

(Submission of Report Concerning Business of Dispute Resolution, etc.)

- Article 239-15 (1) The report on Business of Dispute Resolution, etc. to be prepared by a Designated Dispute Resolution Organization pursuant to Article 308-20, paragraph (1) of the Act shall be prepared using appended Form 28 and shall be submitted to the Commissioner of the Financial Services Agency within three months after the end of the relevant Business Year.
- (2) The inventory of property, the balance sheets and income and expenditure account statement or profit and loss statements for the last Business Year, or documents equivalent thereto, shall be attached to the report set forth in the preceding paragraph.
- (3) When the Designated Dispute Resolution Organization is unable to submit the report under paragraph (1) within the period provided in that paragraph due to an unavoidable reason, the Designated Dispute Resolution Organization may postpone the submission of the report by obtaining an approval of the Commissioner of the Financial Services Agency in advance.
- (4) If the Designated Dispute Resolution Organization intends to obtain the approval under the preceding paragraph, the Designated Dispute Resolution Organization shall submit an application for approval to the Commissioner of the Financial Services Agency with a written statement of reason attached to the application.
- (5) Upon receiving the application for approval under the preceding paragraph, the Commissioner of the Financial Services Agency shall examine whether or not there is any reason that is found to be unavoidable in connection with the postponement of the submission pursuant to paragraph (3) by the Designated Dispute Resolution Organization which made the application.

Part V Miscellaneous Provisions

(Details of Documents)

Article 240 (1) The document provided in Article 309, paragraph (1), item (i) of the Act shall contain the matters related to revocation of application for insurance contract or cancellation of insurance contract, as provided in the items of that Article.

(2) The document set forth in the preceding paragraph shall be prepared by using letters, characters and numerals larger than 8-point as provided in JIS Z8305.

(3) When the document specified in paragraph (1) is to be delivered to an Applicant, etc. (meaning an Applicant, etc. as provided in Article 309, paragraph (1) of the Act; hereinafter the same shall apply in this paragraph), it shall be delivered by such means which ensures that the Applicant, etc. to understand the details written in the document, such as informing the Applicant, etc. to comprehensively read the document.

(Means of Using Information and Communications Technology pertaining to the Revocation of Application for Insurance Contract)

Article 240-2 (1) The methods to be specified by Cabinet Office Ordinance using an electronic data processing system or any other information and communication technology, as provided in Article 309, paragraph (2) of the Act, shall be as follows:

(i) a method whereby electronic data processing system is to be used, as specified in the following sub-item (a) or (b):

(a) to transmit information via telecommunications line connected between a computer used by an Insurance Company, etc. and Foreign Insurance Company, etc. and that used by the Applicant, etc., and to record such information in a file stored on a computer used by the recipient; and

(b) to make available for inspection by an Applicant, etc. via a telecommunications line the matters to be stated that are recorded in a file on a computer used by an Insurance Company, etc. and Foreign Insurance Company, etc. and to record said matters in the file of the Applicant, etc. on a computer used by the Applicant, etc. (or, if the Applicant, etc. acknowledges the provision of information by the method provided in the first sentence of Article 309, paragraph (2) of the Act or, if the Applicant notifies to the effect that the Applicant will not receive information by such means, to record such acknowledgment or notice into a file stored on the computer used by the Insurance Company, etc. and the Foreign Insurance Company, etc.)

(ii) to deliver the file storing the Information, which shall be prepared with any object enabling secure storage of certain information through magnetic disks,

CD-ROMs or any other means equivalent thereto.

- (2) The method specified in the items of the preceding paragraph shall be the method which enables an Applicant, etc. to create a document by way of outputting information stored in the file.
- (3) When information to be stated in the written document is to be furnished by the method set forth in paragraph (1), it shall be furnished by the method which would secure the Applicant, etc. to understand the details of such information, such as by way of giving the Applicant, etc. an access to the screen image informing that such information shall be read by the Applicant, etc. comprehensively.
- (4) The term "Electronic Data Processing System" as used in item (i) of paragraph (1) means an electronic data processing system connecting via telecommunications line a computer used by an Insurance Company, etc. or a Foreign Insurance Company, etc. and a computer used by an Applicant, etc.

Article 240-3 The types and details of the methods to be indicated, as referred to in Article 45-2, paragraph (1) of the Cabinet Order, shall be as follows:

- (i) the method provided in any of the items of paragraph (1) of the preceding Article, which will be used by the Insurance Company; and
- (ii) the format of recording information into files.

Article 240-4 The methods to be specified by Cabinet Office Ordinance, as referred to in Article 309, paragraph (3) of the Act, shall be the method set forth in Article 240-2, paragraph (1), item (ii).

(Cases Where Revocation, etc. of Application for Insurance Contract is Unacceptable)

Article 241 The methods to be specified by Cabinet Office Ordinance, as provided in Article 45, item (iii) of the Cabinet Order, shall be as follows:

- (i) method whereby mailing is used;
- (ii) method whereby a facsimile device or any other transmission device similar thereto or a device for information processing is to be used; and
- (iii) method where device equipped by an Insurance Company, etc. or a Foreign Insurance Company, etc. (including Underwriting Members of Licensed Specified Corporation) is to be used.

(Insurance Premiums Corresponding to Period Before Cancellation, in Case of Cancellation of Insurance Contract)

Article 242 (1) The amount to be specified by Cabinet Office Ordinance, as provided in Article 309, paragraph (5) of the Act, shall be up to the amount obtained by the following formula: dividing the amount already received or to

be received as the insurance premiums for the insurance period under such insurance contract, by the total number of the days contained in the insurance period thereunder corresponding to such amount (hereinafter referred to as "Insurance Premiums Period" in this paragraph); and then multiplying such amount by the number of days contained in the period from commencement of such Insurance Premiums Period and the date of cancellation of the insurance contract.

(2) Any fraction of less than one yen arises with regard to the amount calculated pursuant to the provision of the preceding paragraph shall be truncated.

(Application for Authorization, etc.)

Article 243 For filing a written application for authorization to be submitted pursuant to the provision of Article 99, paragraph (7) of the Act, Article 123, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 207 of the Act) and Article 225, paragraph (1) of the Act, a written application for approval to be submitted pursuant to the provision of Article 236, paragraph (1), item (ii) and Article 273, paragraph (1), item (v) of the Act, and a written notification to be submitted pursuant to the provision of Article 123, paragraph (2) (including the cases where applied mutatis mutandis pursuant to Article 207 of the Act) and Article 225, paragraph (2) of the Act, a written statement of reasons or any other documents describing the matters which would serve as reference information (if the matters stated in the documents under Article 4, paragraph (2), item (iv) of the Act, Article 187, paragraph (3), item (iv) of the Act or Article 220, paragraph (3), item (iv) of the Act (limited to the matters related to insurance contract for Third-Sector Insurance) is to be amended, such documents shall include a written opinion specifying the result of verification by the actuary (in case of a Foreign Insurance Company, etc., its actuary in Japan; or in case of a Licensed Specified Corporation, its actuary in Japan) that the matters specified in the aforementioned documents are reasonable and fair in terms of actuarial methodology) shall be attached thereto.

(Special Provisions for Foreign Holding Companies Whose Subsidiary Company is Insurance Company, etc.)

Article 244 (1) A foreign holding company whose Subsidiary Company is an Insurance Company, etc. (including a company intending to become a foreign holding company whose Subsidiary Company is an Insurance Company, etc.; a party intending to incorporate a foreign holding company whose Subsidiary Company is an Insurance Company, etc.; and a company which formerly fell within the scope of foreign holding company whose Subsidiary Company is an Insurance Company, etc.; hereinafter the same shall apply in this Article) may,

in connection with submission of documents required to be submitted to the Prime Minister, etc. as an attachment to a written application or notification under the provisions of this Cabinet Office Ordinance (hereinafter referred to as "Attachments" in this paragraph and the following paragraph), submit to the Prime Minister, etc. the equivalent documents in lieu of such Attachment.

(2) If the laws and regulations or conventions of the Home State (meaning a state which has enacted the laws and regulations governing the incorporation of a foreign holding company whose Subsidiary Company is an Insurance Company, etc.) or any justifiable ground prevents the foreign holding company whose Subsidiary Company is an Insurance Company, etc. from submitting to the Prime Minister, etc. the Attachments or the equivalent document as provided in the preceding paragraph (hereinafter referred to as "Attachments, etc." in this paragraph), it shall not be required to submit such Attachments, etc. to the Prime Minister, etc.

(3) For the purpose of application of the provisions under this Cabinet Office Ordinance to a foreign holding company whose Subsidiary Company is an Insurance Company, etc., its principal office in Japan shall be deemed to be its principal office, in case of a foreign holding company whose Subsidiary Company is an Insurance Company, etc. which has an office in Japan, and its principal office in Japan shall be deemed to exist in the jurisdictional district of the Kanto Local Finance Bureau, in case of a the foreign holding company whose Subsidiary Company is an Insurance Company, etc. which does not have any office in Japan.

(Preliminary Examination)

Article 245 A party which intends to obtain an authorization, permission or approval from the Commissioner of the Financial Services Agency pursuant to the provisions of the Act may seek preliminary examination by submitting to the Commissioner of the Financial Services Agency, Director-General of Local Finance Bureau or Director-General of the Fukuoka Local Finance Branch Bureau documents equivalent to those designated in this Cabinet Office Ordinance as the documents to be submitted upon the application for the authorization, permission or approval, when such party applies for the authorization, permission or approval.

(Standard Processing Period)

Article 246 (1) If any application for license, permission, authorization, approval or designation, or registration under the Act, the Cabinet Order or this Cabinet Office Ordinance as listed in any of the following items (excluding an application for preliminary examination) has arrived at the office of the Prime Minister, etc., the Prime Minister, etc. shall endeavor to render the disposition

in response to such application within the period set forth respectively in the relevant items, within the period respectively set forth therein:

- (i) insurance business license under Article 3, paragraph (1) of the Act: 120 days
- (ii) authorization of concurrent holding of positions of directors (or executive officers, in case of a company with committees) of two or more companies, as set forth in Article 8, paragraph (1) of the Act: 30 days
- (iii) authorization of decrease in the amount of stated capital, as set forth in Article 17-2, paragraph (3) of the Act: 60 days
- (iv) authorization of provisions of articles of incorporation setting forth the exception to setting aside of members' dividend reserve to be granted pursuant to the provision of Article 55-2, paragraph (5) of the Act: 30 days
- (iv)-2 approval of restriction on the amount of asset investment to be granted pursuant to the provision of Article 48, paragraph (2) and the proviso to paragraph (3), the proviso to Article 48-3, paragraph (2) and the proviso to Article 48-5, paragraph (2): 30 days
- (v) authorization of agency for or handling of business to be granted pursuant to the provision of Article 98, paragraph (2) of the Act: 60 days
- (vi) authorization of business to perform the activities specified in the items of Article 33, paragraph (2) of the Financial Instruments and Exchange Act, to be granted pursuant to the provision of Article 99, paragraph (4) of the Act: 60 days
- (vii) authorization of business specified in the items of Article 99, paragraph (2) of the Act, which is to be granted pursuant to the provision of paragraph (5) of that Article: 60 days
- (viii) approval of transaction, etc. with Persons in Specified Relationship, which is to be granted pursuant to the provision of the proviso to Article 100-3 of the Act;
- (ix) authorization of Subsidiary Companies, which is to be granted pursuant to the provision of Article 106, paragraph (4) of the Act: 90 days
- (ix)-2 approval of restriction of acquisition, etc. of voting rights by an Insurance Company or its Subsidiary Company, which is to be granted pursuant to the proviso to Article 107, paragraph (2) of the Act: 30 days
- (x) authorization of recording of gain on assessment of listed shares, which is to be granted pursuant to the provision of Article 112, paragraph (1) of the Act: 30 days
- (xi) authorization of exemption from setting aside Price Fluctuation Reserve, which is to be granted pursuant to the proviso to paragraph (1) and the proviso to paragraph (2) of Article 115 of the Act: 30 days
- (xii) authorization of amendment to the matters specified in Business Procedures, etc., which is to be granted pursuant to the provision of Article

- 123, paragraph (1) of the Act: 90 days
- (xiii) authorization of amendment to articles of incorporation, which is to be granted pursuant to the provision of Article 126 of the Act: 60 days
- (xiv) insurance business license under Article 185, paragraph (1) of the Act: 120 days
- (xv) permission on application for insurance contracts, which is to be granted pursuant to the provision of Article 186, paragraph (2) of the Act: 60 days
- (viii) approval of transaction, etc. with Persons in Special Relationship, which is to be granted pursuant to the provision of the proviso to Article 194 of the Act;
- (xvii) authorization of amendment to the matters specified in Business Procedures, etc., which is to be granted pursuant to the provision of Article 125, paragraph (1) of the Act: 90 days
- (xvii)-2 authorization of Insurance Major Shareholder, which is to be granted pursuant to the provision of Article 271-10, paragraph (1) of the Act;
- (xvii)-3 authorization of granting of grace period related to Specified Major Shareholders, which is to be granted pursuant to the proviso to Article 271-10, paragraph (2) of the Act: 30 days
- (xvii)-4 registration of Low-Cost, Short-Term Insurance Business, which is to be granted pursuant to the provision of Article 272, paragraph (1) of the Act: 60 days
- (xvii)-5 approval of omission of depositing a part of security deposit in virtue of conclusion of a Low-Cost, Short-Term Insurer Liability Insurance, which is to be granted pursuant to the provision of Article 272-6, paragraph (1) of the Act;
- (xvii)-6 approval of concurrent holding by a director (or an executive officer, in case of a company with committees) of Low-Cost, Short-Term Insurer of positions at other companies, to be granted pursuant to the provision of Article 272-10 of the Act: 30 days
- (xvii)-7 approval of implementation of business related to Low-Cost, Short-Term Insurance, to be granted pursuant to the provision of Article 272-11, paragraph (2) of the Act: 30 days
- (xvii)-8 approval of transaction, etc. with Persons in Specified Relationship, which is to be granted pursuant to the provision of the proviso to Article 100-3 of the Act as applied mutatis mutandis pursuant to Article 272-13, paragraph (2) of the Act;
- (xvii)-9 approval of Subsidiary Company, to be granted pursuant to the provisions of Article 272-14, paragraph (2) of the Act: 60 days
- (xvii)-10 authorization of exemption from setting aside Price Fluctuation Reserve, which is to be granted pursuant to the proviso to paragraph (1) and the proviso to paragraph (2) of Article 115 of the Act as applied mutatis

- mutandis pursuant to Article 272-18 of the Act: 30 days
- (xvii)-11 authorization of Low-Cost, Short-Term Insurance Major Shareholder, which is to be granted pursuant to the provision of Article 272-31, paragraph (1) of the Act: 30 days
- (xvii)-12 authorization of granting of grace period related to Low-Cost, Short-Term Insurance Specified Major Shareholders, which is to be granted pursuant to the proviso to Article 272-31, paragraph (2) of the Act: 30 days
- (xvii)-13 approval of cancellation of a contract to be substituted for depositing of all or part of security deposit or amendment to any terms and conditions thereunder, which is to be granted pursuant to the provision of Article 38-5, item (iii) of the Cabinet Order;
- (xvii)-14 approval of cancellation of Low-Cost, Short-Term Insurer Liability Insurance Contract or amendment to any terms and conditions thereunder, which is to be granted pursuant to the provision of Article 38-8, paragraph (1), item (iii) of the Cabinet Order;
- (xviii) registration of Insurance Broker, which is to be granted pursuant to the provision of Article 286 of the Act: 30 days
- (xix) approval of restitution of all or part of security deposit deposited, which is to be granted pursuant to the provision of Article 291, paragraph (10) (excluding items (i) and (ii)): 20 days
- (xx) approval of omission of deposit of a part of security deposit in lieu of entry into an Insurance Broker Liability Insurance Contract, which is to be granted pursuant to the provisions of Article 292, paragraph (1) of the Act: 20 days
- (xxi) approval of cancellation of a contract to be substituted for depositing of all or part of security deposit or amendment to any terms and conditions thereunder, which is to be granted pursuant to the provision of Article 42, item (ii) of the Cabinet Order: 20 days
- (xxii) approval of cancellation of Insurance Broker Liability Insurance Contract or amendment to any terms and conditions thereunder, which is to be granted pursuant to the provision of Article 44, paragraph (1), item (iv) of the Cabinet Order: 20 days
- (xxiii) approval of corporate bonds or any other bonds to be substituted for security deposit, which is to be granted pursuant to the provision of Article 226, paragraph (1), item (iv): 20 days
- (xxiv) designation of the person to conduct Business of Dispute Resolution, etc. pursuant to the provision of Article 308-2, paragraph (1) of the Act: 60 days;
- (xxv) authorization of changes to the Operational Rules pursuant to the provision of Article 308-7, paragraph (7) of the Act: 30 days;
- (xxvi) authorization of suspension or abolishment of all or part of the Business of Dispute Resolution, etc. pursuant to the provision of Article 308-23,

- paragraph (1) of the Act: 30 days.
- (2) The period referred to in the preceding paragraph shall not include the following periods:
- (i) a period required for any correction to the application;
 - (ii) a period necessary for the applicant to amend the particulars of the application; and
 - (iii) a period necessary for the applicant to add any material which is deemed necessary for the examination of such application.

(Foreign Insurance Company, etc. Not Allowed to Accept Entrustment of Business and Property Management)

Article 247 The companies to be specified by Cabinet Office Ordinance, as provided in Article 47-2, paragraph (3), item (xxv) of the Cabinet Order, shall be a Foreign Insurance Company, etc., which has established an office of a person acting as an agent for underwriting insurances pertaining to its insurance business in Japan, as set forth in Article 185, paragraph (1) of the Act.