

Ordinance for Enforcement of the Banking Act

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

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

Chapter I General Provisions (Articles 1 to 11)

Chapter II Services (Articles 12 to 17)

Chapter III Subsidiary Company (Articles 17-2 to 17-7-2)

Chapter IV Accounting (Articles 17-7-3 to 21)

Chapter V Mergers, Company Splits, and Business Transfers and Acquisitions
(Articles 22 to 24)

Chapter VI Discontinuance of Banking and Dissolution (Articles 25 to 27)

Chapter VII Foreign Bank Branches (Articles 28 to 34)

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

Chapter VIII Shareholders

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

Section 2 Special Provisions on a Bank's Major Shareholder

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

Subsection 2 Supervision (Article 34-9)

Section 3 Special Provisions on a Bank Holding Company

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

Subsection 2 Business and Subsidiary Company (Articles 34-14-2 to 34-23)

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

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

Chapter VIII-2 Bank Agency Services

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

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

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

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

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

Chapter VIII-3 Designated Dispute Resolution Organization

Section 1 General Rules (Articles 34-65 to 34-68)

Section 2 Services (Articles 34-69 to 34-76)

Section 3 Supervision (Articles 34-77 to 34-78)
Chapter IX Miscellaneous Provisions (Articles 35 to 40)
Supplementary Provisions

Chapter I General Provisions

(Definitions)

Article 1 The terms "Bank", "Banking", "Installment Savings", "Installment Savings, etc.", "Depositor, etc.", "All Shareholders', etc. Voting Rights", "Shares, etc.", "Subsidiary Company", "Major Shareholder Threshold", "Bank's Major Shareholder", "Holding Company", "Bank Holding Company", "Bank Agency Services", "Bank Agent", "Principal Bank", "Designated Dispute Resolution Organization", "Banking Services", "Complaint Processing Procedures", "Dispute Resolution Procedures", "Dispute Resolution, etc.", and "Basic Contract for the Implementation of Dispute Resolution Procedures" as used in this Cabinet Office Ordinance means bank, Banking, Installment Savings, Installment Savings, etc., Depositor, etc., All Shareholders', etc. Voting Rights, Shares, etc., Subsidiary Company, Major Shareholder Threshold, Bank's Major Shareholder, Holding Company, Bank Holding Company, Bank Agency Services, Bank Agent, Principal Bank, Designated Dispute Resolution Organization, Banking Services, Complaint Processing Procedures, Dispute Resolution Procedures, Dispute Resolution, etc., and Basic Contract for the Implementation of Dispute Resolution Procedures, respectively, as provided in Article 2 of the Banking Act (Act No. 59 of 1981; hereinafter referred to as "the Act").

(Requirements for Suggesting the Existence of a Fact That Is Expected to Materially Affect Decisions on Financial and Business Policies of the Company)

Article 1-2 Requirements provided by Cabinet Office Ordinance as prescribed in Article 2, paragraph (9) of the Act are the requirements set forth in Article 8, paragraph (6), item (ii), sub-items (a) to (e) of the Ordinance on the Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Ordinance No. 59 of 1963; hereinafter referred to as "Ordinance of Financial Statements, etc.").

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

Article 1-3 (1) Pursuant to the provisions of Article 2, paragraph (11) of the Act (including the cases where applied mutatis mutandis pursuant to the provisions of Article 3-2, paragraph (2); Article 16-3, paragraph (8); Article 52-

2-11, paragraph (2); Article 52-3, paragraph (5); Article 52-4, paragraph (4); Article 52-24, paragraph (8), and Article 53, paragraph (5) of the Act, and Article 4, paragraph (2); Article 17-2, paragraph (11); Article 17-5, paragraph (5); Article 17-7, paragraph (3); Article 34-10, paragraph (6); Article 34-16, paragraph (9); Article 34-19, paragraph (5); Article 34-21, paragraph (3); Article 34-29, paragraph (3); Article 34-30, paragraph (3); Article 34-31, paragraph (3); and Article 35, paragraph (10) of the Order for Enforcement of the Banking Act (Cabinet Order No. 40 of 1982; hereinafter referred to as "the Order"; hereinafter the same applies in the following paragraph), a voting right provided by Cabinet Office Ordinance, which is required not to be included in the voting rights held by a company or a holder of voting rights, is the voting rights pertaining to the following Shares, etc. (which means the voting rights prescribed in Article 2, paragraph (6) of the Act; the same applies to the following paragraph, Articles 1-5 to 1-8, Article 3, and Chapters III, V, VIII (excluding Article 34-26), VIII-3 and IX):

- (i) Shares, etc. held as a business by a financial instruments business operator (Which means a financial instruments business operator prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act (Act No. 25 of 1948): the same applies hereinafter) that engages in securities-related business (which means a securities-related business as prescribed in Article 28, paragraph (8) of the same Act; the same applies hereinafter), and by a foreign company;
- (ii) when a corporation or an individual carrying on business becomes a limited liability partner of an investment limited partnership as prescribed in Article 2, paragraph (2) of the Limited Partnership Act for Investment (Act No. 90 of 1998), Shares, etc. acquired or held as assets of the partnership (excluding cases where a limited liability partner may exercise the voting rights, a limited liability partner may order an unlimited liability partner of an investment limited partnership regarding exercise of voting rights, and holds said Shares, etc. for more than ten years from the date when said Shares, etc. were acquired);
- (iii) when a corporation or an individual carrying on a business becomes a partner (excluding a person entrusted to carry out the business; hereinafter referred to as a "Non-Managing Partner" in this item) of a partnership (limited to those that entrust management of the business to one or more partners) established by parties who covenant to engage in investment business to a company under the partnership contract as prescribed in Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896), Shares, etc. acquired or held as assets of the partnership (excluding cases that the Non-Managing Partner may exercise the voting rights, the Non-Managing Partner may order a person entrusted to carry out the business regarding exercise of

- voting rights, and holds said Shares, etc. for more than ten years from the date said Shares, etc. were acquired); or
- (iv) Shares, etc. approved by the Commissioner of the Financial Services Agency among holdings equivalent to the preceding two items.
- (2) Pursuant to the provisions of Article 2, paragraph (11) of the Act, voting rights provided by Cabinet Office Ordinance, which are pertaining to Shares, etc. held as trust properties, and excluded from those a company or holder of said voting rights may exercise as a settler or a beneficiary or may issue an order concerning the exercise thereof, are voting rights pertaining to Shares, etc. that said company orders concerning the exercise thereof as an investment trust management company (which means an entrusting company of an investment trust prescribed in Article 2, paragraph (11) of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951); the same applies hereinafter) pursuant to the provisions of Article 10 of the same Act, and voting rights pertaining to Shares, etc. that said company, pursuant to the provisions of the laws and regulations of a foreign state equivalent to the provisions of Article 10 of the same Act orders concerning the exercise thereof as a person equivalent to an entrusting company of an investment trust pursuant to the laws and regulations of the foreign state equivalent to the same Act.
- (3) A Bank, when intending to obtain an approval as prescribed in Article 1, item (iv), must attach a written statement of reasons to the written application for approval and submit them to the Commissioner of the Financial Services Agency.
- (4) The Commissioner of the Financial Services Agency, when an application for approval is filed pursuant to the provisions of the preceding paragraph, with regard to Shares, etc. pertaining to said application, is to examine whether the Bank, which filed said application, may not exercise voting rights or may not issue an order concerning the exercise thereof.

(Equivalents to a Corporation)

Article 1-4 Those provided by Cabinet Office Ordinance as equivalent to a corporation as prescribed in Article 3-2, paragraph (1), item (i) of the Act, are an unincorporated association or foundation and has rules concerning its representative person or an administrator.

(Method of Consolidation Concerning Financial Statements)

Article 1-5 (1) A company which is required to prepare consolidated financial statements, etc. and other documents pursuant to the provisions of Cabinet Office Ordinance as prescribed in Article 3-2, paragraph (1), item (ii) of the Act is a company subject to submit consolidated financial statements prescribed in

Article 2, item (i) of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28 of 1976).

(2) The number calculated as pursuant to the provisions of Cabinet Office Ordinance prescribed in Article 3-2, paragraph (1), item (ii) of the Act is a number calculated by multiplying the number of voting rights held by all the shareholders of said Bank by a specified voting rights percentage (which means the number calculated by dividing the number of specified voting rights of a single Bank held by said company by the number of specified voting rights held by all the shareholders of said Bank) pertaining to the total number, of which the number of specified voting rights (which means the voting rights as prescribed in Article 2, paragraph (6) of the Act, excluding voting rights that concern shares which are deemed to have voting rights pursuant to the provisions of Article 879, paragraph (3) of the Companies Act (Act No. 86 of 2005); hereinafter the same applies in this Article) of said Bank held by said company is combined, with regard to consolidated companies, etc. (which means companies, etc. prescribed in the same item of the Act; hereinafter the same applies in this Article to Article 1-7) of said company, in accordance with the categories set forth in the following items, with the number of specified voting rights of said Bank prescribed in said respective items:

(i) a Subsidiary Company of said company (which means a Subsidiary Company as prescribed in Article 8, paragraph (3) of the Ordinance of Financial Statements, etc.): the number of specified voting rights of said Bank held by such Subsidiary Company;

(ii) a person, with regard to exercise of voting rights pertaining to said Bank, who becomes a person to be deemed or a person who agrees as prescribed in Article 8, paragraph (6), item (iii) of the Ordinance of Financial Statements, etc.: the number of specified voting rights of said Bank held by such person; and

(iii) an affiliated company of said Company (which means an affiliated company prescribed in Article 8, paragraph (5) of the Ordinance of Financial Statements, etc.) (excluding a person set forth in the preceding item): the number calculated by multiplying the number of specified voting rights of said Bank held by said affiliated company by the portion of net assets that pertain to said company of said net assets of said affiliated company.

(A Closely Related Company)

Article 1-6 (1) A Company, etc. provided by Cabinet Office Ordinance as prescribed in Article 3-2, paragraph (1), item (iii) of the Act is the following company, etc.:

(i) when said company, etc. holds the majority of voting rights held by all of

- shareholders or all of investors of another company, etc., said other company, etc.; or
- (ii) when another company, etc. holds the majority of voting rights held by all of shareholders or all of investors of said company, etc., said other company, etc.
- (2) In the cases of the preceding paragraph, voting rights held by a company, etc., for which the majority of voting rights held by all of shareholders or all of investors are held by another company, etc., are deemed as voting rights held by said other company, etc.
- (3) In the case of the preceding two paragraphs, the voting rights held by a company, etc. or another company, etc. are to include shares or voting rights pertaining to the contribution which may not be asserted against the issuer pursuant to the provisions of Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on Book-Entry of Corporate Bonds, Shares (Act No. 75 of 2001) (including cases where these provisions are applied mutatis mutandis in Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1), and Article 276 (limited to the part pertaining to item (ii) of the same Act).

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

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

- (i) a holder of a number of voting rights in a Holding Company which is equal to or greater than the Major Shareholder Threshold (including a person set forth in Article 3-2, paragraph (1), item (i) of the Act, but excluding a person set forth in items (ii) to (vi) of the same paragraph): whichever is the smaller of either the number calculated by multiplying the number that is obtained by dividing the number of voting rights of said Holding Company held by the holder by the number of voting rights held by all of shareholders of said Holding Company, by the number of voting rights held by all of shareholders of said Bank that is a Subsidiary Company of said Holding Company; or, the total number of voting rights of a Bank, which is a Subsidiary Company of said Holding Company held by said person, said Holding Company and Subsidiary Company, etc. (which means a Subsidiary Company, etc., as prescribed in Article 52-25 of the Act; the same applies in the following item) of said Holding Company; or
- (ii) if the term "Bank" in the provisions of Article 3-2, paragraph (1), items (ii) to (vi) of the Act applies by replacing with "Bank Holding Company", a person who becomes a person set forth in said items (excluding a person set

forth in said items and a person set forth in the preceding item): whichever is the smaller of either of the number obtained by multiplying the number that is obtained by dividing the number of voting rights specified in each said item by the number of voting rights held by all of shareholders of a Bank Holding Company which issued shares pertaining to said voting rights, by the number of voting rights held by all of shareholders of a Bank, which is a Subsidiary Company of said Bank Holding Company; or the total number of voting rights of a Bank, which is a Subsidiary Company of said Bank Holding Company, held by a company, etc., individual, or a joint holder (which means a joint holder as prescribed in item (vi) of the same paragraph; the same applies in Article 34-5) , said Bank Holding Company, and a Subsidiary Company, etc. of said Bank Holding Company of said person whose voting rights will be combined or added in the case that calculating the grand total number of voting rights (which means the grand total number of voting rights as prescribed in item (v) of the same paragraph) of said person, which means a company, etc. that belongs to a group of companies, etc. (which means a group of companies, etc., as prescribed in item (iii) of the same paragraph) pertaining to said person, such as said person and said person's consolidated company, etc.

(Application for a Business License)

Article 1-8 (1) A stock company which intends to obtain a business license pursuant to the provisions of Article 4, paragraph (1) of the Act must attach the following documents to the written application for license on which all directors sign (or, in case of a company with committees, directors and executive officers) and submit the documents to the Prime Minister via the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning said stock company:
 - (a) articles of incorporation;
 - (b) certificate of registered matters of the company;
 - (c) minutes of the organizational meeting (when it is deemed that there was a resolution at the organizational meeting pursuant to the provisions of Article 82, paragraph (1) of the Companies Act, documents certifying this case corresponds to said case; the same applies hereinafter) (in the case that said stock company is incorporated by share transfer or by a company split, the minutes of the shareholders meeting concerning to this (when it is deemed that there was a resolution at a shareholders meeting pursuant to the provisions of Article 319, paragraph (1) of the Companies Act, documents certifying this case corresponds to said case; the same applies hereinafter) or other documents certifying that the necessary procedures

- were implemented);
- (d) a document stating the prospective income and expenditures and adequacy of equity capital for three business years after commencement of business;
 - (e) the resumes of the directors and company auditors (in case of a company with committees, the directors and directors);
 - (f) in case of a company with accounting advisors, the resumes of the accounting advisors (if the accounting advisor is a corporation, a document stating the history of said accounting advisor and a resume of the members who are to engage in the duties);
 - (g) name, domicile or residence, nationality, and occupation of the shareholders (in the case that a shareholder is a corporation or other organization, its name, the location of its principal business office or offices , and details of the business being carried out), and the number of voting rights held by the shareholder;
 - (h) a document stating the location of business offices;
 - (i) recent daily statement of accounts or other documents which provide the recent status of assets and profit or loss; and
 - (j) a document stating the status of maintaining employees who have knowledge and experience concerning Bank services;
- (iii) when said stock company holds a Subsidiary Company, etc. (which means a Subsidiary Company, etc. corresponding to either as prescribed in Article 13, the first sentence of paragraph (2) of the Act, or as prescribed in Article 14-2, item (ii) of the Act; hereinafter the same applies in this Article, except for (e), and paragraph (3), item (iii)), the following documents:
- (a) a document stating the name of said Subsidiary Company, etc. and the location of its principal business office or office;
 - (b) a document stating the details of the business of said Subsidiary Company, etc.;
 - (c) the latest balance sheet (including relevant notes; the same applies hereinafter), profit and loss statement (including relevant notes; the same applies hereinafter), statement of changes in net assets (including relevant notes; the same applies hereinafter) of said Subsidiary Company, etc., and other documents which provide the status of recent business, assets, and profit and loss of said Subsidiary Company, etc.
 - (d) a document stating the title and name of the directors (if a director is a corporation, including the persons who are to engage in the duties) of said Subsidiary Company, etc.; and
 - (e) a document stating the prospective income and income and expenditures and adequacy of consolidated equity capital of said company and its Subsidiary Company, etc. (which means a Subsidiary Company, etc., as

- prescribed in Article 14-2, item (ii) of the Act; the same applies in paragraph (3), item (iii)) for three business years after commencement of business of said stock company;
- (iv) beyond the documents set forth in each of the preceding items, a document stating matters to be referenced for examination as prescribed in Article 4, paragraphs (2) and (3) of the Act.
- (2) When a stock company other than a Bank intends to obtain a business license pursuant to the provisions of Article 4, paragraph (1) of the Act by amending its prior purposes in order to carry out Banking, beyond the documents set forth in the preceding items (except for documents set forth in item (ii), sub-item (c) of the same paragraph), the following documents must be attached to the written application for license:
- (i) minutes of shareholders meetings;
- (ii) prior articles of incorporation and a document which clarifies the nature of existing transactions at the time of filing the application for license; and
- (iii) the latest balance sheet, profit and loss statement, and statement of changes in net assets.
- (3) The Prime Minister, when implementing an examination as prescribed in Article 4, paragraph (2) of the Act pertaining to an application for license pursuant to the preceding two paragraphs, is to consider the following matters:
- (i) the amount of stated capital of a person who applies for a banking license (hereinafter referred to as the "Applicant" in this paragraph) is equal to or greater than the amount as prescribed in Article 3 of the Order and is an amount which is sufficient for carrying out sound and efficient Bank services;
- (ii) the current income of a single business year of the Applicant is expected until the date three business years elapse after commencement of the business;
- (iii) the status of the adequacy of equity capital of the Applicant and of the Applicant and its Subsidiary Company, etc. is expected to be appropriate until three business years elapse after commencement of the business; and
- (iv) in light of maintaining directors, directors, accounting advisors or company auditors, and employees who possess sufficient knowledge and experience for Bank services, systems, etc. pertaining to business management of the Bank, the Applicant is a person who may carry out precise, fair, and effective Bank services and with sufficient social creditability.

(Preliminary Examination of Business License)

Article 2 A person who intends to obtain a business license pursuant to the provisions of Article 4, paragraph (1) of the Act may request a preliminary examination by submitting the equivalent documents pursuant to the provisions of the preceding Article to the Prime Minister via the Commissioner

of the Financial Services Agency.

(Uniquely Related Persons Pertaining to Foreign Banks)

Article 3 A person provided by Cabinet Office Ordinance as prescribed in Article 1-2, item (vii) of the Order is the following:

- (i) when a person who carries out Banking (excluding a Bank, etc. as prescribed in Article 4, paragraph (5) of the Act; hereinafter referred to as a "Foreign Bank") in a foreign state in accordance with the laws and regulations of the foreign state or a person set forth in Article 1-2, items (i) to (vi) of the Order pertaining to said Foreign Bank holds a portion of voting rights of an applicant for a banking license, a person, with the location of its principal business office or office in the same state as said Foreign Bank or a person set forth in Article 1-2, items (i) to (vi) of the Order pertaining to said Foreign Bank, and who has a portion of voting rights of an applicant of said banking license; or
- (ii) in the case that the total number or amount of Shares, etc., which exceeds fifty percent of issued shares, etc. of a Foreign Bank, is held by two or more persons (any of these persons is limited to a person who holds the number or amount of Shares, etc., exceeding five percent of the total number of issued shares or total amount of contribution (hereinafter referred to as "Issued Shares, etc.") of the Foreign Bank), with the location of its principal business office or office in a state where a Bank is unable to establish a branch office or incorporate a company to carry out Banking, a person who corresponds to said two or more persons.

(Percentage for Multiplying the Voting Right Held by All of Shareholders as Prescribed in Article 4, paragraph (3) of the Act)

Article 4 The percentage provided by Cabinet Office Ordinance as prescribed in Article 4, paragraph (3) of the Act is fifty percent.

(Financial Institutions Included in Bank)

Article 4-2 Financial institutions as provided by Cabinet Office Ordinance as prescribed in Article 4, paragraph (5) of the Act are the following:

- (i) the Shoko Chukin Bank Limited
- (ii) the Shinkin Bank Association
- (iii) the Norinchukin Bank

(Application for Authorization of Reduction of Stated Capital Amount)

Article 5 A Bank, when intending to obtain an authorization for a reduction of stated capital amount pursuant to the provisions of Article 5, paragraph (3) of the Act, must attach the following documents to said written application for

authorization and submit them to the Commissioner of the Financial Services Agency, the Director General of Local Finance Bureau or Fukuoka Local Finance Branch Bureau (hereinafter referred to as "Commissioner of the Financial Services Agency, etc.):

- (i) a written statement of reasons;
- (ii) a statement stating the method to reduce the amount of stated capital;
- (iii) minutes of the shareholders meeting and other statements certifying that the necessary procedures were implemented;
- (iv) the latest daily statement of accounts;
- (v) when a public notice and demand (in the case that publication is made in a daily newspaper that publishes matters on current events or by electronic public notice in addition to the official gazette pursuant to the provisions of Article 449, paragraph (3) of the Companies Act, a public notice by these methods) pursuant to the provisions of paragraph (2) of the same Article is implemented or a creditor states an objection, a document certifying that the Bank performed the obligation or provided reasonable security to said creditor, entrusted reasonable assets with the purpose to provide said creditor with performance of the obligation, or that said creditor will not be prejudiced although the amount of said stated capital is reduced; and
- (vi) when a share certificate-issuing company consolidates shares, a document certifying that public notice was given pursuant to the provisions of Article 219, main clause of paragraph (1) of the Companies Act, or that share certificates for all said shares are not issued.

(Applications for Authorization of Change of Trade Name)

Article 6 (1) A Bank, when intending to obtain an authorization for change of trade name pursuant to the provisions of Article 6, paragraph (3) of the Act, must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency, etc.:

- (i) a written statement of reasons; and
 - (ii) minutes of the relevant shareholders meeting.
- (2) The Commissioner of the Financial Services Agency, etc., when an application for authorization is filed pursuant to the provisions of the preceding paragraph, is to examine whether the trade name pertaining to said application is not the same as or similar to the trade name of another Bank.

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

Article 7 (1) A director (in the case of a company with committees, the executive officer; the same applies in the following paragraph) who engages in ordinary business of a Bank, pursuant to the provisions of Article 7, paragraph (1) of the Act, when intending to obtain an authorization with regard to engaging in

ordinary business of another company, must attach the following documents to an written application for authorization and submit them to the Commissioner of the Financial Services Agency, etc. via said Bank:

- (i) a written statement of reasons;
 - (ii) a resume;
 - (iii) a document stating the handling method of the ordinary business of the Bank and said other company;
 - (iv) a document stating transactions and other relationships between the Bank and said other company; and
 - (v) the articles of incorporation (including an equivalent document), the latest business report, balance sheet, profit and loss statement, and statement of changes in net assets of said other company, and other documents that provide the recent status of business, assets, and profit and loss of said other company.
- (2) The Commissioner of the Financial Services Agency, etc., when an application for authorization is filed pursuant to the provisions of the preceding paragraph, with regard to the director pertaining to said application that engages in ordinary business of a Bank, is to examine whether the concurrent holding of positions pertaining to said application may not cause any concern.

(Definitions of Business Office)

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

(2) A head office as prescribed in Article 8, paragraph (1) of the Act means a facility that supervises the Bank services and is registered as the head office.

(3) A branch office as prescribed in Article 8, paragraphs (1) and (2) of the Act means a business office which belongs to a head office and a facility that carries out Bank services in the name of and under the account of said business office.

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

(Notification of Establishment of Business Office)

Article 9 (1) Cases provided by Cabinet Office Ordinance as prescribed in Article

8, paragraph (1) of the Act are the following:

- (i) in a case of establishing, changing the location, or abolition of a Sub-Office;
 - (ii) when the location of a business office is changed due to extension or reconstruction or other compelling reason (limited to a case where it is obvious that the office will be located again in the location before the change);
 - (iii) when a business office pertaining to a change of location as prescribed in the preceding item is located again in the location before the change; or
- (2) A Bank, when intending to submit a notification of the establishment, change of location, change of type, or abolishment of a business office pursuant to the provisions of Article 8, paragraph (1) of the Act, must attach a written statement of reasons and other documents stating matters found to be necessary by the Commissioner of the Financial Services Agency to the written notification and submit them to the Commissioner of the Financial Services Agency, etc..

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

Article 9-2 (1) A Bank, when intending to obtain an authorization for the establishment, change of type, or abolishment of a business office in a foreign state pursuant to the provisions of Article 8, paragraph (2) of the Act, must attach the following documents to a written application for authorization and submit them to the Commissioner of the Financial Services Agency, etc.:

- (i) a written statement of reasons;
 - (ii) when matters to be authorized require a resolution at the shareholders meeting or of board of directors, the minutes of the shareholders meeting or minutes of the board of directors meeting concerning the case (when it is deemed as there was a resolution of the board of directors pursuant to the provisions of Article 370 of the Companies Act, a document certifying that this case corresponds to said case; the same applies hereinafter);
 - (iii) in cases of changing the type of business office, a document stating the recent business status of said business office; and
 - (iv) other documents stating matters found to be necessary by the Commissioner of the Financial Services Agency.
- (2) The Commissioner of the Financial Services Agency, etc., when an application of authorization for establishment or change of type of a business office is filed pursuant to the preceding paragraph, is to examine whether it conforms to the following standards:
- (i) except for cases where the establishment or change of type of said business office is found to contribute to ensuring the sound management of the Bank which filed said application, the condition of adequacy of equity capital of the

Bank which filed said application corresponds to an exception from the categories listed in the table of Article 1, paragraph (1) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act (Ordinance of the General Administrative Agency of the Cabinet and the Ministry of Finance No. 39 of June 26, 2000) and the condition of adequacy of equity capital of the Bank which filed said application and its Subsidiary Company, etc. (which means a Subsidiary Company, etc., as prescribed in Article 14-2, item (ii) of the Act; the same applies in paragraph (2), item (i) of the following Article) corresponds to an exception from the categories listed in the table of Article 1, paragraph (2) of the same Order;

- (ii) in light of the system, etc., pertaining to business management of the Bank which filed said application, accurate, fair, and effective Bank services may be carried out; and
 - (iii) necessary crime prevention measures are taken by said business office and the information of customers is managed appropriately.
- (3) Cases provided by Cabinet Office Ordinance as prescribed in Article 8, paragraph (2) of the Act are the following cases:
- (i) in cases of establishing a Sub-Office (limited to a temporary or circuit-type facility, or unmanned equipment); or
 - (ii) in cases of abolishing a Sub-Office.
- (4) The Commissioner of the Financial Services Agency, etc., when an application is filed for authorization for abolishment of a business office pursuant to the provisions of paragraph (1), is to examine whether the abolishment may not cause substantial effects to the customers of said business office, such as transactions pertaining to a customer of said business office will be succeeded by another business office of the Bank which filed said application or other financial institution without any hindrance.

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

Article 10 (1) A Bank, when intending to obtain an authorization to conclude a contract (hereinafter referred to as an "Entrustment Contract" in this Article) to entrust acts set forth in Article 2, each item of paragraph (14) of the Act in a foreign state pursuant to the provisions of Article 8, paragraph (3) of the Act or to terminate said Entrustment Contract, must attach the following documents to an written application for authorization and submit them to the Commissioner of the Financial Services Agency, etc.:

- (i) a written statement of reasons; and
- (ii) other documents stating items found to be necessary by the Commissioner of the Financial Services Agency.

- (2) The Commissioner of the Financial Services Agency, etc., when an application is filed for authorization of conclusion of an Entrustment Contract pursuant to the preceding paragraph, is to examine whether it conforms to the following standards:
- (i) except for cases where said Entrustment Contract is deemed to contribute to ensuring the sound management of the Bank which filed said application, the condition of adequacy of equity capital of the Bank which filed said application corresponds to an exception from the categories listed in the table of Article 1, paragraph (1) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act and the condition of adequacy of equity capital of the Bank which filed said application and its Subsidiary Company, etc. corresponds to an exception from the categories listed in the table of Article 1, paragraph (2) of the same Order;
 - (ii) the other party of the said concluding Entrustment Contract (hereinafter referred to as a "foreign bank agent" in this Article) satisfies all of the following requirements:
 - (a) the other party is a person who possesses a financial basis that is found to be necessary for carrying out the business (hereinafter referred to as "Entrusted Business" in this Article) pertaining to said Entrustment Contract;
 - (b) in light of such matters as its personnel structure, etc., the other party is a person who has the necessary ability for carrying out the Entrusted Business accurately, fairly, and efficiently, and who has social creditability; and
 - (c) the other party is a person who is not found to cause hindrance, with regard to carrying out the Entrusted Business appropriately and certainly, by carrying out other business;
 - (iii) the Bank which filed said application may take measures in order to secure sound and appropriate management of Entrusted Business with said foreign bank agent.
- (3) When examining whether the business conforms to the standards set forth in item (ii) of the preceding paragraph, the business is to be considered with the matters set forth in each item of Article 34-37.
- (4) The Commissioner of the Financial Services Agency, etc., when an application is filed for authorization of termination of an Entrustment Contract pursuant to the provisions of paragraph (1), is to examine whether the termination will not cause substantial effects to the customers of said Foreign Bank Agent, such as transactions pertaining to customers concerning the Entrusted Business of said Foreign Bank Agent will be succeeded to another business office of the Bank which filed said application or other financial institution without any hindrance.

Article 11 [deleted]

Chapter II Services

(Scope of Certificate of a Monetary Claim)

Article 12 Monetary claims indicated in the form of certificates provided by Cabinet Office Ordinance as prescribed in Article 10, paragraph (2), item (v) of the Act are as follows:

- (i) a deposit certificate of negotiable deposits (which means a deposit with a due date for repayment, but without special provisions of non-assignment; the same applies in Article 13-5, paragraph (1), item (i));
- (ii) commercial paper;
- (iii) a housing mortgage certificate;
- (iv) a certificate of beneficiary right to a loan claim trust
- (iv)-2 a mortgage securities as prescribed in the Mortgage Corporations Act (Act No. 15 of 1931);
- (v) a certificate of beneficiary right for the beneficiary right of a commodity investment as prescribed in Article 2, paragraph (6) of the Act on Control for Business Pertaining to Commodity Investment (Act No. 66 of 1991);
- (vi) a security or certificate issued by a foreign corporation that indicates a beneficiary right to trust for which a loan claim of a person, who carries out Banking or who carries out other monetary loans as its business, is entrusted or any other similar right; or
- (vii) a security or certificate that indicates a right pertaining to the transactions as prescribed in Article 10, paragraph (2), items (xii) or (xiv) of the Act.

(Securities Equivalent to Specified Corporate Bonds)

Article 12-2 Those as provided by Cabinet Office Ordinance as a security prescribed in Article 10, paragraph (2), item (v)-2 of the Act are a security prescribed in Article 15-17, paragraph (1) of the Order for Enforcement of the Financial Instruments and Exchange Act (Act No. 321 of 1965) (with regard to the security prescribed in the same paragraph, limited to a security which has characteristics as set forth in Article 2, paragraph (1), item (iv) or item (v) of the Financial Instruments and Exchange Act), and which assets subject to transfer as prescribed in Article 40, item (i) of the Cabinet Office Ordinance Concerning Financial Instruments Business (Cabinet Office Ordinance No. 52 of 2007) are a nominative monetary claim or a beneficiary right to the trust to which the nominative monetary claim is entrusted.

(Agency or Intermediary Service)

Article 13 Agency or intermediary service provided by Cabinet Office Ordinance as prescribed in Article 10, paragraph (2), item (viii) of the Act is the following:

- (i) agency service or intermediary business (excluding a trust business (hereinafter referred to as "Trust Business") prescribed in Article 1, paragraph (1) of the Act on Engagement in Trust Business by a Financial Institution (Act No. 43 of 1943)) of a Bank, a long-term credit bank (which means a long-term credit bank prescribed in Article 2 of the Long-term Credit Bank Act (Act No. 187 of 1952); the same applies hereinafter), Shoko Chukin Bank Limited or Shinkin Bank, Credit Cooperatives, or Labor Bank (including a federation organized by these corporations);
- (ii) agency service or intermediary credit business which is carried out by an agricultural cooperative (limited to a cooperative which carries out business as prescribed in Article 10, paragraph (1), item (ii) of the Agricultural Cooperatives Act (Act No. 132 of 1947); the same applies hereinafter) or a federation of agricultural cooperatives (limited to a federation of agricultural cooperatives which carries out business as prescribed in Article 10, paragraph (1), item (iii) of the same Act; the same applies hereinafter) and which credit business is as prescribed in Article 11, paragraph (2) of the same Act (excluding a business pertaining to Trust Business); a credit business which is carried out by a fisheries cooperative (limited to a fisheries cooperative which carries out business as prescribed in Article 11, paragraph (1), item (iv) of the Fishery Cooperative Act (Act No. 242 of 1948); the same applies hereinafter), a federation of fisheries cooperatives (limited to a federation of fisheries cooperatives which carries out business as prescribed in Article 87, paragraph (1), item (iv) of the same Act; the same applies hereinafter), a fishery processing cooperative (limited to a fishery processing cooperative which carries out business as prescribed in Article 93, paragraph (1), item (ii) of the same Act; the same applies hereinafter), or a federation of fishery processing cooperatives (limited to a federation of fishery processing cooperatives which carries out business as prescribed in Article 97, paragraph (1), item (ii) of the same Act; the same applies hereinafter) and which credit business is prescribed in Article 54-2, paragraph (2) of the same Act (excluding a business pertaining to Trust Business); or business of the Norinchukin Bank (excluding a business pertaining to Trust Business);
- (ii)-2 agency or intermediary service for a fund transfer services (which means the fund transfer services prescribed in Article 2, paragraph (2) of the Payment Services Act (Act No. 59 of 2009); the same applies in the same item) operated by a fund transfer service provider (which means the fund transfer service provider prescribed in Article 2, paragraph (3) of the same Act; the same applies in Article 17-3, paragraph (2), item (i)-4);

- (iii) agency services or as an intermediary of the following business of a trust company or a financial institution which carries out Trust Business (excluding business corresponding to that as set forth in Article 11 of the Act):
 - (a) conclusion of a trust contract (excluding a trust contract pertaining to a trust as prescribed in Article 3, item (i) of the Order for Enforcement of the Act on Engagement in Trust Business by a Financial Institution (Cabinet Order No. 31 of 1993) and as prescribed in Article 3, paragraph (1), item (i) of the Ordinance for Enforcement of the Act on Engagement in Trust Business by a Financial Institution (Ministry of Finance Ordinance No. 16 of 1982);
 - (b) conclusion of a contract to accept entrustment of business as set forth in each item of Article 1, paragraph (1) of the Act on Engagement in Trust Business by a Financial Institution (excluding business as set forth in each item of Article 3 of the Order for Enforcement of the Act on Engagement in Trust Business by a Financial Institution);
- (iii)-2 agency service or as an intermediary of the conclusion of an investment advisory contract (which means an investment advisory contract as prescribed in Article 2, paragraph (8), item (xi) of the Financial Instruments and Exchange Act) or a discretionary investment contract (which means a discretionary investment contract as prescribed in item (xii), sub-item (b) of the same paragraph; the same applies hereinafter) of a financial instruments business operator or a registered financial institution (which means a registered financial institution as prescribed in Article 2, paragraph (11) of the same Act);
- (iv) agency service or as an intermediary of a loan of an insurance corporation (which means an insurance corporation as prescribed in Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995) and includes a foreign insurance corporation, etc. (hereinafter referred to as "Foreign Insurance Corporation, etc.") as prescribed in paragraph (7) of the same Article);
- (v) agency service or as an intermediary of the business of a corporation for which its budget must obtain a resolution of the Diet, pursuant to the provisions of Acts, and who carries out financial business;
- (vi) agency service or as an intermediary of a loan or other business concerning finance of a corporation which is incorporated by a special Act and may entrust a part of its business to a Bank pursuant to the special Act (excluding agency service or as an intermediary as set forth in the preceding item); or
- (vii) other business equivalent to either agency service or as an intermediary of business set forth in each of the preceding items and separately specified by the Commissioner of the Financial Services Agency.

(Agency or Intermediary Foreign Bank Services)

Article 13-2 (1) Agency or intermediary service as provided by Cabinet Office Ordinance as prescribed in Article 10, paragraph (2), item (viii)-2 of the Act is an agency or intermediary service when a Bank prescribed in the following items performs the agency or intermediary service of the business (limited to the business (excluding business pertaining to agency or intermediary service and business for which a Bank may perform an agency or intermediary service pursuant to the provisions of the same paragraphs (excluding items (viii) and (viii)-2) prescribed in paragraphs (1) and (2) of the same Article) of the persons set forth in said items:

- (i) a Foreign Bank that is a Subsidiary Company of a Bank;
- (ii) a Foreign Bank of which a Subsidiary Company is a Bank;
- (iii) a Foreign Bank that is a Subsidiary Company of a Bank Holding Company of which a Subsidiary Company is a Bank (excluding those set forth in the preceding two items);
- (iv) a Foreign Bank that is a Subsidiary Company, etc. of a Parent Company, etc. of which a Subsidiary Company is a Bank (excluding those set forth in the preceding three items).

(2) Notwithstanding the provisions of the preceding paragraph, an agency or intermediary service as provided by Cabinet Office Ordinance as prescribed in Article 10, paragraph (2), item (viii)-2, of the Act pertaining to a Foreign Bank Branch (which means a Foreign Bank Branch prescribed in Article 47, paragraph (2) of the Act; the same applies hereinafter) is an agency or intermediary service when a Foreign Bank Branch prescribed in the following items performs the agency or intermediary service of the business (limited to the business (excluding business pertaining to agency or intermediary service and business for which a Bank may perform agency or intermediary service pursuant to the provisions of the same paragraphs (excluding items (viii) and (viii)-2)) prescribed in paragraphs (1) and (2) of the same Article) of the persons set forth in said items:

- (i) a Business Office in the Home State of a Foreign Bank to which a Foreign Bank Branch belongs (which means a Business Office in the Home State prescribed in Article 47, paragraph (3) of the Act; the same applies hereinafter);
- (ii) a Foreign Bank that is a Subsidiary Company, etc. of a Foreign Bank to which a Foreign Bank Branch belongs;
- (iii) a Foreign Bank that is a Parent Company, etc., of which a Subsidiary Company, etc. is a Foreign Bank to which a Foreign Bank Branch belongs;
- (iv) a Foreign Bank that is a Subsidiary Company, etc. of a Parent Company, etc., of which a Subsidiary Company, etc. is a Foreign Bank to which a

Foreign Bank Branch belongs (excluding a Foreign Bank to which said Foreign Bank Branch belongs and those set forth in the preceding two items).

(3) The term "Parent Company, etc." prescribed in the preceding two paragraphs means corporations, etc. holding voting rights exceeding fifty percent of the All Shareholders', etc. Voting Rights of other corporations, etc. (which means corporations, etc. prescribed in Article 4-2, paragraph (2) of the Order; hereinafter the same applies in this paragraph). The term "Subsidiary Company, etc." prescribed in the preceding two paragraphs means other corporations, etc. of which voting rights exceeding fifty percent of the All Shareholders', etc. Voting Rights are held by a Parent Company, etc. In this case, voting rights held by a Subsidiary Company, etc. are deemed as voting rights held by the Parent Company, etc. of said Subsidiary Company, etc.

(Derivatives Transactions)

Article 13-2-2 Derivatives transactions as provided by Cabinet Office Ordinance as prescribed in Article 10, paragraph (2), items (xii) and (xiii) of the Act are a derivatives transaction as prescribed in Article 2, paragraph (20) of the Financial Instruments and Exchange Act (excluding a derivatives transaction corresponding to the securities-related derivatives transactions (which means the securities-related derivatives transactions as prescribed in Article 28, paragraph (8), item (vi) of the same Act; the same applies hereinafter)).

(Financial Derivatives Transactions)

Article 13-2-3 (1) Financial derivatives transactions provided by Cabinet Office Ordinance as prescribed in Article 10, paragraph (2), item (xiv) of the Act are as follows:

- (i) a transaction to promise mutual payment, with regard to a commodity for which the quantity is specified by the parties, based on the commodity market price stipulated between said parties, and other similar transactions (limited to the following transactions; hereinafter referred to as a "Commodity Derivatives Transaction");
 - (a) a transaction settled by payment of the difference;
 - (b) a purchase and sale transaction where parties agree to transfer between them a commodity and the consideration therefor that satisfies all of the following requirements:
 1. The purchase and sale transaction does not result in the holding of the commodity pertaining to said transaction on the completion of the settlement.
 2. The purchase and sale transaction does not bear the risk that may arise in connection with the custody or transportation of the commodity pertaining to said transaction.

- (ii) a transaction to promise mutual payment, with regard to a carbon dioxide equivalent (which means a carbon dioxide equivalent as prescribed in Article 2, paragraph (6) of the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998) and other similar substances; the same applies hereinafter) for which the quantity is stipulated by the parties, based on the quotation of a carbon dioxide equivalent as stipulated between said parties and other similar transactions (limited to the following transactions); or
 - (a) a transaction settled by payment of the difference;
 - (b) a purchase and sale transaction where parties agree to transfer between them a carbon dioxide equivalent quota and the consideration therefor and that does not result in the holding of the carbon dioxide equivalent quota pertaining to said purchase and sale transaction on the completion of the settlement.
 - (iii) a transaction in which one party promises to grant other party a right that may affect a transaction as set forth in the preceding two items between the parties by manifesting the intention of one party and the other party promises to pay compensation for this intention, and any other similar transaction.
- (2) The transactions deemed as not having a risk of impairing the sound management of a Bank provided by Cabinet Office Ordinance as prescribed in Article 10, paragraph (2), item (xiv) of the Act are those set forth in the items of the preceding paragraph.
- (3) Those provided by Cabinet Office Ordinance as prescribed in Article 10, paragraph (2), item (xv) of the Act are intermediary, introducing brokerage, or agency services of over-the-counter commodity futures transactions as prescribed in Article 349, paragraph (1) of the Commodity Exchange Act (Act No. 239 of 1950).

(Acquisition of a Carbon Dioxide Equivalent Quota)

Article 13-2-4 Business as provided by Cabinet Office Ordinance as prescribed in Article 11, item (iv) of the Act is a business for conclusion of a contract concerning acquisition or transfer of a carbon dioxide equivalent quota, or for conducting intermediary, brokerage, or agency services.

(Provision of Information to Depositor)

Article 13-3 (1) A Bank, in cases of providing information to Depositor, etc. pursuant to the provisions of Article 12-2, paragraph (1) of the Act, is to follow the method set forth below:

- (i) clear indication of the money rate on the principal deposit, etc. (which means a deposit, etc., as prescribed in Article 12-2, paragraph (1) of the Act;

- the same applies hereinafter);
- (ii) clear indication of the fee pertaining to handling the deposit, etc.;
 - (iii) clear indication of the handling of a deposit, etc., which is subject to receive payment of insurance as prescribed in Article 53 of the Deposit Insurance Act (Act No. 34 of 1971);
 - (iv) an explanation corresponding to a request of Depositor, etc. by using a document stating the following matters among information concerning the contents of financial instruments (hereinafter referred to as "Financial Instruments Information" in this Article) and its delivery:
 - (a) name (including aliases);
 - (b) scope of persons subject to acceptance;
 - (c) period of deposit (including an indication whether the deposit will be automatically renewed, or not);
 - (d) minimum amount of deposit, unit of deposit, and any other items concerning the deposit;
 - (e) method of repayment;
 - (f) method of establishing interest payments, payment method, calculation method, and other matters concerning interest;
 - (g) fees;
 - (h) matters concerning special provisions that may be added;
 - (i) handling the termination of the contract during the period of deposit (including the calculation methods of interest and fees);
 - (j) Matters prescribed below for the categories of cases set forth respectively therein:
 1. When there exists a Designated Dispute Resolution Organization, the trade name or name of the Designated Dispute Resolution Organization, which is the other party to the Basic Contract for the Implementation of Dispute Resolution Procedures, prescribed in Article 12-3, paragraph (1), item (i) of the Act, that said Bank takes a measure to conclude;
 2. When there does not exist any Designated Dispute Resolution Organization, the details of the complaint handling measures and the dispute resolution measure of said Bank prescribed in Article 12-3, paragraph (1), item (ii) of the Act; and
 - (k) any other matter that is found to serve as a reference concerning depositing a deposit, etc.;
 - (v) in cases of handling a financial instrument which does not guarantee the repayment of the full amount at expiry of the amount paid for the combination of the following items and the deposit, etc. at the time of depositing, a detailed explanation stating that the deposited amount is not guaranteed to be repaid in the full amount at expiry and any other detailed

explanations concerning said financial instruments:

- (a) a derivatives transaction other than that which corresponds to securities-related derivatives transactions among market derivatives transactions (which means a market derivatives transaction as prescribed in Article 2, paragraph (21) of the Financial Instruments and Exchange Act; the same applies hereinafter) or foreign market derivatives transactions (which means a foreign market derivatives transaction as prescribed in paragraph (23) of the same Article; the same applies hereinafter);
 - (b) a financial derivatives transaction as prescribed in Article 10, paragraph (2), item (xiv) of the Act;
 - (c) a futures foreign funds transfer transaction;
 - (d) a securities-related derivatives transaction (excluding a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or a similar transaction in a foreign financial instruments market (which means a foreign financial instruments market as prescribed in paragraph (8), item (iii), sub-item (b) of the same Article; the same applies hereinafter) to that set forth in paragraph (21), item (i) of the same Article); or
 - (e) a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or a similar transaction in a foreign financial instruments market to that set forth in the same item (limited to the securities set forth in paragraph (1), items (i) and (ii) of the same Article and that is set forth in items (iii) and (v) of the same paragraph (limited to securities that the national government guarantees for redemption of principal and interest payments) (which is referred to as a "National Government Bond Certificate, etc." in Article 13-5, paragraph (1), item (ii); Article 14-11-27, paragraph (1), item (xiii), sub-item (e); and Article 34-53-12, paragraph (1), item (xiii), sub-item (e)), and securities set forth in Article 2, paragraph (1), item (xvii) of the same Act pertaining to those which have characteristics as prescribed in item (i) of the same paragraph);
 - (vi) when the establishment method of an index to be the standard for establishing a money rate of a floating rate deposit and money rate are specified, appropriate provision of information concerning said standard, method, and money rate.
- (2) A Bank, in place of the delivery of a document pursuant to the provisions of item (iv) of the preceding paragraph, pursuant to the provisions of the following paragraph, may provide the Financial Instruments Information by electronic or magnetic means (which means electronic or magnetic means as prescribed in Article 20, paragraph (6) of the Act; the same applies hereinafter) after obtaining an approval of said Depositor, etc. In this case, said Bank is

deemed to have delivered said document.

(3) A Bank, when intending to provide Financial Instruments Information pursuant to the provisions of the preceding paragraph, must present the type and contents of the following electronic or magnetic means to be used to said Depositor, etc. and obtain an approval in writing or by electronic or magnetic means in advance:

(i) the method used by the Bank among the methods set forth in each item of Article 19, paragraph (7); or

(ii) the method to record data in a file.

(4) A Bank that has obtained an approval pursuant to the provisions of the preceding paragraph, and after said Depositor, etc. provides notification in writing or by electronic or magnetic means of not accepting the provision of information by using electronic or magnetic means, must not provide Financial Instruments Information to said Depositor, etc. by electronic or magnetic means; provided, however, that this does not apply when said Depositor, etc. provides an approval again pursuant to the provisions of the same paragraph.

(Provision of Information to the Owner of Specified Corporate Bonds)

Article 13-4 A Bank, in cases of handling specified corporate bonds (including a bond issued by an ordinary Bank as prescribed in Article 17-2, paragraph (1) of the Act on Financial Institutions' Merger and Conversion prior to revision (hereinafter referred to as "Act (prior to revision) on Merger and Conversion" in this Article) (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24, paragraph (1), item (vii) of the Old (prior to revision) Act on Merger and Conversion; hereinafter the same applies in this Article) as prescribed in the provisions of Article 199 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act (Act No. 87 of 2005) and which Bank is authorized pursuant to the provisions of Article 17-2, paragraph (1) of Old (prior to revision) Act on Merger and Conversion, and a bond issued by an ordinary Bank as prescribed in Article 17-2, paragraph (1) of the Act on Financial Institutions' Merger and Conversion prior to revision, as prescribed in the provisions of Article 168 of the Supplementary Provisions of the Act on Revision of Related Acts for the Financial System Reform (Act No. 107 of 1998), which is to remain in force pursuant to the provisions of Article 169 of the same Supplementary Provisions, and which Bank is authorized pursuant to the provisions of Article 17-2, paragraph (1) of the Act on Financial Institutions' Merger and Conversion prior to revision (limited to a financial institution ceasing to exist as prescribed in the same paragraph is a foreign exchange Bank)) according to the provisions of Article 8, paragraph (1) of the Act on Financial Institutions' Merger and Conversion (Act No. 86 of 1968) (including the cases where it is applied mutatis

mutandis pursuant to Article 55, paragraph (4) of the same Act), is to provide information to a customer by a method equivalent to that prescribed in the preceding Article.

(Prevention of Misidentification of a Monetary Claim and Deposit)

Article 13-5 (1) A Bank, when handling the following financial instruments, must respond to the method of business and provide an explanation to a customer in order to prevent customers from misidentifying the financial instruments with deposits, etc., based on the knowledge, experience, condition of assets, and purpose for the transaction of the customer, and by delivering documents and other appropriate methods:

- (i) a monetary claim as prescribed in Article 10, paragraph (2), item (v) of the Act (excluding a monetary claim that is indicated with a deposit certificate of negotiable deposit issued in Japan);
- (ii) the securities as set forth in Article 33, paragraph (2), items (i) to (iv) of the Financial Instruments and Exchange Act (excluding National Government Bond Certificate, etc. and securities corresponding to those set forth in the preceding item); or
- (iii) an insurance contract of a person who engages in insurance business as prescribed in Article 2, paragraph (1) of the Insurance Business Act becomes an insurer.

(2) A Bank, when providing the explanation as prescribed in the preceding paragraph, is to explain the following matters (in the case of corporate bonds issued by said Bank (excluding short-term bonds as set forth in Article 10, paragraph (3), item (i) of the Act), excluding matters set forth in items (iii) and (iv)):

- (i) that the product is not a deposit, etc.;
- (ii) that the product is not subject to receive payment of insurance as prescribed in Article 53 of the Deposit Insurance Act;
- (iii) that repayment of the principal is not guaranteed;
- (iv) the main subject matter of the contract; and
- (v) any other matter that is found to serve as a reference concerning the prevention of misidentification as a deposit, etc.

(3) A Bank, when handling financial instruments set forth in paragraph (1) at its business office, must handle them at a specified counter and display the matters set forth in items (i) to (iii) of the preceding paragraph at said counter for easy identification by customers.

(4) A Bank, when concluding a trust contract without agreement for compensation of principal based on the provisions of Article 10, paragraph (2), item (viii) of the Act or Article 12 of the Act, or conducting such an agency service or as an intermediary, must conduct said business at a specified

counter and display that the trust is without agreement for compensation of principal at said counter for easy identification by customers, and the Bank, when concluding a trust contract pertaining to a monetary trust without agreement for compensation of principal or conducting such an agency service or as an intermediary (excluding cases set forth in each item of Article 78 of the Order for Enforcement of Trust Business Act (Cabinet Office Ordinance No. 107 of 2004)), must explain the matters set forth in each item of paragraph (2).

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

Article 13-6 A Bank, when an investment trust management company or an asset management company (which means an asset management company as prescribed in Article 2, paragraph (19) of the Act on Investment Trusts and Investment Corporations; the same applies hereinafter) handles mutual funds or beneficiary certificates, investment certificates, investment corporation bonds, or foreign mutual funds (hereinafter referred to as "Beneficiary Certificates, etc." in this Article) as prescribed in the same Act by using a portion of a business office of said Bank, must clearly segment the location where the Bank handles deposits, etc. from the location where an investment trust management company or an asset management company handles Beneficiary Certificates, etc., and must take appropriate measures such as by not placing displays, etc. that may cause misidentification by customers.

(Prevention of Misidentification of a Bank as Another Person)

Article 13-6-2 A Bank, when engaging in its business by using a computer connected to a telecommunications line, must take appropriate measures in order to prevent customers from misidentification of the said Bank as another person.

(Specified Transaction Account)

Article 13-6-3 (1) A Bank, in cases of implementing a specified transaction, when corresponding to all of the following requirements, must establish a special account (hereinafter referred to as a "Specified Transaction Account") in order to conduct separate accounting of specified transactions and assets subject to specified transactions from other transactions and assets. In this case, this does not preclude a Bank which does not correspond to any of said requirements or a Bank which does not correspond to all of said requirements from establishing a Specified Transaction Account:

(i) the largest amount among the total amount of financial instrument security account and sold financial instrument bond account during the term from the end of the business year prior to the end of latest business year (including

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

- national government bonds, etc., if there is no other person that acquires all or part of said national government bonds, etc., limited to a transaction concluding a contract to obtain the remainder portion; the same applies in paragraph (5));
- (iii) acceptance of securities as prescribed in Article 15-17, paragraph (1), item (ii) of the Order for Enforcement of Financial Instruments and Exchange Act, and paragraph (3) of the same Article (hereinafter referred to as "Securities Corresponding to Assets" in this item and paragraph (5)) among securities set forth in Article 2, paragraph (1), item (iv) of the Financial Instruments and Exchange Act (excluding those pertaining to specified short-term bonds set forth in Article 10, paragraph (3), item (vi) of the Act), securities set forth in Article 2, paragraph (1), items (viii) and (xiii) of the Financial Instruments and Exchange Act, and securities set forth in item (v) of the same paragraph (excluding those pertaining to short-term bonds set forth in Article 10, paragraph (3), item (i) of the Act, and short-term bonds set forth in item (v) of the same paragraph; hereinafter the same applies in this item), and securities set forth in Article 2, paragraph (1), item (xvii) of the Financial Instruments and Exchange Act (upon the issuance of Securities Corresponding to Assets, if there is no other person that acquires all or part of said Securities Corresponding to Assets, limited to a transaction concluding a contract to obtain the remainder portion; the same applies in paragraph (5));
- (iv) an acquisition or transfer of a monetary claim (limited to monetary claims indicated by certificates as set forth in Article 12, items (i), (ii), (iv), (vi) or (vii), or yen-denominated Bankers' acceptance) (which means bills of exchange indicated by Japanese currency among those pertaining to trade that the Bank or other financial institution accepted));
- (iv)-2 an acquisition or transfer of short-term bonds, etc. (which means short-term bonds, etc., as prescribed in Article 10, paragraph (3) of the Act; the same applies hereinafter);
- (v) an over-the-counter derivatives transaction (which means an over-the-counter derivatives transaction as prescribed in Article 2, paragraph (22) of the Financial Instruments and Exchange Act; the same applies hereinafter) other than those corresponding to securities-related derivatives transactions;
- (vi) [deleted];
- (vii) a futures foreign funds transfer transaction;
- (viii) [deleted];
- (ix) [deleted];
- (x) a Commodity Derivatives Transaction;
- (xi) transactions as set forth in Article 13-2-3, paragraph (1), item (ii);
- (xii) [deleted];

- (xiii) transactions as set forth in Article 13-2-3, paragraph (1), item (iii);
 - (xiv) over-the-counter securities-related derivatives transactions (which means over-the-counter securities-related derivatives transactions as prescribed in Article 10, paragraph (10) of the Act) which may be engaged in pursuant to the provisions of paragraph (2), item (xvi) of the same Article;
 - (xv) purchase and sale, or acceptance of securities pertaining to the business set forth in Article 11, item (ii) of the Act, and securities-related derivatives transactions;
 - (xvi) Acquisition or transfer of a carbon dioxide equivalent quota pertaining to the business set forth in Article 11, item (iv) of the Act; or
 - (xvii) beyond transactions set forth in the preceding items, transactions similar to or having a close relationship with said transactions, market derivatives transactions, and foreign market derivatives transactions (excluding those corresponding to securities-related derivatives transactions).
- (3) A Bank which has established a Specified Transaction Account (hereinafter referred to as a "Bank with a Specified Transaction Account") must not perform the following acts; however, this does not apply when the Bank performs within the scope stated in the documents as set forth in Article 35, paragraph (5), item (i), sub-item (e):
- (i) transferring transactions or assets which are dealt with as being subject to a Specified Transaction Account, to an account other than a Specified Transaction Account; or
 - (ii) transferring transactions or assets other than transactions or assets which are dealt with as being subject to a Specified Transaction Account, to a Specified Transaction Account.
- (4) Acts as stipulated in the preceding paragraph are to include transactions set forth in paragraph (2), items (i) to (iv)-2 and item (xv) that are conducted between a Specified Transaction Account and other accounts (including transactions which are deemed to be a specified transaction pursuant to the provisions of item (xvii) of the same paragraph as a transaction similar to or having a close relationship with said transactions) within a single Bank.
- (5) A Bank with a Specified Transaction Account, with regard to calculations of the amount equivalent to profit or the amount equivalent to loss pertaining to unsettled specified transactions at the end of a business year, must take the necessary measures in order to treat the accounting appropriately, such as specifying those amounts as specified in the following items in accordance with the transaction categories set forth in said items:
- (i) market derivatives transactions and foreign market derivatives transactions (excluding those corresponding to securities-related derivatives transactions): the amount based on the difference to be settled when the transaction is deemed to be settled at the closing price on the closing date of

the business year at the financial instruments exchange (which means a financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act; the same applies hereinafter) or a foreign financial instruments market, or the amount calculated by a reasonable method as equivalent to this;

- (ii) over-the-counter derivatives transactions (excluding transactions set forth in Article 2, paragraph (22), items (iii), (iv), and (vi) of the Financial Instruments and Exchange Act and those corresponding to securities-related derivatives transactions) and futures foreign funds transfer transactions: the promised amount to be settled between the parties by said transactions (if the amount is not fixed on the closing day of the business year, the amount calculated based on the prospective Index value) after discounting to the current value on the closing day of the business year by a reasonable method;
- (iii) over-the-counter derivatives transactions (excluding those corresponding to securities-related derivatives transactions only for the transactions set forth in Article 2, paragraph (22), items (iii) and (iv) of the Financial Instruments and Exchange Act) and transactions set forth in Article 13-2-3, paragraph (1), item (iii): the promised amount to be settled between the parties by exercise of rights as the current value of the closing day of the business year of said transaction (if the amount is not fixed on the closing day of the business year, the amount calculated based on the prospective Index value), and the amount calculated by a reasonable method using the Index value pertaining to said exercise of rights on the closing day of the business year and the volatility of said prospective Index; or
- (iv) purchase and sale option bonds (in cases of the purchase and sale of bonds with a right that a party may specify the settlement date and said right is not exercised within a certain period, which means a transaction to cancel said purchase and sale contract), acceptance of national government bonds, etc., acceptance of Securities Corresponding to Assets, over-the-counter derivatives transactions (excluding those corresponding to transactions as set forth in the preceding two items), and Commodity Derivatives Transactions: the amount calculated by a reasonable method that is equivalent to the amount set forth in the preceding items.

(Entrustment of Receipt and Payment Services of Deposits)

Article 13-6-4 A Bank, in cases of entrusting services concerning receipt or payment of money pertaining to the business of a deposit or loan by using a cash dispenser or an automatic teller machine to a third person, must entrust to a person specified separately by the Commissioner of the Financial Services Agency as a person who has experience with the business of maintenance of a cash dispenser or an automatic teller machine in order to prevent problems of

said services (when entrusting services concerning receipt or payment of money pertaining to the business of loans (excluding a contract which uses as security either a customer's deposit, etc. or national government bonds that a Bank received), excluding a person who engages in the duties specified separately by the Commissioner of the Financial Services Agency as its principal business), and must undertake appropriate measures to prevent leakage of information concerning customers and to prevent the misidentification of said entrusted person with another person.

(Safety Management Measures of Individual Customer Information)

Article 13-6-5 A Bank, in cases of entrusting the safety management of information concerning customers, who are individuals and handled by the Bank, the supervision of employees, and handling of said information, with regard to supervision of the entrusted person, must take necessary and appropriate measures in order to prevent leakage, loss, or damage of said information.

(Handling of Debt-Paying Ability Information)

Article 13-6-6 A Bank must take measures in order to ensure that information, which is provided by an institution (which means an institution that collects information concerning debt-paying ability of fund consumers and provides said information to a Bank) concerning credit information and is concerning the debt-paying ability of individual fund consumers, is not used for purposes other than investigation of debt-paying ability of the fund consumers.

(Handling of Special Nonpublic Information)

Article 13-6-7 A Bank must take measures to ensure that information of race, creed, family origin, registered domicile, health and medical, or criminal records concerning a customer who is an individual and handled by the Bank, and other special non-public information (which means information which is obtained in the course of its business and not publicly disclosed) are not used for purposes other than those for securing appropriate management of the business and other necessary purposes.

(Measures to Ensure Accurate Execution of Entrusted Business)

Article 13-6-8 A Bank, in cases of entrusting a third party with its business, must take the following measures corresponding to the contents of said business:

- (i) measures in order to entrust to a person who has the ability to execute said business accurately, fairly, and efficiently;
- (ii) measures, by confirming performance of said business of the person who

- accepted entrustment of said business (hereinafter referred to as the "Trustee" in this Article) regularly or as needed, in order to provide necessary and appropriate supervision, etc. to the Trustee, such as inspecting whether the Trustee is executing said business accurately and requiring the Trustee to improve the business as needed;
- (iii) measures necessary for responding to customer claims appropriately and immediately as pertaining to said business executed by the Trustee;
 - (iv) in cases of a situation in which the Trustee is unable to execute said business appropriately, measures in order to prevent problems with the protection of customers pertaining to said business, such as immediately entrusting said business to another appropriate third person; or
 - (v) when it is necessary to ensure the sound and appropriate Bank services and to promote protection of customers pertaining to said business, measures in order to take the necessary measures, such as for amending or for cancellation of a contract pertaining to entrustment of said business.

(Internal Regulations)

Article 13-7 A Bank, in accordance with the content and method of its business, must stipulate internal regulations, etc. (which means internal regulations and those equivalent; the same applies hereinafter) concerning measures in order to provide to customers an explanation of material matters in consideration of a customer's knowledge, experience, status of assets, and purposes of a transaction and other measures in order to secure sound and appropriate business management (including the explanation of financial instruments, transactions, and their risks and measures taken by said Bank as prescribed in Article 12-3, paragraph (1) of the Act by delivery of documents and other appropriate methods, and measures to prevent crime), and must develop a sufficient system to manage its business based on training employees and other said internal regulations, etc.

(Complaint Handling Measures and Dispute Resolution Measures Pertaining to Banking Services)

Article 13-8 (1) The measures provided by Cabinet Office Ordinance as complaint handling measures as prescribed in Article 12-3, paragraph (1), item (ii) of the Act are any of the following items:

- (i) to take all of the following measures:
 - (a) to develop a business operation system allowing the bank to fairly and appropriately carry out operations pertaining to the handling of complaints related to banking services (which means complaints related to banking services prescribed in Article 2, paragraph (19) of the Act; hereinafter the same applies in this paragraph and paragraph (3));

- (b) to develop internal regulations to fairly and appropriately carry out operations pertaining to the handling of complaints related to banking services (limited to those including a regulation that clarifies the sharing of responsibility in the company for said operations);
- (c) to make where to address complaints related to banking services well known to the customers and publicly disclose the business operation system in (a) and the internal regulations in (b).
- (ii) to handle complaints related to banking services through complaints handling made by a Financial Instruments Firms Association (which means the Authorized Financial Instruments Firms Association prescribed in Article 2, paragraph (13) of the Financial Instruments and Exchange Act or the Certified Financial Instruments Firms Association prescribed in Article 78, paragraph (2) of the same Act; the same applies in the following paragraph, item (i)) or a Certified Investor Protection Organization (which means a Certified Investor Protection Organization prescribed in Article 79-10, paragraph (1) of the same Act; hereinafter the same applies) pursuant to Article 77, paragraph (1) of the Financial Instruments and Exchange Act (including cases where it is applied mutatis mutandis pursuant to Articles 78-6 and 79-12 of the same Act);
- (iii) to handle complaints related to banking services through the mediation prescribed in Article 19, paragraph (1) or Article 25 of the Consumer Basic Act (Act No. 78 of 1968);
- (iv) to handle complaints related to banking services through the complaint handling procedure performed by a person who received any of the designation set forth in the items of Article 16-9 of the Act;
- (v) to handle complaints related to banking services through a complaint handling procedure performed by a corporation who has financial basis and personnel structure that are sufficient to fairly and appropriately carry out operations pertaining to the handling of complaints related to banking services (which means the corporation prescribed in Article 52-62, paragraph (1), item (i) of the Act; the same applies in item (v) of the following paragraph).
- (2) The measure provided by Cabinet Office Ordinance as prescribed in Article 12-3, paragraph (1), item (ii) of the Act is any of the following items:
 - (i) to resolve disputes related to banking services (which means the disputes related to banking services prescribed in Article 2, paragraph (20) of the Act; hereinafter the same applies in this Article) through the mediation (which means the mediation prescribed in Article 77-2, paragraph (1) of the Financial Instruments and Exchange Act (including the cases where it is applied mutatis mutandis pursuant to Articles 78-7 and Article 79-13 of the same Act)) offered by a Financial Instruments Firms Association or Certified

Investor Protection Organization;

- (ii) to resolve disputes related to banking services through mediation by an organization prescribed in the articles of association prescribed in Article 33, paragraph (1) of the Attorney Act (Act No. 205 of 1949) or a regulation prescribed in said articles of association or through an arbitration procedure at said organization;
 - (iii) to resolve disputes related to banking services through mediation prescribed in Article 19, paragraph (1) or Article 25 of the Consumer Basic Act or through settlement by agreement prescribed in the same Article;
 - (iv) to resolve disputes related to banking services through a procedure for resolving disputes performed by a person who received any of the designation set forth in the items of Article 16-9 of the Order;
 - (v) to resolve disputes related to banking services through a procedure for resolving disputes performed by a corporation having financial basis and personnel structure sufficient to fairly and appropriately carry out operations pertaining to the resolution of disputes related to banking services.
- (3) Notwithstanding the provisions of the preceding two paragraphs (limited to paragraph (1), item (v) and item (v) of the preceding paragraph), a Bank must not handle complaints related to banking services or resolve disputes related to banking services through a procedure performed by a corporation who falls under any of the following items:
- (i) a corporation who was sentenced to a fine pursuant to the provisions of the Act or the Attorney Act and for whom five years have not passed from the date when such person completed or was relieved from the execution of the sentence.
 - (ii) a corporation whose designation pursuant to the provisions of Article 52-62, paragraph (1) of the Act was revoked pursuant to the provisions of Article 52-84, paragraph (1) of the Act and for whom five years have not passed from the date of such revocation or a corporation whose designation set forth in any of the items of Article 16-9 of the Order was revoked and for whom five years have not passed from the date of such revocation;
 - (iii) a corporation, any of whose officers in charge of its business (when the officer is a corporation, including a person who is in charge of its business; hereinafter the same applies in this item) falls under any of the following:
 - (a) a person who was sentenced to imprisonment without work or a severer punishment or sentenced to punishment pursuant to the provisions of the Act or the Attorney Act and for whom five years have not passed from the date when such person completed or was relieved from the execution of the sentence;
 - (b) a person who, at a corporation whose designation pursuant to the

provisions of Article 52-62, paragraph (1) of the Act was revoked pursuant to the provisions of Article 52-84, paragraph (1) of the Act, was an officer of such corporation within one month prior to the date of such revocation and for whom five years have not passed from the date of such revocation or a person who, at a corporation whose designation set forth in any of the items of Article 16-9 of the Order was revoked, was an officer within one month prior to the date of such revocation and for whom five years have not passed from the date of such revocation.

(Credit Extended to a Single Person)

Article 14 (1) Matters as provided by Cabinet Office Ordinance as a loan prescribed in Article 4, paragraph (4), item (i) of the Order are recorded in a loan account of a balance sheet (hereinafter referred to as "Balance Sheet" in this Article) as prescribed in item (iii) of the appended form (in the case of a Bank with a Specified Transaction Account, item (iii)-2 of the appended form; in the case of a Foreign Bank Branch, item (iv) of the appended form (in the case corresponding to a case set forth in Article 35, paragraph (1), item (xviii) and that of a Foreign Bank Branch that submitted a notification pursuant to the provisions of Article 53 of the Act (hereinafter referred to as a "Foreign Bank Branch That Submitted Notification of a Specified Transaction Account"), item (iv)-2 of the appended form)) among the loans of funds or discounting of bills and notes.

(2) Those matters as provided by Cabinet Office Ordinance as a guarantee of obligations prescribed in Article 4, paragraph (4), item (ii) of the Order are recorded in the guarantee endorsements account of the Balance Sheet.

(3) Those matters as provided by Cabinet Office Ordinance as a contribution as prescribed in Article 4, paragraph (4), item (iii) of the Order are recorded as shares or contributions (including rights presented on securities or certificates issued by a foreign corporation that has the nature of shares or a contribution) in the securities account of the Balance Sheet.

(4) Those matters as provided by Cabinet Office Ordinance as prescribed in Article 4, paragraph (4), item (iv) of the Order are the following:

- (i) holding of corporate bonds, among those recorded as corporate bonds in the securities account item of the Balance Sheet, of which the solicitation of an offer for acquisition of the company bonds at the time of issuance corresponded to a private placement of securities as prescribed in Article 2, paragraph (3) of the Financial Instruments and Exchange Act;
- (ii) among the matters recorded as corporate bonds in the securities account of the Balance Sheet, those other than holdings of corporate bonds as set forth in the preceding item;
- (iii) those matters recorded as a promissory note, as prescribed in Article 2,

- paragraph (1), item (xv) of the Financial Instruments and Exchange Act (referred to as "Promissory Note" in the following item), in the monetary claims purchased account of the Balance Sheet;
- (iv) those items recorded as a Promissory Note or as short-term bonds, etc. in a Specified Transaction Account of the Balance Sheet; or
 - (v) those matters calculated as the credit extended pertaining to a derivatives transaction in accordance with standards specified by the Commissioner of the Financial Services Agency.

(Necessary Matters Concerning Application of the Provisions of Article 13, paragraph (1) of the Act)

Article 14-2 (1) The amount (which is referred to as the "total amount of non-consolidated credit extended, etc." in Article 14-5, paragraph (2)) of credit extended, etc. to a single person of a Bank as prescribed in Article 13, main clause of paragraph (1) of the Act (which means credit extended, etc. as prescribed in the main clause of the same paragraph; hereinafter the same applies in this Article to Article 14-6) is to be calculated by deducting from the total amount of credit extended, etc. that is recorded or calculated pursuant to the provisions of each paragraph of the preceding Article pertaining to a single person, the total amount as set forth in the following items pertaining to said single person:

- (i) total amount of the following amount pertaining to a loan as prescribed in paragraph (1) of the preceding Article:
 - (a) among the amount of loans secured by claims pertaining to a deposit, etc. of said Bank, the amount of said security;
 - (b) among the amount of loans secured by national government bonds or local government bonds, the amount of said security;
 - (c) among the amount of loans secured by a claim to an insured payment of export credit insurance as prescribed in Article 30, paragraph (2) of the Trade and Investment Insurance Act (Act No. 67 of 1950), the amount of said security, or among the amount of loans insured by Overseas United Loan Insurance as prescribed in Article 54, paragraph (2) of the same Act, the amount of said insurance payment;
 - (d) the amount of loans (limited to those for which maturity of payment occurs within six months after the receipt of shipping documents pertaining to goods) in Japanese currency pertaining to settlement of the price of said goods (including transportation cost or insurance premiums pertaining to said goods) to an importer of said goods; and
 - (e) among the amount of loans for which debt is guaranteed by a credit guarantee corporation and said guarantee is insured by the Japan Finance Corporation, the amount of said insurance payment;

- (ii) total amount of the following amount pertaining to debt guarantees as prescribed in paragraph (2) of the preceding Article:
 - (a) the amount of debt guarantees associated with agency service of business of a corporation for which a budget must obtain a resolution of the Diet or obtain an approval, pursuant to the provisions of the Acts;
 - (b) the amount of accepting or endorsement of bills and notes which is paid by a Bank or other financial institution;
 - (c) the amount of guarantees for security, etc. of deferred collection or deferred payment of national tax or local tax;
 - (d) the amount of guaranteeing or accepting of bills and notes associated with import transactions; and
 - (e) among the amount of guarantees insured with Overseas United Loan Insurance as prescribed in Article 54, paragraph (2) of the Trade and Investment Insurance Act, the amount of said insurance payment;
 - (iii) when shares or contributions as prescribed in paragraph (3) of the preceding Article are other securities as prescribed in Article 8, paragraph (22) of the Order of Financial Statements, etc. and the amount recorded in the balance sheet exceeds book value, the difference between said balance sheet amount and book value;
 - (iv) the amount equivalent to debt guarantees of a credit guarantee corporation pertaining to corporate bonds as prescribed in paragraph (4), item (i) of the preceding Article (limited to, among the amount of said guarantees insured by the Japan Finance Corporation, the amount equivalent to said insurance payment);
 - (v) total amount of the following amounts pertaining to those matters as prescribed in paragraph (4), items (i) to (iv) of the preceding Article:
 - (a) among those matters secured by a claim pertaining to a deposit, etc. of said Bank, the amount of said security; and
 - (b) among those matters secured by national government bonds or local government bonds, the amount of said security;
 - (vi) the amount of matters specified by the Commissioner of the Financial Services Agency as those matters equivalent to an amount as set forth in each preceding item.
- (2) The amount of equity capital as prescribed in Article 13, main clause of paragraph (1) of the Act is the amount of equity capital calculated in accordance with the standards set forth in Article 14-2, item (i) of the Act to which the amount of necessary adjustments are added pursuant to as specified by the Commissioner of the Financial Services Agency.
- (3) A Bank, in whatever name it is performed, must not transact or act in order to evade the prohibitions pursuant to the provisions of Article 13, main clause of paragraph (1) of the Act.

(Cases with a Compelling Reason for Exceeding the Limit on Extensions of Credit)

Article 14-3 (1) Business especially urgent for the national economy as provided by Cabinet Office Ordinance as prescribed in Article 4, paragraph (7), item (ii) of the Order is the following business:

- (i) general electricity business as prescribed in Article 2, paragraph (1), item (i) of the Electricity Business Act (Act No. 170 of 1964); and
- (ii) business to purchase claims from a financial institution that is conducted by a purchasing company of claims secured by real property, which company has jointly contributed capital and was incorporated by financial institutions, in order to contribute to sound and appropriate management of financial institutions with the purpose of the facilitation of financing.

(2) Reasons as provided by Cabinet Office Ordinance as prescribed in Article 4, paragraph (7), item (iv) of the Order are the following:

- (i) said Bank obtains an approval as specified in Article 61, paragraph (1) of the Deposit Insurance Act or mediation as specified in Article 62, paragraph (1) of the same Act, and then conducts a merger, etc., as prescribed in Article 59, paragraph (2) of the same Act;
- (ii) the amount of equity capital is reduced temporarily due to reduction of stated capital of said Bank (limited to the cases where states that the exceeded limit on extensions of credit, etc. due to a capital increase, etc. is to be immediately resolved); and
- (iii) other matters found to be appropriate as equivalent to the preceding two items by the Commissioner of the Financial Services Agency.

(3) A Bank, when intending to obtain an approval for the amount of credit extended, etc. to a single person pursuant to Article 13, proviso of paragraph (1) of the Act that exceeds the limit on extensions of credit, etc., as prescribed in the main clause of the same paragraph, must attach the following documents to the written application for approval and submit them to the Commissioner of the Financial Services Agency, etc.:

- (i) a written statement of reasons;
- (ii) a document stating the financial plan of the person who is to obtain credit extended, etc.; and
- (iii) other documents stating matters found to be necessary by the Commissioner of the Financial Services Agency.

(Person Who Has a Special Relationship with Said Bank)

Article 14-4 A person who has a special relationship as provided by Cabinet Office Ordinance with said Bank as prescribed in Article 13, first sentence of paragraph (2) of the Act is a subsidiary corporation, etc. (which means a

subsidiary corporation, etc., as prescribed in Article 4-2, paragraph (2) of the Order; hereinafter the same applies in this Chapter, Article 21, Article 34-32, and Article 35, paragraph (1)) and an affiliated corporation, etc. (which means an Affiliated Corporation, etc., as prescribed in Article 4-2, paragraph (3) of the Order; the same applies hereinafter in this Chapter) of said Bank.

(Necessary Matters Concerning Application of Provisions of Article 13, paragraph (2) of the Act)

Article 14-5 (1) The amount of credit extended, etc. to said Bank and said Subsidiary Company, etc. or a single person of a Subsidiary Company, etc. as prescribed in Article 13, first sentence of paragraph (2) of the Act is to be calculated by deducting the amount subject to the adjustment pertaining to said single person from the total amount of the consolidated credit extended, etc.

- (2) The term "total amount of the consolidated credit extended, etc." as prescribed in the preceding paragraph means the total amount of the amounts as set forth in each of the following items:
- (i) total amount of non-consolidated credit extended, etc. calculated pursuant to the provisions of Article 14-2, paragraph (1) with regard to said Bank; and
 - (ii) total amount of credit extended, etc. calculated with regard to each subsidiary corporation, etc. and each affiliated corporation, etc. of said Bank, pursuant to examples in the provisions of Article 14-2, paragraph (1).
- (3) The term "amount subject to adjustment" as prescribed in paragraph (1) means the amount secured by said Bank or other Subsidiary Company, etc. among the amount of loans provided by said Subsidiary Company, etc. (which means a Subsidiary Company, etc., as prescribed in Article 13, first sentence of paragraph (2) of the Act; hereinafter the same applies in this Article) and other amounts as specified by the Commissioner of the Financial Services Agency.
- (4) Net total amount of equity capital as prescribed in Article 13, first sentence of paragraph (2) of the Act is the amount of equity capital calculated in accordance with the standards set forth in Article 14-2, item (ii) of the Act to which the amount of necessary adjustments are added pursuant to as specified by the Commissioner of the Financial Services Agency.
- (5) A Bank, in whatever name it is performed, must not transact or act in order to evade the prohibitions pursuant to the provisions of Article 13, the first sentence of paragraph (1) of the Act.

(Cases with a Compelling Reason for Exceeding the Consolidated Limit on Extensions of Credit)

Article 14-6 (1) The provisions of Article 14-3, paragraph (2) apply mutatis mutandis to reasons as provided by Cabinet Office Ordinance as prescribed in

Article 4, paragraph (10), item (v) of the Order (including the cases where it is applied mutatis mutandis pursuant to Article 16-2-2, paragraph (5) of the Order). In this case, the term "said Bank" in Article 14-3, paragraph (2), items (i) and (ii) is deemed to be replaced with "said Bank or its Subsidiary Company, etc."; the term "amount of equity capital" in item (ii) of the same paragraph is deemed to be replaced with "net total amount of equity capital"; and the term "limit on extensions of credit, etc." in the same item is deemed to be replaced with "consolidated limit on extensions of credit, etc."

- (2) A Bank, when intending to obtain an approval, pursuant to the provisions of Article 13, proviso of paragraph (1) of the Act as applied mutatis mutandis pursuant to paragraph (2), second sentence of the same Article, for the total amount of credit extended, etc. to said Bank and said Subsidiary Company, etc. or a single person of said Subsidiary Company, etc. that exceeds the consolidated limit on extensions of credit, etc. as prescribed in the first sentence of paragraph (2) of the same Article, must attach the documents as set forth in each item of Article 14-3, paragraph (3) to a written application for approval and submit them to the Commissioner of the Financial Services Agency, etc.

(A Specified Related Party of a Bank)

Article 14-7 (1) A person as provided by Cabinet Office Ordinance as prescribed in Article 4-2, paragraph (2) of the Order is corporation, etc. (which means a corporation, etc. as prescribed in the same paragraph; hereinafter the same applies in this Article) as set forth in the following items; provided, however, that this does not apply when it is obvious, from the perspective of the relationship of finance, operation, or business, that the person does not control the decision-making organization (which means a decision-making organization as prescribed in the same paragraph; hereinafter the same applies in this paragraph) of the other corporation, etc.:

- (i) a corporation, etc. that holds majority voting rights of the other corporation, etc. (excluding another corporation, etc. granted an order for commencement of Bankruptcy proceedings, an order for commencement of rehabilitation proceedings, or an order for commencement of corporate reorganization proceedings, and other corporation, etc. equivalent to the above and for which it is found that effective control and a relationship of subjugation does not exist; hereinafter the same applies in this paragraph) under its own account;
- (ii) a corporation, etc. that holds voting rights of another corporation, etc. of forty percent or more and fifty percent or less under its own account and that corresponds to any of the following requirements:
- (a) total voting rights that are held by said corporation, etc. under its own

- account and held by a person, who is found to exercise voting rights with an identical content to the intention of said corporation, etc. due to having a close relationship with said corporation, etc. with regard to a contribution, personnel affairs, funds, technologies, transactions, etc., and by a person, who consents to the exercise of one and the same content of voting right as the intention of said corporation, etc., are a majority of voting rights of said other corporation, etc.;
- (b) persons, who are officers, members or employees performing business of said corporation, etc., or any person formerly assigned to these positions, and for whom said corporation, etc. may affect the decision of policies of finance and operation or business of said other corporation, etc., are a majority of members of the board of directors or other equivalent organization of said other corporation, etc.;
- (c) a contract, etc. that controls the decision of material policies of finance and operation or business of said other corporation, etc. exists between said corporation, etc. and said other corporation, etc.;
- (d) said corporation, etc. finances (including a debt guarantee and provisions of security; hereinafter the same applies in this Article) a majority of the total amount of financing (limited to that which is recorded in the liabilities of the balance sheet) of said other corporation, etc. (including the cases where the total amount of financing provided by a person, who has a close relationship with said corporation, etc., with regard to a contribution, personnel affairs, funds, technologies, transactions, etc., is a majority of the total amount of financing); and
- (e) other fact can be conjectured that control of the decision-making organization of said other corporation, etc. by said corporation, etc. exists;
- (iii) a corporation, etc., when total voting rights that are held by said corporation, etc. under its own account and held by a person, who is found to exercise voting rights with an identical content to the intention of said corporation, etc. due to having a close relationship with said corporation, etc. with regard to a contribution, personnel affairs, funds, technologies, transactions, etc., and by a person, who consents to the exercise of one and the same content of voting rights as the intention of said corporation, etc., is a majority of voting rights of said other corporation, etc. (including the cases where said corporation, etc. does not hold voting rights under its own account), and corresponding to any of the requirements set forth in (b) to (e) of the preceding item.
- (2) Matters as provided by Cabinet Office Ordinance as prescribed in Article 4-2, paragraph (3) of the Order are as set forth in the following items; however, this does not apply when it is found to be obvious, from the perspective of the relationship of finance, operation or business, that a corporation, etc.

(including a subsidiary corporation, etc. of said corporation, etc.) is unable to have a material effect on decisions of policies of finance and operation or business of another corporation, etc. other than a subsidiary corporation, etc.:

(i) when a corporation, etc. (including a subsidiary corporation, etc. of said corporation, etc.) holds twenty percent or more of voting rights of another corporation, etc. other than a subsidiary corporation, etc. (excluding a person who is another corporation, etc. other than a subsidiary corporation, etc. granted an order for commencement of Bankruptcy proceedings, an order for commencement of rehabilitation proceedings, or an order for commencement of corporate reorganization proceedings, or other corporation, etc. other than a subsidiary corporation, etc. equivalent to the above, and it is found that said corporation, etc. is unable to have a material effect on a decision of policies of finance and operation or business; hereinafter the same applies in this paragraph) under its own account, said other corporation, etc. other than a subsidiary corporation, etc.;

(ii) in the case that a corporation, etc. (including a subsidiary corporation, etc. of said corporation, etc.) holds voting rights of other corporation, etc. other than a subsidiary corporation, etc. of fifteen percent or more and less than twenty percent under its own account, the other said corporation, etc. other than a subsidiary corporation, etc., who corresponds to any of the following requirements:

(a) persons, who are officers, members or employees performing business of said corporation, etc., or any person formerly assigned to one of these positions, and to whom said corporation, etc. may affect the decision of policies of its finance and operation or business, are assumed to be its representative director, other director or any position equivalent to the above;

(b) a person who is granted material financing by said corporation, etc.;

(c) a person who is provided material technology by said corporation, etc.;

(d) a person who carries out a material sale, procurement, or other transactions concerning its operation or business between said corporation, etc.; or

(e) other fact can be conjectured that control by said corporation, etc. exists that may have a material effect on the decision on policies of its finance and operation or business.

(iii) another corporation, etc. other than a subsidiary corporation, etc., when total voting rights that are held by a corporation, etc. (including a subsidiary corporation, etc. of said corporation, etc.) under its own account and held by a person, who is found to exercise voting rights with an identical content to the intention of said corporation, etc. due to having a close relationship with said corporation, etc. with regard to a contribution, personnel affairs, funds,

technologies, transactions, etc., and by a person, who consents to the exercise of one and the same content of voting rights as the intention of said corporation, etc., are twenty percent or more of voting rights of said other corporation, etc. other than a subsidiary corporation, etc. (including the cases where said corporation, etc. does not hold voting rights under its own account), and corresponding to any of the requirements set forth in (b) through (e) of the preceding item.

- (3) With regard to a special purpose company (which means a specified purpose company as prescribed in Article 2, paragraph (3) of the Act on Securitization of Assets (Act No. 105 of 1998) and a business entity that carries out a business similar to the specified purpose company for which a change of content of business is restricted; hereinafter the same applies in this paragraph), when it is incorporated with a purpose to provide an enjoyment of profit generated from an asset that was accepted at a proper value by an owner (including a creditor pertaining to specified purpose borrowing as prescribed in Article 2, paragraph (12) of the same Act) of securities issued by said special purpose company and when the business of said special purpose company is carried out appropriately in accordance with the purpose, the special purpose company is deemed to be independent from a contributory to said special purpose company and a corporation, etc. (hereinafter referred to as "Contributory, etc." in this paragraph) who transferred its assets to said special purpose company, and, notwithstanding the provisions of paragraph (1), is presumed not to correspond to a subsidiary corporation, etc. of the Contributory, etc.

(Compelling Reason for Carrying out Transactions with Specified Related Parties)

Article 14-8 Compelling reasons as provided by Cabinet Office Ordinance as prescribed in the proviso of Article 13-2 of the Act are the following reasons:

- (i) when said Bank, in light of ordinary conditions of transactions of said Bank, carries out transactions or acts that provide a disadvantage to said Bank with a specified financial institution (which means a bankrupt financial institution (which means a bankrupt financial institution as prescribed in Article 2, paragraph (4) of the Deposit Insurance Act; hereinafter the same applies in this item) and a financial institution that succeeds to all or part of the rights and obligations of a bankrupt financial institution) that corresponds to a specified related party (which means a specified related party as prescribed in the main clause of Article 13-2 of the Act) of said Bank, if said transaction or act is not carried out, it is likely to generate problems with the continuing operation or business of said specified financial institution;

- (ii) when said Bank holds a Foreign Bank as a subsidiary corporation, etc. or an affiliated corporation, etc. of said Bank (limited to cases where there is a compelling reason that said Bank is unable to establish a branch office or other business office in a state where said Foreign Bank is located), if said Bank does not carry out a transaction or an act under the same conditions as a transaction or an act that is carried out between the head office and a branch office or other business office of said Bank, with said Foreign Bank, it is likely to generate problems with continuing operations or business of said Foreign Bank; or
- (iii) when said Bank carries out a transaction or an act that provides a disadvantage to said Bank, in light of ordinary conditions of a transaction of said Bank, based on a plan for reasonable management improvement with the specified related party, which business situation has been worsening, of said Bank, said transaction or act is estimated to be necessary and essential for improving management of said specified related party; or
- (iv) beyond matters as set forth in the preceding three items, with regard to the cases where said Bank carries out a transaction or act that provides a disadvantage to said Bank in light of ordinary conditions of a transaction of said Bank with its specified related party, the case corresponds to cases where it is specified as a necessary matter by the Commissioner of the Financial Services Agency in advance.

(Application of Approval for Transactions with Specified Related Parties)

Article 14-9 (1) A Bank, when intending to obtain an approval pursuant to the provisions of the proviso of Article 13-2 of the Act, must attach a written statement of reasons and other documents stating matters found to be necessary by the Commissioner of the Financial Services Agency to the written application for approval and submit them to the Commissioner of the Financial Services Agency, etc.

(2) The Commissioner of the Financial Services Agency, etc., when an application for approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether there are compelling reasons for the Bank that filed said application to carry out transactions or acts as set forth in each item of Article 13-2 of the Act.

(Transactions with Specified Related Parties)

Article 14-10 Transactions as provided by Cabinet Office Ordinance as prescribed in Article 13-2, item (i) of the Act are transactions with a person other than said specified related party found to be the same as said specified related party in light of type, size, and creditworthiness of its business under a disadvantageous condition to said Bank, compared with conditions of a

transaction that is to become effective when said Bank carries out a transaction of the same type and same amount under the same conditions as the transaction with said specified related party.

(Transaction with a Customer of a Specified Related Party)

Article 14-11 Transactions or acts as provided by Cabinet Office Ordinance as prescribed in Article 13-2, item (ii) of the Act are the following:

- (i) a transaction carried out with a customer of said specified related party, of which the transaction is carried out with a person other than said specified related party found to be the same as said specified related party in light of type, size, and creditworthiness of its business, under a disadvantageous condition to said Bank, compared with conditions of a transaction that is to become effective when said Bank carries out a transaction of the same type and same amount under the same conditions as the transaction with said specified related party (limited to transactions that requires a condition that said specified related party and the customer of said specified related party conclude a contract pertaining to the business carried out by said specified related party);
- (ii) a transaction carried out with said specified related party and the conditions are found to provide a disadvantage unjustly to said specified related party in light of ordinary conditions of a transaction of said Bank; or
- (iii) in whatever name, a transaction or act to evade the prohibitions pursuant to the provisions of Article 13-2 of the Act.

(Acts without the Risk of Lacking Protection of Customers)

Article 14-11-2 Acts as provided by Cabinet Office Ordinance as those without risk of lacking the protection of customers as prescribed in Article 13-3, item (iii) of the Act are acts that a Bank does not grant or promise to extend credit with a condition to carry out a transaction unjustly.

(Prohibited Acts Pertaining to Bank Services)

Article 14-11-3 Acts as provided by Cabinet Office Ordinance as prescribed in Article 13-3, item (iv) of the Act are the following:

- (i) an act, depending on the content of business carried out by the Bank and methods, not to state material matters to a customer based on the knowledge, experience, condition of assets, or purpose of the transaction of the customer, or to state matters that are likely to lead to a misunderstanding;
- (ii) an act to grant or to promise to extend credit to a customer with the condition to carry out a transaction with a business operator specified by the Bank (excluding acts set forth in Article 13-3, item (iii) of the Act); or
- (iii) an act to provide a disadvantage with regard to a condition or

implementation of a transaction by using an advantageous status in the transaction as a Bank.

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

Article 14-11-3-2 The business provided by Cabinet Office Ordinance as prescribed in Article 13-3-2, paragraph (1) of the Act is business which may be engaged in by a Bank (hereinafter referred to as "Bank-related Business").

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

Article 14-11-3-3 (1) A Bank must, in connection with transactions conducted by said Bank, Bank Agent having said Bank as its Principal Bank, or a parent financial institution, etc. (which means a parent financial institution, etc. as prescribed in Article 13-3-2, paragraph (2) of the Act; the same applies hereinafter in this Article) or subsidiary financial institution, etc. (which means a subsidiary financial institution, etc. as prescribed in paragraph (3) of the same Article; the same applies hereinafter in this Article) of said Bank, to prevent the customers' interests pertaining to Bank-related Business conducted by said Bank, a Bank Agent having said Bank as its Principal Bank, or a subsidiary financial institution, etc. of said Bank from being unreasonably harmed, take the following measures:

- (i) development of a system to identify the subject transactions in an appropriate manner;
- (ii) development of a system to properly ensure the protection of said customer by the following or any other methods:
 - (a) method for separating the department conducting subject transactions and the department conducting transactions with said customer;
 - (b) method for changing the conditions or method of subject transactions or transactions with said customer;
 - (c) method for interrupting subject transactions or transactions with said customer;
 - (d) method for appropriately disclosing to said customer that the customer's interests may be unreasonably harmed in connection with subject transactions;
- (iii) formulation of the policy of implementation of the measures set forth in the preceding two items and disclosure of their outline by an appropriate method;
- (iv) keeping the following records on file:
 - (a) records pertaining to the identification of subject transactions conducted under the system prescribed in item (i);

- (b) records pertaining to measures to appropriately ensure the protection of customers conducted under the system prescribed in item (ii).
- (2) The record prescribed in item (iv) of the preceding paragraph must be kept on file for five years from the date of creation.
- (3) The term "subject transactions" in paragraph (1) means such transactions, when, in connection with transactions conducted by a Bank, a Bank Agent having said Bank as its Principal Bank, or the parent financial institution, etc. or subsidiary financial institution, etc. of said Bank, the interests of the customer pertaining to Bank-Related Business conducted by said Bank, Bank Agent having said Bank as its Principal Bank, or the subsidiary financial institution, etc. of said Bank may be unreasonably harmed.

(Specified Deposit)

Article 14-11-4 Deposit, etc. as provided by Cabinet Office Ordinance as prescribed in Article 13-4 of the Act is the following:

- (i) deposit, etc. that requires to pay a penalty or other condition equivalent to this (hereinafter referred to as "Penalty, etc." in this item) when Depositor, etc. terminates the deposit, etc. before maturity, and that the amount, as a result of deducting the amount of said Penalty, etc. from the balance of said deposit, etc. at the time of said termination, is likely to fall below the deposited amount due to changes in money rate, value of currencies, quotations on a financial instruments market, and other indexes;
- (ii) deposit, etc. that is indicated in a foreign currency; or
- (iii) deposit, etc. for which a transaction (limited to transactions pertaining to purchase and sale of currencies) set forth in Article 2, paragraph (22), item (iii) (excluding (b)) of the Financial Instruments and Exchange Act are incidental to a transaction for which the content is acceptance of deposits, etc.

(Type of Contract)

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

Article 14-11-6 Deleted

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

Article 14-11-7 Matters as provided by Cabinet Office Ordinance as prescribed in Article 34-2, paragraph (3), item (iv) of the Financial Instruments and

Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the fact that the applicant (which means the applicant prescribed in the same paragraph) is to be treated as a customer other than a Professional Investor (which means a Professional Investor prescribed in Article 2, paragraph (31) of the Financial Instruments and Exchange Act; the same applies hereinafter) with regard to the Subject Contract (which means a Subject Contract prescribed in Article 34-2, paragraph (2) of that Act; the same applies in Article 14-11-9-2) only by a Bank who accepted the application pursuant to the provisions of the same paragraph.

(Provision by Use of Information and Communications Technology)

Article 14-11-8 (1) Matters as provided by Cabinet Office Ordinance as prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act (including cases where it is applied mutatis mutandis pursuant to Article 34-3, paragraph (12) (including cases where it is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act), Article 34-4, paragraph (3); Article 37-3, paragraph (2); or Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; hereinafter the same applies in this Article), as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following:

- (i) a method to use an electronic data processing system that is in the following:
 - (a) a method to transmit matters to be entered in documents (hereinafter referred to as "Entry" in this Article) through a telecommunications line that connects computers used by a Bank (including a person who keeps a file in a computer managed by said person pursuant to a contract with a Bank to provide matters as prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, and makes said file available to other parties providing said matters (hereinafter referred to as "customer" in this Article) or to said Bank ; hereinafter the same applies in this Article) and computers used by a customer, etc. (which means a customer and a person who keeps a customer file (which means a file that is made available exclusively to said customer; hereinafter the same applies in this Article) in a computer managed by said person pursuant to a contract with the customer; hereinafter the same applies in this Article), and to record said matters in the customer file kept in the computer used by the customer, etc. (in the case of providing an approval to accept or an offer not to accept the provisions by the method as prescribed in the same

- paragraph, a method to record that effect in the file kept in a computer used by a Bank that provides matters as prescribed in the same paragraph);
- (b) a method to make an Entry recorded in a file kept in a computer pertaining to the use of a Bank available for inspection by a customer through a telecommunications line, and to record said Entry in the customer file of said customer kept in a computer pertaining to the use of the customer, etc. (in the case of providing an approval to accept or an offer not to accept provisions pursuant to a method as prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, a method to record that effect in a file kept in a computer pertaining to the use of a Bank);
 - (c) a method to make an Entry recorded in a customer file kept in a computer pertaining to the use of a Bank available for inspection by the customer through a telecommunications line; or
 - (d) a method to make an Entry recorded in an inspection file (which means a file that is kept in a computer pertaining to the use of a Bank and that is for recording an Entry in order to make it available for inspection by multiple customers simultaneously) available for inspection by a customer through a telecommunications line.
- (ii) a method to deliver Entry recorded in a file, which is prepared with matters, in which certain matters can be recorded surely by magnetic disk, CD-ROM, or other method equivalent to the above.
- (2) Methods as set forth in each item of the preceding paragraph must conform to the following standards:
- (i) a method that enables a customer to prepare documents by outputting records in a customer file or inspection file;
 - (ii) with regard to a method as set forth in item (i), sub-item (a), (c), or (d) of the preceding paragraph (excluding a method to record an Entry in a customer file kept in a computer pertaining to the use of the customer), a method to notify the customer that an Entry is recorded or was recorded in the customer file or inspection file; provided, however, that this does not apply when it is confirmed that the customer inspected said Entry;
 - (iii) with regard to a method as set forth in item (i), sub-item (c) or (d) of the preceding paragraph, a method that is unable to delete or modify the following matters for five years after the date of a transaction set forth as an Entry was carried out for the final time (when a complaint pertaining to said Entry is filed during the period until the date when said period ends, a period until the date when said period ends or the date said complaint is resolved, whichever occurs later); provided, however, that when an Entry made available for inspection is delivered in writing, when delivery is

provided by a method set forth in item (i), sub-item (a) or (b) of the preceding paragraph or item (ii) of the same paragraph after obtaining an approval of the customer (which means an approval pursuant to a method as prescribed in Article 4-3 of the Order), or when the customer instructed to delete said Entry, said Entry may be deleted:

- (a) with regard to a method as set forth in item (i), sub-item (c) of the preceding paragraph, the Entry recorded in the customer file; or
- (b) with regard to a method as set forth in item (i), sub-item (d) of the preceding paragraph, the Entry recorded in the inspection file;
- (iv) with regard to a method as set forth in item (i), sub-item (d) of the preceding paragraph, a method that conform to standards set forth in the following:
 - (a) a method to record the necessary information in the customer file for a customer to inspect the inspection file; and
 - (b) a method, during the period until the period as prescribed in the preceding item elapses, to maintain a condition in which the customer file, in which necessary information for a customer to inspect the Inspection file is recorded pursuant to the provisions of (a), and said inspection file is connectable through a telecommunications line; provided, however, that this does not apply to the cases of a customer, to whom inspection was provided, gave notice that it is not necessary to maintain a connectable condition.
- (3) The term "electronic data processing system" as used in paragraph (1), item (i) means an electronic data processing system that is connected a computer pertaining to the use of a Bank and a computer pertaining to the use of a customer, etc., or a Bank that keeps a customer file with a telecommunications line.

(Type and Content of Electronic or Magnetic Means)

Article 14-11-9 Type and content of a method to be indicated pursuant to the provisions of Article 4-3, paragraph (1) and Article 4-4, paragraph (1) of the Order are the following matters:

- (i) a method set forth in each item of paragraph (1) of the preceding Article or each item of Article 14-11-9-3, paragraph (1) that is used by a Bank; or
- (ii) a method to record data in a file.

(Information for Inclusion in Documents to Which a Person Who Has Made a Request for Reinstatement as a Professional Investor Gives its Consent)

Article 14-11-9-2 The matters provided by Cabinet Office Ordinance as prescribed in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act,

are the following matters:

- (i) the date when acceptance is gained (which is referred to as "approval date" in items (iv) and (v)) pursuant to the provisions of Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act;
- (ii) a statement to the effect that Subject Contract is a specified deposit, etc. contract;
- (iii) a statement to the effect that the person requesting reinstatement (which means the person requesting reinstatement prescribed in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; hereinafter the same applies in this Article) understands the following matters:
 - (a) the fact that the provisions set forth in the items of Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are not applicable when the person requesting reinstatement, with regard to Subject Contract, is a person prescribed in any of said items (excluding the cases prescribed in the proviso of the same Article);
 - (b) the fact that there is the risk of insufficient protection involved when 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 person requesting reinstatement is to be treated again as a Professional Investor when the person requesting reinstatement is solicited to conclude or concludes a Subject Contract on or after the approval date;
- (v) a statement to the effect that, at any time on or after the approval date, the person requesting reinstatement may make an application pursuant to Article 34-2, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act.

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

Article 14-11-9-3 (1) The matters provided by Cabinet Office Ordinance as prescribed in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act (including the cases where it is applied mutatis mutandis pursuant to Article 34-3, paragraph (3) of the Financial Instruments and Exchange Act (including the cases where it is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act), as applied mutatis mutandis pursuant to Article 13-4 of the Act; hereinafter

the same applies in this Article), as applied mutatis mutandis pursuant to Article 13-4 of the Act, are as follows:

- (i) a method to use an electronic data processing system that is in the following:
 - (a) a method to transmit through a telecommunications line that connects a computer pertaining to the use of a Bank and a computer pertaining to the use of the other party (hereinafter referred to as "customer" in this Article) from whom the Bank intends to obtain consent pursuant to the provisions of Article 34-3, paragraph (3) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, and to record in a file kept in a computer pertaining to the use of the recipient; or
 - (b) a method to make matters concerning a customer's consent recorded in a file kept in a computer pertaining to the use of a Bank available for inspection through a telecommunications line and to record said matters concerning the customer's consent in a file kept in a computer pertaining to the use of said Bank;
- (ii) a method to obtain an Entry recorded in a file, which is prepared with matters, in which certain matters can be recorded surely by magnetic disk, CD-ROM, or other method equivalent to the above.
- (2) The methods set forth in each item of the preceding paragraph must be a method to enable a Bank to prepare documents by outputting records in a file.
- (3) The term "electronic data processing system" as used in paragraph (1), item (i) means an electronic data processing system that is connected with a computer pertaining to the use of a Bank and a computer pertaining to the use of a customer with a telecommunications line.

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

Article 14-11-10 (1) Cases that are provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act are cases where a Bank specifies a certain date and publicly discloses the following matters by posting in a place that facilitates public viewing in a business office of said Bank or by another appropriate method:

- (i) said date; and
- (ii) the fact that the end date (which means an end date as prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; the same applies in paragraph (2), item (i) of the following Article and Article 14-11-12) is the date as prescribed in the following paragraph.

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

(Information for Inclusion in Documents to Which a Corporation, Which Is a Customer Other than the Professional Investor That Has Made a Request, Gives Its Consent)

Article 14-11-11 (1) Matters as provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (2), item (iv), sub-item (a) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are that the provisions set forth in each item of Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act do not apply when an applicant (which means an applicant as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; the same applies in the following paragraph) pertaining to a subject contract (which means a subject contract as prescribed in Article 45, item (ii) of the Financial Instruments and Exchange Act; this applies in the following paragraph and Article 14-11-12-2) is a person as prescribed in each said item (excluding cases as prescribed in the proviso of Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act).

(2) Matters as provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following matters:

- (i) with regard to an act performed based on the provisions of laws or regulations or the stipulations of a contract pertaining to a subject contract concluded before the end date, even if such act is performed after the end date, the fact that an applicant is treated as a Professional Investor; and
- (ii) the fact that an applicant is treated as a Professional Investor pertaining to a subject contract only by a Bank that has provided an approval pursuant to the provisions of Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act.

(iii) a statement to the effect that, at any time on or after the approval date, an

applicant may make an application pursuant to Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act.

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

Article 14-11-12 (1) The period provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (7) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is 11 months (in the cases set forth in the following items, the period prescribed in the respective items).

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

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

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

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

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

(i) the date when acceptance is made pursuant to the provisions of Article 34-3, paragraph (10) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act (which is referred to as "approval date" in item (iii));

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

(iii) a statement to the effect that when being solicited to conclude or concluding a Subject Contract on or after the approval date, a corporation that has made a request pursuant to Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is treated again as a customer other than

a Professional Investor.

(Business Person Who May Offer to Be Treated as a Professional Investor)

Article 14-11-13 (1) Matters as provided by Cabinet Office Ordinance as prescribed in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, correspond to any of the following requirements:

- (i) with regard to filing an offer as prescribed in Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, consent is not obtained from all silent partners; or
- (ii) the total amount of contributions based on the concluded silent partnership agreement as prescribed in Article 535 of the Commercial Code (Act No. 48 of 1899) is less than 300 million yen.

(2) Individuals as provided by Cabinet Office Ordinance as prescribed in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following persons:

- (i) an individual who is a partner that concluded a partnership agreement as prescribed in Article 667, paragraph (1) of the Civil Code and who is entrusted with the execution of business of the partnership (limited to a person corresponding to all of the following requirements):
 - (a) with regard to filing an offer pursuant to the provisions of Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, the consent of all other partners are obtained; and
 - (b) the total amount of contributions based on said partnership agreement is 300 million yen or more;
- (ii) an individual (limited to a person who corresponds to all of the following) who is a partner that concludes an agreement of a limited liability business partnership as prescribed in Article 3, paragraph (1) of the Limited Liability Partnership Act (Act No. 40 of 2005), participates in decisions of execution of material business of the partnership, and executes said business personally:
 - (a) with regard to filing an offer pursuant to the provisions of Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, the consent of all other partners are obtained; and
 - (b) the total amount of contributions based on said limited liability business partnership agreement is 300 million yen or more.

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

Article 14-11-14 Requirements as provided by Cabinet Office Ordinance as prescribed in Article 34-4, paragraph (1), item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, correspond to all of the following requirements:

- (i) by determining reasonably based on the condition of transactions and other circumstances, the amount, as a result of deducting the total amount of liabilities from the total amount of assets of the applicant (which means an applicant as prescribed in Article 34-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; hereinafter the same applies in this Article and Article 14-11-16) on the approval date (which means the approval date as prescribed in Article 34-3, paragraph (2), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; the same applies in the following item, paragraph (2) of the following Article, Article 14-11-16, paragraph (2), item (iii), and Article 14-11-16-2), is estimated to be 300 million yen or more;
- (ii) by determining reasonably based on the condition of transactions and other circumstances, the total amount of assets (limited to those as set forth in the following items) of an applicant on the approval date is estimated to be 300 million yen or more:
 - (a) securities (excluding those set forth in (e));
 - (b) rights pertaining to derivatives transactions (which means derivatives transactions as prescribed in Article 2, paragraph (20) of the Financial Instruments and Exchange Act; the same applies in Article 34-2-14, item (ii), sub-item (b));
 - (c) a specified deposit, etc. as prescribed in Article 13-4 of the Act (hereinafter referred to as "Specified Deposit, etc.", except in item (c) and Article 34-2-14, item (ii), item (c)) ; specified savings, etc., as prescribed in Article 11-2-4 of the Agricultural Co-operatives Act; specified savings, etc., as prescribed in Article 11-9 of the Fisheries Cooperatives Act; specified deposit, etc., as prescribed in Article 6-5-2 of the Act on Financial Businesses by Cooperative (Act No. 183 of 1949); specified deposit, etc., as prescribed in Article 89-2 of the Shinkin Bank Act (Act No. 238 of 1951); specified deposit, etc., as prescribed in Article 17-2 of the Long-Term Credit Bank Act; specified deposit, etc., as prescribed in Article 94-2 of the Labor Bank Act (Act No. 227 of 1953); specified deposit, etc., as prescribed in Article 59-3 of the Norinchukin Bank Act (Act No. 93 of 2001); and specified deposit, etc. as prescribed in Article 29 of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007);
 - (d) rights pertaining to an insurance payment, mutual aid insurance money,

refund, or other payment based on a specified mutual aid insurance contract as prescribed in Article 11-10-3 of the Agricultural Co-operatives Act, a specified mutual aid insurance contract prescribed in Article 12-3, paragraph (1) of the Consumer Cooperatives Act (Act No. 200 of 1948), a specified mutual aid insurance contract prescribed in Article 15-7 of the Fisheries Cooperatives Act, a specified mutual aid insurance contract as prescribed in Article 9-7-5, paragraph (2) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949), and a specified mutual aid insurance contract as prescribed in Article 300-2 of the Insurance Business Act;

- (e) a beneficiary right of trust pertaining to a specified trust contract as prescribed in Article 24-2 of the Trust Business Act (Act No. 154 of 2004);
 - (f) a right based on a real property specified joint enterprise contract as prescribed in Article 2, paragraph (3) of the Real Estate Specified Joint Enterprise Act (Act No. 77 of 1994); and
 - (g) a right pertaining to a futures transaction as prescribed in Article 2, paragraph (8) of the Commodity Exchange Act;
- (iii) one year has elapsed from the date that an applicant concluded a specified deposit, etc. contract for the first time with said Bank.

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

Article 14-11-15 (1) Cases provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are cases where a Bank specifies a certain date and publicly discloses the following matters by posting in a place that facilitates public viewing in a business office of said Bank or by another appropriate method:

- (i) said date; and
 - (ii) the fact that the end date (which means an end date as prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; the same applies in paragraph (2), item (i) of the following Article and Article 14-11-16-2) is the date as prescribed in the following paragraph.
- (2) The date as provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is the date that

is specified by a Bank pursuant to the provisions of the preceding paragraph and is the last day within one year from the approval date.

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

- Article 14-11-16 (1) Matters as provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (2), item (iv), sub-item (a) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are that the provisions set forth in each item of Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, do not apply when an applicant, with regard to the subject contract (which means a subject contract as prescribed in item (ii) of Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act; the same applies in the following paragraph and Article 14-11-16-3), is a person specified in any said item (excluding cases as prescribed in the proviso of Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act).
- (2) Matters as provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following matters:
- (i) with regard to an act performed based on the provisions of laws or regulations or the stipulations of a contract pertaining to a subject contract concluded before the end date, even if such act is performed after the end date, the fact that an applicant is treated as a Professional Investor; and
 - (ii) the fact that an applicant is treated as a Professional Investor pertaining to a subject contract only by a Bank that provides an approval pursuant to the provisions of Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act.
 - (iii) a statement to the effect that, at any time on or after the approval date, an applicant may make an application pursuant to Article 34-4, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act.

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

Renewal)

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

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

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

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

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

Article 14-11-16-3 The matters provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following matters:

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

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

(iii) when being solicited to conclude or concluding a Subject Contract on or after the approval date, a statement to the effect that an individual who has made a request pursuant to Article 34-4, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is treated again as a customer other than a Professional Investor.

(An Act Similar to an Advertisement)

Article 14-11-17 An act as provided by Cabinet Office Ordinance as prescribed in

each paragraph of Article 37 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is the provision of information with the same content to many persons by mail, letter service (which means a letter service as prescribed in Article 2, paragraph (2) of the Act on Letter service by Private Business operators (Act No. 99 of 2002) provided by a general letter service business operator as prescribed in paragraph (6) of the same Article or a specified letter service business operator as prescribed in paragraph (9) of the same Article; the same applies in Article 34-2-17 and Article 34-53-2), a transmission method using a facsimile device, a transmission method using electronic mail (which means electronic mail as prescribed in Article 2, item (i) of the Act on Regulation of Transmission of Specified Electronic Mail (Act No. 26 of 2002); the same applies in Article 34-2-17 and Article 34-53-2), a method to distribute handouts or brochures and other methods (excluding the following methods):

- (i) a method to distribute documents prepared based on laws and regulations or the disposition of an administrative government agency pursuant to laws and regulations;
- (ii) a method to distribute materials concerning analysis or evaluation of an individual enterprise, which are not used for solicitation for the conclusion of a specified deposit, etc. contract; or
- (iii) a method to provide premiums or other goods, in which all the following matters are indicated (limited to goods for which the matters set forth in (b) to (d) are indicated clearly and properly) (when there are matters that are not indicated on premiums or other goods among said matters, including a method to provide said premiums or other goods and other goods on which said matters are indicated as an integrated item):
 - (a) the name of goods (including an alias);
 - (b) the name or an alias of a Bank that provides information with the same content to many persons by a method as prescribed in this item;
 - (c) matters as set forth in Article 4-5, paragraph (2), item (i) of the Order (limited to matters for which the printed characters and numerals of said matter are indicated in a size that is not significantly different from the largest size among the printed characters and numerals of matters other than said matter); and
 - (d) the fact that the content of any of the following documents should be read sufficiently:
 - 1. documents as prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act (hereinafter referred to as "Document Delivered Prior to the Conclusion of a Contract" in this Article to Article 14-11-30);

2. documents of a foreign currency deposit, etc. as prescribed in Article 14-11-25, paragraph (1), item (i);
3. documents of a contract change as prescribed in Article 14-11-25, paragraph (1), item (iii), sub-item (b).

(Indication Method of Advertisement Pertaining to the Content of Business of Conclusion of a Specified Deposit, etc. Contract)

Article 14-11-18 (1) When a Bank, with regard to the content of business of conclusion of a specified deposit, etc. contract which is carried out by the Bank, advertises or performs an act as prescribed in the preceding Article (which is referred to as "Advertisement, etc." in the following paragraph), the matters set forth in each item of Article 37, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, must be indicated clearly and properly.

(2) When a Bank carries out Advertisement, etc., with regard to the content of business of conclusion of a specified deposit, etc. contract that is carried out by the Bank, the printed characters and numerals of matters set forth in Article 4-5, paragraph (1), item (ii) of the Order are to be indicated in a size that is not significantly different from the largest size among the printed characters and numerals of matters other than said matter.

(3) When a Bank advertises, with regard to the content of business of conclusion of a specified deposit, etc. contract that is carried out by the Bank, by a method to order broadcast using the broadcasting equipment of a general broadcaster (which means a general broadcaster as prescribed in Article 2, item (iii)-2 of the Broadcast Act; and the same applies hereinafter), or by a method set forth in any of the items of Article 14-11-21, paragraph (1) (excluding a broadcasting method by voice), notwithstanding the provisions of the preceding paragraph, the printed characters and numerals of matters set forth in Article 4-5, paragraph (2), item (i) of the Order are to be indicated in a size that is not significantly different from the largest size among the printed characters and numerals of matters other than said matter.

(Matters Concerning Compensation to Be Paid by a Customer)

Article 14-11-19 Matters as provided by Cabinet Office Ordinance as prescribed in Article 4-5, paragraph (1), item (i) of the Order, under the name of a fee, reward, expense, or whatever name may be, are a description of the amount by category of compensation that a customer is to pay concerning a specified deposit, etc. contract (hereinafter referred to as "Fee, etc."), the maximum limit, or the summary of the calculation method of these matters (including the percentage of Fee, etc. as compared to the principal amount pertaining to said specified deposit, etc. contract) and a description of the total amount of said

amounts, the maximum limit, or the summary of the calculation method of these matters; provided, however, that when these matters are unable to be indicated, that effect and the reasons thereof.

(Material Matters Affecting a Decision of a Customer)

Article 14-11-20 Matters as provided by Cabinet Office Ordinance as prescribed in Article 4-5, paragraph (1), item (iii) of the Order are the following:

- (i) with regard to a Specified Deposit, etc. for which said Bank holds a right to postpone the deposit period, the fact that when said right is exercised, it is likely to be disadvantageous to the customer due to the money rate of said Specified Deposit, etc. falling below the money market rate; or
- (ii) with regard to material matters concerning said specified deposit, etc. contract, other fact that the matter may be disadvantageous to the customer.

(Method Equivalent to a Method to Order Broadcasting by the Use of Broadcasting Equipment of a General Broadcaster)

Article 14-11-21 (1) Methods as provided by Cabinet Office Ordinance as prescribed in Article 4-5, paragraph (2) of the Order are as follows:

- (i) a method to order broadcasting by the use of broadcasting equipment of the following persons:
 - (a) a cable television broadcaster (which means a cable television broadcaster as prescribed in Article 2, paragraph (4) of the Cable Television Broadcasting Act (Act No. 114 of 1972); the same applies in Article 34-2-21, paragraph (1), item (i), sub-item (a) and Article 34-53-6, paragraph (1), item (i), sub-item (a));
 - (b) a person who carries out the business of cable sound broadcasting (which means cable sound broadcasting as prescribed in Article 2 of the Act to Regulate the Operation of the Cable sound broadcasting Service (Act No. 135 of 1951); the same applies in Article 34-2-21, paragraph (1), item (i), sub-item (b) and Article 34-53-6, paragraph (1), item (i), sub-item (b)); and
 - (c) a person who carries out the business of broadcasting by a telecommunications service (which means the business of broadcasting by a telecommunications service as prescribed in Article 2, paragraph (1) of the Act Concerning Broadcast on Telecommunications Service (Act No. 85 of 2001); the same applies in Article 34-2-21, paragraph (1), item (i), sub-item (c) and Article 34-53-6, paragraph (1), item (i), sub-item (c));
- (ii) a method to make the content of information recorded in a file kept in a computer pertaining to the use of a Bank or a person who is entrusted business pertaining to advertisement, etc. carried out by said Bank (limited to the identical content of the matter provided by the method to order broadcasting by using the broadcasting equipment of a general broadcaster

- or by a method set forth in the preceding item) available for inspection to customers by means of a telecommunications line; or
- (iii) a method to indicate to the public regularly or continuing for a certain period inside or outside the building, and to have an installation, or to indicate on a signboard, standing signboard, placard and label, advertising tower, advertising board, building, or other structure, etc., and methods equivalent to the above.
- (2) Matters as provided by Cabinet Office Ordinance as prescribed in Article 4-5, paragraph (2), item (ii) of the Order are the matters as set forth in Article 14-11-17, item (iii), sub-item (d).

(Matters That Must Not Be Exaggerated)

Article 14-11-22 Matters as provided by Cabinet Office Ordinance as prescribed in Article 37, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the matters the following:

- (i) matters concerning termination of a specified deposit, etc. contract;
- (ii) matters concerning the share of all or part of a loss or guarantee of profits pertaining to a specified deposit, etc. contract;
- (iii) matters concerning liquidated damages (including a penalty) pertaining to a specified deposit, etc. contract; and
- (iv) matters concerning the amount of Fee, etc. that a customer is to pay concerning a specified deposit, etc. contract, the calculation method, payment method, payment time, and payee.

(Method of Entry of a Document Delivered Prior to the Conclusion of a Contract)

Article 14-11-23 (1) In a Document Delivered Prior to the Conclusion of a Contract, the matters as set forth in each item of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, must be entered clearly and properly by using printed characters and numerals of the size of eight points or larger as defined in Japanese Industrial Standard Z 8305 based on the Industrial Standardization Act (Act No. 185 of 1949) (hereinafter referred to as "Japanese Industrial Standard").

- (2) Notwithstanding the provisions of the preceding paragraph, in a Document Delivered Prior to the Conclusion of a Contract, the following matters are to be entered clearly and properly in lines by using printed characters and numerals of the size of 12 points or larger as defined in Japanese Industrial Standard Z 8305, and are to be entered following the matters as prescribed in the following paragraph:

- (i) a summary of the matters set forth in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act and the matters set forth in item (v) of the same paragraph, and Article 14-11-27, paragraph (1), item (xi); and
 - (ii) the matters as set forth in Article 14-11-27, paragraph (1), item (xii).
- (3) A Bank, in a Document Delivered Prior to the Conclusion of a Contract, is to enter particularly material matters using plain expressions that may affect the decision of a customer among the matters as set forth in Article 14-11-27, paragraph (1), item (i) and each item of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, by using printed characters and numerals of the size of 12 points or larger as defined in Japanese Industrial Standard Z 8305 at the top of said Document Delivered Prior to the Conclusion of a Contract.

(Methods of the Provision of Information)

Article 14-11-24 The provision of information as prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, is to be implemented by the delivery of a Document Delivered Prior to the Conclusion of a Contract.

(Cases That Do Not Require Delivery of a Document Delivered Prior to the Conclusion of a Contract)

Article 14-11-25 (1) The cases as provided by Cabinet Office Ordinance as prescribed in Article 37-3, proviso of paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act are the following cases:

- (i) when a document (hereinafter referred to as "Document of Foreign Currency Deposit, etc." from this Article to Article 14-11-30), in which the matters set forth in Article 37-3, paragraph (1), items (i) and (iii) to (v) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, and matters set forth in Article 14-11-27, paragraph (1), items (i), (xi), (xvii), and (xviii), with regard to said specified deposit, etc. contract, are entered by a method equivalent to that as prescribed in Article 14-11-23, are delivered to said customer within one year before the conclusion of a specified deposit, etc. contract pertaining to the matters as set forth in Article 14-11-4, item (ii) (excluding matters corresponding to those set forth in item (i) or (iii) of the same Article; hereinafter referred to as "Foreign Currency Deposit, etc.") (limited to cases where said customer declared the intention not to require the delivery of the Document Delivered Prior to the Conclusion of a Contract);

- (ii) if a Document Delivered Prior to the Conclusion of a Contract is delivered to said customer within one year before the conclusion of a specified deposit, etc. contract, of which documents are pertaining to a specified deposit, etc. contract with identical content to said specified deposit, etc. contract (including cases where the Document Delivered Prior to the Conclusion of a Contract is not delivered pertaining to said specified deposit, etc. contract with an identical content pursuant to provisions of the preceding item); and
 - (iii) in the cases of intending to conclude a specified deposit, etc. contract of which content is to change a part of the specified deposit, etc. contract that has been effected, the cases as set forth in the following:
 - (a) when there are no matters to be changed with entry matters in the Document Delivered Prior to the Conclusion of a Contract pertaining to a specified deposit, etc. contract that has been effected due to said change; and
 - (b) when there are matters to be changed with entry matters in the Document Delivered Prior to the Conclusion of a Contract pertaining to a specified deposit, etc. contract that has been effected due to said change, when a document (hereinafter referred to as "Document for Contract Change" to Article 14-11-30), in which said entry matters to be changed is entered, has been delivered to said customer.
- (2) The provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, and provisions of Article 4-3 and Article 14-11-8 of the Order, apply mutatis mutandis to delivery of a Document of Foreign Currency Deposit, etc., pursuant to the provisions of item (i) of the preceding paragraph and delivery of a Document for Contract Change pursuant to the provisions of item (iii), sub-item (b) of the same paragraph.
- (3) If a specified deposit, etc. contract pertaining to a Foreign Currency Deposit, etc. is concluded within one year from the date when a Document of Foreign Currency Deposit, etc. is delivered (including the date when a Document of Foreign Currency Deposit, etc. is deemed to be delivered pursuant to the provisions of this paragraph) (limited to the cases where said customer declared the intention not to require delivery of a Document Delivered Prior to the Conclusion of a Contract), it is deemed that a Document of Foreign Currency Deposit, etc. is delivered on the date of said conclusion and the provisions of paragraph (1), item (i) apply.
- (4) If, within one year from the date (if a Document Delivered Prior to the Conclusion of a Contract is not delivered with regard to a specified deposit, etc. contract pursuant to the provisions of paragraph (1), item (i), including the date of conclusion of said specified deposit, etc. contract and the date when a Document Delivered Prior to the Conclusion of a Contract is deemed to be

delivered pursuant to the provisions of this paragraph) when a Document Delivered Prior to the Conclusion of a Contract is delivered, a specified deposit, etc. contract with an identical content to the specified deposit, etc. contract pertaining to said Document Delivered Prior to the Conclusion of a Contract is concluded, the Document Delivered Prior to the Conclusion of a Contract is deemed to be delivered on the date of said conclusion and provisions of paragraph (1), item (ii) apply.

(Matters Concerning Compensation to Be Paid by a Customer)

Article 14-11-26 Matters as provided by Cabinet Office Ordinance as prescribed in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, under the name of a fee, reward, expense, or whatever name may be, are a description of the amount by category of Fee, etc. that the customer is to pay concerning a specified deposit, etc. contract, the maximum limit, or the calculation method of the above (including the percentage of Fee, etc. as compared to the principal amount pertaining to said specified deposit, etc. contract; hereinafter the same applies in this Article) and a description of the total amount of said amounts, the maximum limit, or the calculation method of these matters; provided, however, that when these matters are unable to be entered, that effect and the reasons thereof.

(Information for Inclusion in a Document Delivered Prior to the Conclusion of a Contract)

Article 14-11-27 (1) Matters as provided by Cabinet Office Ordinance as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following matters:

- (i) the effect that the content of said Document Delivered Prior to the Conclusion of a Contract is to be read sufficiently;
- (ii) the name of the financial instrument (including an alias);
- (iii) distinction as to whether the contract is subject to an insurance payment as prescribed in Article 53 of the Deposit Insurance Act;
- (iv) scope of the persons subject to acceptance;
- (v) period of deposit (including an indication whether the deposit will be renewed automatically, or not);
- (vi) minimum amount of deposit, unit of deposit, and any other matters concerning the deposit;
- (vii) method of repayment;
- (viii) method of establishing interest payments, payment method, calculation method, and other matters concerning interest;

- (ix) matters concerning special provisions that may be added;
- (x) handling the termination of the contract during the period of deposit (including the calculation methods of interest and fees);
- (xi) with regard to specified deposit, etc. contract to be concluded by a customer, when a loss is likely to be incurred by changes in money rate, value of currencies, quotations on a financial instruments market, and other indexes as a direct cause, the following matters:
 - (a) said index; and
 - (b) the reasons that the contract is likely to cause loss due to changes pertaining to said index;
- (xii) with regard to a Specified Deposit, etc., for which said Bank holds a right to postpone the deposit period, the fact that when said right is exercised, it is likely to be disadvantageous to the customer due to the money rate of said Specified Deposit, etc. falling below the money market rate;
- (xiii) in the case of handling a financial instrument that does not guarantee the repayment of the full amount at expiry of the amount paid for the combination of the following items with the Specified Deposit, etc. at the time of depositing, a detailed explanation stating that the deposited amount is not guaranteed to be repaid in the full amount at expiry and any other detailed explanations concerning said financial instrument:
 - (a) market derivatives transactions or foreign market derivatives transactions (excluding transactions corresponding to securities-related derivatives transactions);
 - (b) a financial derivatives transaction as prescribed in Article 10, paragraph (2), item (xiv) of the Act;
 - (c) a futures foreign funds transfer transaction;
 - (d) a securities-related derivatives transaction (excluding a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act and a similar transaction in a foreign financial instruments market to that as set forth in the same item); and
 - (e) a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or a similar transaction in a foreign financial instruments market to that as set forth in the same item (limited to a National Government Bond Certificate, etc. and securities set forth in paragraph (1), item (xvii) of the same Article pertaining to those that have characteristics as prescribed in item (i) of the same paragraph);
- (xiv) when the establishment method of an index to be the standard for establishing a money rate of a floating rate deposit and money rate are specified, matters concerning said standards, method, and money rate;
- (xv) a description of the taxation concerning said specified deposit, etc. contract;

- (xvi) the methods to contact said Bank by the customer;
 - (xvii) the existence of a recognized investor protection association (when said specified deposit, etc. contract is covered by said recognized business (which means the recognized business prescribed in Article 79-10, paragraph (1) of the Financial Instruments and Exchange Act) of said recognized investor protection association, limited to such recognized investor protection association; the same applies in Article 34-53-12, paragraph (1), item (xvii))) for which said Bank is a subject business operator (which means a subject business operator as prescribed in Article 79-11, paragraph (1) of the same Act; the same applies hereinafter) (when said Bank is a subject business operator, the name of such recognized investor protection association);
 - (xviii) the matters prescribed in (a) or (b) below for the categories of cases set forth respectively therein.
 - (a) When there exists a Designated Dispute Resolution Organization, the trade name or name of the Designated Dispute Resolution Organization, which is the other party to the Basic Contract for the Implementation of Dispute Resolution Procedures, prescribed in Article 12-3, paragraph (1), item (i) of the Act, that said Bank takes a measure to conclude;
 - (b) When there is no Designated Dispute Resolution Organization, the details of the complaint handling measures and the dispute resolution measure of said Bank prescribed in Article 12-3, paragraph (1), item (ii) of the Act; and
 - (xix) other matters that are found to be references concerning the deposit of a Specified Deposit, etc.
- (2) When a Bank or a Bank Agent must deliver a document as prescribed in the provisions of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 and Article 52-45-2 of the Act to a customer, pursuant to the same paragraph with regard to conclusion of a single specified deposit, etc. contract, when said Bank Agent carries out said delivery, said Bank, notwithstanding the provisions of the preceding paragraph, is not required to enter matters as set forth in each item of the same paragraph in the Document Delivered Prior to the Conclusion of a Contract.

(Information for Inclusion in a Document Delivered at Concluding a Contract)

Article 14-11-28 (1) The following matters must be entered in a document, as prescribed in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act (said document is referred to as a "Document Delivered at Concluding a Contract" in the following paragraph and the following Article), which document is to be prepared when a specified deposit, etc. contract is effected:

- (i) name of said Bank;

- (ii) amount of deposit (when the principal amount is indicated in a foreign currency, the principal amount indicated in said foreign currency);
 - (iii) distinction whether it is subject to insurance payment as prescribed in Article 53 of the Deposit Insurance Act;
 - (iv) date of deposit and expiry (including an indication whether the deposit will be renewed automatically, or not);
 - (v) method of repayment;
 - (vi) method of establishing interest payments, payment method, calculation method, and other items concerning interest;
 - (vii) handling the termination of the contract during the period of deposit (including the calculation methods of interest and fees);
 - (viii) date when said specified deposit, etc. contract is effected;
 - (ix) matters concerning a Fee, etc. pertaining to said specified deposit, etc. contract;
 - (x) name of customer; and
 - (xi) a method to contact said Bank by the customer.
- (2) When a Bank or a Bank Agent must deliver a document as prescribed in the provisions of Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 and Article 52-45-2 of the Act to a customer, pursuant to the same paragraph with regard to conclusion of a single specified deposit, etc. contract, when said Bank Agent carries out said delivery, said Bank, notwithstanding the provisions of the preceding paragraph, is not required to enter matters as set forth in items (ii) to (vii) of the same paragraph in the Document Delivered at Concluding a Contract.

(Cases That Do Not Require Delivery of a Document Delivered at Concluding a Contract)

Article 14-11-29 (1) Cases as provided by Cabinet Office Ordinance as prescribed in Article 37-4, proviso of paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act pertaining to a Document Delivered at Concluding a Contract, are the following cases:

- (i) when a Document of Foreign Currency Deposit, etc. is delivered to said customer within one year before conclusion of a specified deposit, etc. contract pertaining to a Foreign Currency Deposit, etc. (limited to said customer declaring the intention not to require delivery of a Document Delivered at Concluding a Contract);
- (ii) when a Document Delivered at Concluding a Contract pertaining to a specified deposit, etc. contract with an identical contract to the specified deposit, etc. contract to said customer is delivered within one year before

- conclusion of said specified deposit, etc. contract (including the cases where the Document Delivered at Concluding a Contract is not delivered with regard to said specified deposit, etc. contract with an identical content pursuant to the provisions of the preceding item); and
- (iii) if a specified deposit, etc. contract has been effected for which content is to change a part of the specified deposit, etc. contract, the following cases:
- (a) when there are no matters to be changed with the entry matters in the Document Delivered at Concluding a Contract pertaining to a specified deposit, etc. contract that has been effected due to said change; and
 - (b) when there are the entry matters to be changed in the Document Delivered at Concluding a Contract pertaining to a specified deposit, etc. contract that has been effected due to said change, when a document, in which said entry matters to be changed is entered, has been delivered to said customer.
- (2) The provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, and provisions of Article 4-3 and Article 14-11-8 of the Order, apply mutatis mutandis to delivery of documents pursuant to the provisions of item (iii), sub-item (b) of the preceding paragraph.
- (3) If a specified deposit, etc. contract pertaining to a Foreign Currency Deposit, etc. is concluded within one year from the date when a Document of Foreign Currency Deposit, etc. is delivered (including the date when a Document of Foreign Currency Deposit, etc. is deemed to be delivered pursuant to the provisions of this paragraph) (limited to the cases where said customer declared the intention not to require delivery of a Document Delivered at Concluding a Contract), it is deemed that the Document of Foreign Currency Deposit, etc. is delivered on the date of said conclusion and the provisions of paragraph (1), item (i) apply.
- (4) If, within one year from the date (if a Document Delivered at Concluding a Contract is not delivered with regard to a specified deposit, etc. contract pursuant to the provisions of paragraph (1), item (i), the date of conclusion of said specified deposit, etc. contract, including the date when a Document Delivered at Concluding a Contract is deemed to be delivered pursuant to the provisions of this paragraph) when a Document Delivered at Concluding a Contract is delivered, a specified deposit, etc. contract with an identical content to the specified deposit, etc. contract pertaining to said Document Delivered at Concluding a Contract, the Document Delivered at Concluding a Contract is deemed to be delivered on the date of said conclusion and the provisions of paragraph (1), item (ii) apply.

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

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

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

(2) Notwithstanding the provisions of the preceding paragraph, with regard to Credit Ratings determined by a specified associated corporation (meaning Specified Associated Corporation prescribed in Article 116-3, paragraph (2) of the Cabinet Office Ordinance on Financial Instruments Business; the same applies in this paragraph, Article 34-2-30, paragraph (2) and Article 34-53-17, paragraph (2)), significance of registration under Article 66-27 of the Act and other matters provided by Cabinet Office Ordinance are the following:

- (i) the significance of registration pursuant to Article 66-27 of the Financial Instruments and Exchange Act;
- (ii) trade name, name and registration number of Credit Rating Agency whose associated corporation (meaning Associated Corporation prescribed in Article 295, paragraph (3), item (x) of the Cabinet Office Ordinance on Financial Instruments Business; the same applies in Article 34-2-30, paragraph (2), item (ii) and Article 34-53-17, paragraph (2), item (ii)) is designated as said specified associated corporation by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 116-3, paragraph (2) of the same Cabinet Office Ordinance;
- (iii) the name used by said specified associated corporation as a representation of the Credit Rating Business (meaning Credit Rating Business provided in

Article 2, paragraph (35) of the Financial Instruments and Exchange Act; the same applies in Article 34-2-30, paragraph (2), item (iii) and Article 34-53-17, paragraph (2), item (iii));

- (iv) the outline of the policy and method that the specified associated corporation who gave the credit rating uses to give said credit rating or way to obtain information on the said outline from Credit Rating Agency specified by item (ii);
- (v) the premise, significance, and limitations of credit rating.

(Prohibited Acts)

Article 14-11-30-2 Acts as provided by Cabinet Office Ordinance as prescribed in Article 38, item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, are the following acts:

- (i) acts as set forth in each item of Article 14-11-3;
- (ii) with regard to delivery of the following documents, an act to conclude a specified deposit, etc. contract without explaining in advance to a customer (excluding a Professional Investor (excluding a person who is deemed to be a customer other than a Professional Investor pursuant to the provisions of Article 34-2, paragraph (5) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, and including a person who is deemed to be a Professional Investor pursuant to the provisions of Article 34-3, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act (including a cases where it is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act)); hereinafter the same applies in this item) regarding matters (when a document as set forth in item (c) is delivered, matters that are entered in said document and that are pertaining to matters set forth in items (iii) to (v) and (vii) of the same paragraph) set forth in Article 37-3, paragraph (1), items (iii) to (v) and (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act, by a necessary method and degree for the understanding of said customer in light of the customer's knowledge, experience, condition of assets, and purpose to conclude the specified deposit, etc. contract:
 - (a) Document Delivered Prior to the Conclusion of a Contract;
 - (b) Document of Foreign Currency Deposit, etc.; and
 - (c) Document for Contract Change;
- (iii) with regard to conclusion of a specified deposit, etc. contract and its solicitation, an act of misrepresentation, or an indication that may cause

- misunderstanding of material matters;
- (iv) with regard to a specified deposit, etc. contract, an act to promise provisions of special profit to a customer or a person specified by the customer, or an act to provide special profit to a customer or a third person (including an act to order a third party to promise the provision of special profit or to provide special profit); and
- (v) with regard to conclusion or termination of a specified deposit, etc. contract, an act to solicit by telephone or visit during the time when a customer (limited to an individual) finds it annoying.

(Exemption of Exclusion from Application of Behavior Regulation)

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

(Subsidiary Company of a Bank)

Article 14-12 A company that has a special relationship as provided by Cabinet Office Ordinance as prescribed in Article 14-2, item (ii) of the Act is the following persons:

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

(Application of Approval for Holidays)

Article 15 (1) A Bank, when intending to obtain an approval for holidays pursuant to the provisions of Article 5, paragraph (2), item (ii) of the Order, must attach the following documents to a written application for approval and submit them to the Commissioner of the Financial Services Agency, etc.:

- (i) a written statement of reasons; and
 - (ii) a document stating the method of posting notice pursuant to provisions of Article 5, paragraph (3) of the Order.
- (2) The Commissioner of the Financial Services Agency, etc., when an application for approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether it conforms to the following standards:
- (i) it is not likely to cause problems with the system that processes domestic funds transfer transactions between financial institutions by using communication lines;

- (ii) it does not harm in the extreme the convenience of a customer of a business office pertaining to said application; and
 - (iii) a business office pertaining to said application does not carry out current deposit service.
- (3) When a business office that does not carry out current deposit service files an application for approval pursuant to the provisions of Article 32, paragraph (2) by a written application stating that a day other than those as set forth in each item of Article 5, paragraph (1) and paragraph (2), item (i) of the Order (which are referred to as a "Designated Holiday" in the following paragraph) as a holiday, the Commissioner of the Financial Services Agency, etc. is to, beyond examinations as prescribed in paragraph (3) of the same Article, examine whether the day conforms to the standards as set forth in each item of the preceding paragraph.
- (4) When a Bank obtains an authorization as prescribed in Article 47-2 of the Act based on a written application, with regard to a business office as prescribed in the preceding paragraph determining a day other than Designated Holiday as a holiday, it is deemed to be approved as prescribed in Article 5, paragraph (2), item (ii) of the Order.

(Business Hours)

- Article 16 (1) Business hours of a Bank are 9:00 a.m. to 3:00 p.m.
- (2) Business hours as prescribed in the preceding paragraph may be lengthened due to the convenience of business.
- (3) A Bank, when its business office corresponds to all of the following (excluding cases corresponding to the preceding paragraph), may change business hours with regard to said business office:
- (i) when it requires to set different business hours from business hours as prescribed in paragraph (1) due to the location of said business office, special circumstances of the installation location, or other circumstances;
 - (ii) when it does not harm in the extreme the convenience of customers of said business office; and
 - (iii) when said business office does not carry out current deposit services.
- (4) A Bank, when changing business hours pursuant to the provisions of the preceding paragraph, must display that effect in front of said business office.
- (5) Notwithstanding the provisions of each item of the preceding paragraph, business hours of a business office of a Bank that is located in a foreign state are the times to be approved pursuant to laws and regulations of the location of said business office.

(Notification of Temporary Suspension of Business)

- Article 17 (1) A Bank, when intending to notify all concerned of a suspension or

recommencement of all or part of its business pursuant to the provisions of Article 16, paragraph (1) of the Act, must attach the following documents to the written notice and submit them to the Commissioner of the Financial Services Agency, etc.:

- (i) a written statement of reasons;
 - (ii) a document stating the method of notice display pursuant to the provisions of Article 16, paragraph (1) of the Act; and
 - (iii) other documents stating matters that the Commissioner of the Financial Services Agency finds to be necessary.
- (2) Cases as provided by Cabinet Office Ordinance as prescribed in Article 16, paragraph (1) of the Act are following cases:
- (i) when all or part of Bank services is ordered to suspend pursuant to the provisions of Article 26, paragraph (1); Article 27; or Article 52-34, paragraphs (1) or (4) of the Act;
 - (ii) if, on a holiday of a Bank as prescribed in Article 15, paragraph (1) of the Act, at a business office of a Bank that carries out all or part of business, all or part of business implemented on said holiday by a cash dispenser or other machine specified separately by the Commissioner of the Financial Services Agency (hereinafter referred to as "Cash Dispenser, etc.") is suspended;
 - (iii) when, at a unmanned business office of a Bank, all or part of business is suspended (excluding cases corresponding to the preceding paragraph);
 - (iv) when all or part of business of a Bank located in a foreign state or business by a person that is entrusted by said Bank and carries out the services of said Bank, is suspended at a business office that carries out said business; and
 - (v) when all or part of Bank services is suspended due to suspension of all or part of business of Bank Agency Services that is carried out for said Bank by the Bank Agent (including a Bank, etc. (which means a Bank, etc. as prescribed in paragraph (1) of the Article 52-61 of the Act) that is deemed to be a Bank Agent pursuant to the provisions of paragraph (2) of the same Article; the same applies in the following paragraph) which Principal Bank is said Bank.
- (3) In the case of posting a notification pursuant to the provisions of Article 16, paragraph (1) of the Act, the notification must be posted continuously in front of the business office corresponding to the categories as set forth in each item of the following for the period until the day specified in each said item:
- (i) posting pursuant to the provisions of Article 16, first sentence of paragraph (1) of the Act: the day to recommence all or part of business at a business office as which a Bank suspended all or part of its business temporarily;
 - (ii) posting pursuant to the provisions of Article 16, paragraph (1), second sentence of Article 16: the day when one month elapses after the day to

recommence all or part of business at a business office at which a Bank suspended all or part of business temporarily.

(4) Cases as provided by Cabinet Office Ordinance as prescribed in Article 16, paragraph (2) of the Act are the cases as set forth in the following:

- (i) the cases of suspending all or part of business at an unmanned business office of a Bank;
- (ii) the cases of suspending all or part of business pertaining to Bank Agency Services and carried out for said Bank at an unmanned business office or office of a Bank Agent which Principal Bank is said Bank;
- (iii) the cases of corresponding to paragraph (2), item (ii), (iv), or (v); and
- (iv) the cases where the suspension period is within one business day and business is surely estimated to be recommenced immediately.

Chapter III Subsidiary Company

(Business of a Specialized Subsidiary Company)

Article 17-2 (1) The business provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (1), item (iii) of the Act is, beyond the business to perform acts as set forth in Article 35, paragraph (1), items (i) to (x) and (xiii) of the Financial Instruments and Exchange Act and business as set forth in paragraph (2), items (i) to (iii) of the same Article, the following:

- (i) a business set forth in any of the items of paragraph (1) of the following Article which is operated mainly for the business of a Bank, its Subsidiary Company, or a person set forth in any of the items of paragraph (4) based on standards prescribed by the Commissioner of the Financial Services Agency;
- (ii) a business set forth in any of the items of paragraph (2) of the following Article; provided, however, that, with regard to a business set forth in any of items (ixx) to (xxiii) in the same paragraph, limited to the cases where such business has a Securities Subsidiary Company, etc. (which means the Security Subsidiary Company, etc. prescribed in Article 16-2, paragraph (2), item (vi) of the Act); with regard to a business set forth in any of items (xxiv) to (xxxiv) of the following Article, paragraph (2), limited to the cases where such business has an Insurance Subsidiary Company, etc. (which means the Insurance Subsidiary Company, etc. prescribed in Article 16-2, paragraph (2), item (vii) of the Act; the same applies in the following paragraph, item (iii) and paragraph (3), item (v)); and with regard to a business set forth in any of items (xxxv) to (xxxvii) of the following Article, paragraph (2), limited to the cases where such Bank is a Trust Bank (which means a Trust Bank prescribed in Article 16-2, paragraph (2), item (viii), sub-item (a) of the Act; the same applies hereinafter) or to the cases where such Bank has a Trust Subsidiary Company, etc. (which means a Trust Subsidiary Company, etc.

prescribed in Article 16-2, paragraph (2), item (viii) of the Act; the same applies hereinafter).

(2) Business as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (1), item (iii) of the Act is, beyond business to perform acts as set forth in Article 35, paragraph (1), items (i) to (x) and (xiii) of the Financial Instruments and Exchange Act and business as set forth in paragraph (2), items (i) to (iii) of the same Article (limited to, with regard to the business set forth in item (i) of the same paragraph, the business set forth in Article 13-2-3, paragraph (1), items (i) and (iii) (limited to the part pertaining to item (i) of the same paragraph) and the business to accept the consignment of a transaction on a commodity market, etc. as prescribed in Article 2, paragraph (16) of the Commodity Exchange Act); and limited to, with regard to the business set forth in Article 35, paragraph (2), item (ii) of the Financial Instruments and Exchange Act, the business set forth in Article 13-2-3, paragraph (1), items (i) and (iii) (limited to the part pertaining to item (i) of the same paragraph)), the following:

- (i) acts as set forth in Article 2, paragraph (8), items (vii) and (xi) to (xvii) of the Financial Instruments and Exchange Act and business to perform an act as prescribed in Article 1-12 of the Order of Enforcement of the Financial Instruments and Exchange Act;
- (ii) business that is as set forth in each item of paragraph (1) of the following Article (except item (xxiii)) and that is carried out, based on the standards specified separately by the Commissioner of the Financial Services Agency, for the business, which is carried out mainly by a Bank, its Subsidiary Company, or a person as set forth in each item of paragraph (4); or
- (iii) business as set forth in each item of paragraph (2) of the following Article (excluding business corresponding to that as set forth in item (i)); provided, however, that with regard to business as set forth in items (xxiv) to (xxxiv) of the same paragraph, limited to cases of holding an insurance Subsidiary Company, etc., and with regard to business as set forth in paragraph (2), items (xxxv) to (xxxvii) of the following Article, limited to cases where a Bank is a Trust Bank or holds a Trust Subsidiary Company, etc.

(3) Business as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (1), item (iv) is the following business, beyond business to perform acts as set forth in Article 35, paragraph (1), items (x) and (xiii) of the Financial Instruments and Exchange Act, and business as set forth in paragraph (2), items (i) to (iii) of the same Article:

- (i) acts as set forth in Article 2, paragraph (8), items (xi), (xii) and (xiv) of the Financial Instruments and Exchange Act and business to perform an act as prescribed in Article 1-12 of the Order of Enforcement of the Financial Instruments and Exchange Act;

- (ii) intermediary of the conclusion of an accumulated investment contract (which means an accumulated investment contract as prescribed in Article 35, paragraph (1), item (vii) of the Financial Instruments and Exchange Act);
 - (iii) intermediary of the lending of securities as prescribed in Article 35, paragraph (1), item (i) of the Financial Instruments and Exchange Act;
 - (iv) business as set forth in item (ii) of the preceding paragraph; and
 - (v) business as set forth in each item of paragraph (2) of the following Article (excluding business corresponding to that as set forth in item (i)); provided, however, that with regard to business as set forth in items (xxiv) to (xxxiv) of the same paragraph, limited to the cases of holding an insurance Subsidiary Company, etc., and with regard to business as set forth in items (xxxv) to (xxxvii) of the same paragraph, limited to the cases where a Bank is a Trust Bank or holds a Trust Subsidiary Company, etc.
- (4) A person as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (1), item (xi) and paragraph (7) of the Act is the following:
- (i) a Bank holding a specified subsidiary Bank of said Bank (which means a Subsidiary Company (limited to a Bank or a company as set forth in Article 52-23, paragraph (1), item (i) or (vi) of the Act and excluding said Bank and a specified subsidiary bank (which means a company as set forth in Article 16-2, paragraph (1), items (i) to (ii), or item (vii) of the Act among the Subsidiary Companies of said Bank; the same applies in the following item and item (iv))) of a Bank Holding Company that has said Bank as a Subsidiary Company; the same applies in item (iv));
 - (ii) a group of banks of said Bank (which means a group of said Bank and its Subsidiary Companies, or a group of specified subsidiary banks of said Bank and Subsidiary Companies other than a specified subsidiary bank of said Bank; the same applies in item (iv));
 - (iii) a group of bank holding companies of said Bank (limited to a group that includes a Bank or companies as set forth in Article 52-23, paragraph (1), item (i) or (vi) of the Act among a group of two or more Subsidiary Companies of a Bank Holding Company that holds said Bank as a Subsidiary Company and a group of said Bank Holding Company and its Subsidiary Companies, and excluding groups as set forth in the preceding item; the same applies in the following item);
 - (iv) said Bank or its specified subsidiary bank, a Bank holding specified subsidiary bank, a group of banks, or a group of bank holding Companies, and the following persons:
 - (a) a Bank, etc.;
 - (b) a group of banks, etc.;
 - (c) a group of bank holding companies; or
 - (d) a group of long-term credit bank holding companies of a long-term credit

- bank.
- (5) The terms "Bank, etc.", "group of banks, etc.", and "group of long-term credit bank holding companies of a long-term credit bank" as prescribed in item (iv) of the preceding paragraph mean as provided in the following, respectively:
- (i) a Bank, etc.: the following persons:
 - (a) a Bank or a long-term credit bank (among Subsidiary Companies of such entities, including a foreign company that carries out Banking);
 - (b) a Shinkin Bank, Credit Cooperatives, or a Labor Bank (among federations organized with these corporations or companies that are Subsidiary Companies, including a Bank or a foreign company that carries out Banking);
 - (c) an agricultural cooperative, a federation of agricultural cooperatives, a fisheries cooperative, a federation of fisheries cooperatives, a fishery processing cooperative, a federation of fishery processing cooperative (with regard to a federation of agricultural cooperatives, a federation of fisheries cooperatives, and a federation of fishery processing cooperatives, including a Subsidiary Company (limited to a Bank) of said federation of agricultural cooperatives, said federation of fisheries cooperatives, and said federation of fishery processing cooperatives); and
 - (d) the Norinchukin Bank (among its Subsidiary Companies, including a Bank or a foreign company that carries out Banking);
 - (e) the Shoko Chukin Bank Limited
 - (ii) a group of banks, etc.: a group of Bank, etc., as prescribed in the preceding item and its Subsidiary Companies, or a group of subsidiary banks, etc. of said Bank, etc. (which means a Bank, long-term credit bank, or a foreign company that carries out Banking, among Subsidiary Companies of said Bank, etc.; hereinafter the same applies in this item) and Subsidiary Companies other than a subsidiary bank, etc. of said Bank, etc.;
 - (iii) a group of long-term credit bank holding companies: among a group of two or more Subsidiary Companies of a long-term credit bank holding company (which means a long-term credit bank holding company as prescribed in Article 16-4, paragraph (1) of the Long-Term Credit Bank Act; the same applies hereinafter) or a group of said long-term credit bank holding company and its Subsidiary Companies, limited a group that includes a long-term credit bank or companies as set forth in Article 16-4, paragraph (1), item (i) or (vi) of the Long-Term Credit Bank Act, and excluding a group as specified in the preceding item.
- (6) A company as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (1), item (xii) and Article 16-3, paragraph (7) of the Act is a company other than a company which is an issuer of securities as listed on a financial instruments exchange or securities registered in a securities registry

of over-the-counter transactions as prescribed in Article 67-11, paragraph (1) of the Financial Instruments and Exchange Act, which company is a stock company corresponding to any of the following items:

- (i) a stock company that is a small and medium sized enterprise operator as prescribed in Article 2, paragraph (1) of the Act on Facilitating New Business Activities of Small and Medium-Sized Enterprises (Act No. 18 of 1999), for which ten years have not elapsed since the date of incorporation, and for which the percentage of the amount set forth in (a) compared to the amount set forth in (b) exceeds three percent in the preceding business year or preceding year:
 - (a) total amount of testing and research expenses and other expenses specially paid for recruitment of new technology or new management organization, market cultivation, or commencement of new business;
 - (b) the amount that is the result of deducting the income amount by transfer of fixed assets or securities as prescribed in Article 2, item (xxi) of the Corporation Tax Act (Act No. 34 of 1965) from the total income amount;
- (ii) a stock company that is a small or medium-sized enterprise operator as prescribed in Article 2, paragraph (1) of the Act on Facilitating New Business Activities of Small and Medium-Sized Enterprises, for which one year has not elapsed since the date of incorporation, for which the number of full-time researchers is two or more, and for which the percentage of the number of said researchers to the total number of full-time officers and employees is ten percent or more; or
- (iii) a company that is authorized as prescribed in Article 9, paragraph (1) of the Act on Facilitating New Business Activities of Small and Medium-Sized Enterprises;
- (iv) a company that is certified as prescribed in Article 11, paragraph (1) of the Act on Facilitating New Business Activities of Small and Medium-Sized Enterprises;
- (v) a company certified as prescribed in Article 5, paragraph (1), Article 7, paragraph (1), Article 9, paragraph (1), Article 11, paragraph (1), Article 14, paragraph (1), or Article 16, paragraph (1) of the Act on Special Measures for Industrial Revitalization and Industrial Innovation (Act No. 131 of 1999) or a company that succeeded a business according to the Plan for Revitalization of Succeeded Business of Small and Medium-sized Enterprises in Article 39-2, paragraph (1) pertaining to the certification prescribed in the same paragraph;
- (vi) a company for which a rehabilitation plan is authorized pursuant to the provisions of the Civil Rehabilitation Act (Act No. 225 of 1999) with regard to the revitalization plan prescribed in Article 2, item (iii) of the same Act;
- (vii) a company for which a reorganization plan is authorized pursuant to the

- provisions of the Corporate Reorganization Act (Act No. 154 of 2002) with regard to the reorganization plan prescribed in Article 2, paragraph (2) of the same Act;
- (viii) a company to which it has been decided to give support prescribed Article 25, paragraph (4) of the Act on Organization for Support of Stock Company Enterprises (Act No. 63 of 2009);
 - (ix) a company that implements a plan for reasonable improvement of management (limited to a plan in which a Bank etc., prescribed in Article 52-61, paragraph 1 of the Act, Shoko Chukin Bank Limited, an insurance corporation (including foreign insurance corporations, etc.), a Bank Holding Company, a long-term credit bank holding company or a Holding Company of insurance provider prescribed in Article 2, paragraph 16 of the Insurance Business Act, or a Subsidiary Company of the above (hereinafter referred to as "Specified Financial Institution, etc." in this item) implements, with regard to a debt the company owes to said Specified Financial Institution, etc., any of the following measures and by the implementation of which the business management condition of said company is expected to improve within a reasonable period of time):
 - (a) a measure to release said company from all or part of said debt
 - (b) a measure to acquire shares in order to extinguish all or part of said debt.
 - (c) a measure to subordinate all or part of the claims pertaining to said debt to other claims to said company (limited to a measure that also arranges so that said company loses its benefit of time if financial indexes of said company declines below certain standards agreed upon in advance between said Specified Financial Institution, etc. and said company).
- (7) Beyond companies as prescribed in the preceding paragraph, a person that is a stock company that corresponds to a company as prescribed in the preceding paragraph when its voting rights are acquired by a Bank or its Subsidiary Company (including a company that will become a Subsidiary Company; hereinafter the same applies in this paragraph) not due to reasons as set forth in Article 17-4, paragraph (1), item (i) or (ii), also corresponds to a company as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (1), item (xii) and Article 16-3, paragraph (7) of the Act pertaining to said Bank unless such voting rights are newly acquired by said Bank or its Subsidiary Company not due to reasons as set forth in Article 17-4, paragraph (1), item (i) or (ii).
- (8) Notwithstanding the provisions of the preceding two paragraphs, when a company (hereinafter referred to as a "Specified Subsidiary Company" in this paragraph) as prescribed in the following paragraph does not dispose of the acquired voting rights of a company (hereinafter referred to as a "Company Cultivating New Business Field, etc." in this paragraph and Article 17-6,

paragraph (1), item (ix)) as prescribed in the preceding two paragraphs by the date that ten years elapse from the date of the acquisition (hereinafter referred to as "Base Disposition Day" in this paragraph), said Company Cultivating New Business Field, etc. is not to correspond to a company as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (1), item (xii) and Article 16-3, paragraph (7) of the Act pertaining to said Bank from the date following the Base Disposition Day; provided, however, that this does not apply when, if said disposition is performed, the number of voting rights of said Company Cultivating New Business Field, etc. held by said Bank or its Subsidiary Company declines below the base number of voting rights (with regard to voting rights of a company in Japan (which means a company in Japan as prescribed in Article 16-3, paragraph (1) of the Act; the same applies hereinafter in this Chapter and Chapter V), which means the number of voting rights obtained by multiplying five percent to the voting rights held by all of shareholders, and with regard to voting rights of a foreign company, which means the number of voting rights obtained by multiplying fifty percent to the voting rights held by all of shareholders; hereinafter the same applies in this paragraph) on the said Base Disposition Day, and if said Specified Subsidiary Company disposes of a portion of voting rights exceeding the base number of voting rights as of the Base Disposition Day among the voting rights of said Company Cultivating New Business Field, etc. held by said Bank or its Subsidiary Company, during the period from the date of said acquisition to the Base Disposition Day.

(9) A company as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (1), item (xii) of the Act is a company that carries out only business as set forth in paragraph (2), item (xii) of the following Article and business incidental to this.

(10) A Holding Company as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (1), item (xiii) of the Act is the following; provided, however, that when said Holding Company carries out business as set forth in each item of paragraph (1) of the following Article, said business must, based on the standards specified by the Commissioner of the Financial Services Agency, be carried out for the business, which is carried out mainly by a Bank, its Subsidiary Company, or a person as set forth in each item of paragraph (4):

(i) with regard to a Holding Company which holds, as a Subsidiary Company, a company specialized in securities business as prescribed in Article 16-2, paragraph (1), item (iii) of the Act (hereinafter referred to as a "Company Specialized in Securities Business"), a company specialized in securities introducing brokerage services as prescribed in item (iv) of the same paragraph (hereinafter referred to as a "Company Specialized in Securities Introducing Brokerage Services") or a foreign company (excluding a foreign

- company corresponding to that which carries out Banking) carrying out securities-related business as prescribed in item (viii) of the same paragraph, and a company specialized in Trust Business as prescribed in item (vi) of the same paragraph (hereinafter referred to as a "Company Specialized in Trust Business"), or a foreign company (excluding a foreign company corresponding to that which carries out Banking) that carries out Trust Business as prescribed in item (x) of the same paragraph, a Holding Company that carries out only business to manage the business of said Subsidiary Company and business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (xxiv) to (xxxiv)) (limited to the cases where the Holding Company does not hold, as a Subsidiary Company, a company as prescribed in Article 16-2, paragraph (1), items (i), (ii), (v), (v)-2, (vii), and (ix); the same applies hereinafter except for the following item and item (iii));
- (ii) with regard to a Holding Company which holds, as a Subsidiary Company, a Company Specialized in Securities Business, a Company Specialized in Securities Introducing Brokerage Services, or a foreign company (excluding a foreign company corresponding to that which carries out Banking) that carries out securities-related business as prescribed in Article 16-2, paragraph (1), item (viii) of the Act, a Holding Company that carries out only business to manage the business of said Subsidiary Company and business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (xxiv) to (xxxvii)) (limited to the cases where a Holding Company does not hold, as a Subsidiary Company, a company as prescribed in Article 16-2, paragraph (1), items (i), (ii), (v) to (vii), (ix) and (x));
- (iii) with regard to a Holding Company that holds, as a Subsidiary Company, a Company Specialized in Trust Business or a foreign company (excluding a foreign company corresponding to that which carries out Banking) that carries out Trust Business as prescribed in Article 16-2, paragraph (1), item (x) of the Act, a Holding Company that carries out only business to manage the business of said Subsidiary Company and business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (ixx) to (xxxiv)) (limited to the cases where the Holding Company does not hold, as a Subsidiary Company, a company as prescribed in Article 16-2, paragraph (1), items (i), (ii), (iii) to (v)-2, and (vii) to (ix));
- (iv) with regard to a Holding Company that holds a company as prescribed in Article 16-2, paragraph (1), items (ii)-2, (xi) or (xii) of the Act as a Subsidiary Company, a Holding Company that carries out only business to manage the business of said Subsidiary Company and business incidental to this, and

- business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (ixx) to (xxxvii));
- (v) with regard to a Holding Company as specified in paragraph (6) of the following Article among companies that are a Subsidiary Company of a Company Specialized in Securities Business or a Company Specialized in Securities Introducing Brokerage Services that is a Subsidiary Company of said Bank as prescribed in Article 16-2, paragraph (2), item (vi), sub-item (c) of the Act, , a Holding Company that carries out only business to manage the business of said Subsidiary Company of a Holding Company and business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (xxiv) to (xxxvii));
- (vi) with regard to a Holding Company as specified in paragraph (7) of the following Article among companies that are a Subsidiary Company of an insurance corporation or a small amount and short-term insurance provider (which means a small amount and short-term insurance provider as prescribed in Article 2, paragraph (18) of the Insurance Business Act; the same applies hereinafter) that are a Subsidiary Company of said Bank as prescribed in Article 16-2, paragraph (2), item (vii), sub-item (c) of the Act, a Holding Company that carries out only business to manage the business of a Subsidiary Company of said Holding Company and business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (ixx) to (xxiii), and items (xxxv) to (xxxvii));
- (vii) with regard to a Holding Company as specified in paragraph (8) of the following Article among companies that are a Subsidiary Company of a Trust Bank or a Company Specialized in Trust Business that is a Subsidiary Company of said Bank as prescribed in Article 16-2, paragraph (2), item (viii), sub-item (d) of the Act, a Holding Company that carries out only business to manage the business of a Subsidiary Company of said Holding Company and business incidental to this, and business as set forth in each item of paragraph (1) and each item of paragraph (2) of the following Article (excluding items (ixx) to (xxxiv)).
- (11) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to voting rights as prescribed in paragraphs (7) and (8).

(Scope of a Subsidiary Company of a Bank)

Article 17-3 (1) Business as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (2), item (i) of the Act is the following:

- (i) a business of the leasing of real property (as a general rule, limited to real property for business acquired or leased from a Bank that is a Subsidiary

- Company, or its Subsidiary Company) for another business operator, or maintenance, inspection, or other management of real property or its accompanying equipment that is owned by another business operator;
- (ii) a business providing services concerning a benefit or welfare program for officers or employees of another business operator;
 - (iii) a business of purchase or management of goods for business use of another business operator;
 - (iv) a business of printing or bookbinding of documents, vouchers, or other statements pertaining to services of another business operator;
 - (v) a business of advertisement or promotion concerning business of another business operator;
 - (vi) a business of operation, maintenance, inspection, or other management of automobiles for another business operator;
 - (vii) a business of investigation or provision of information to be necessary for the business of another business operator (except for that corresponding to item (x));
 - (viii) a business of maintenance, inspection, or other management of Cash Dispensers, etc. of another business operator;
 - (ix) a business of preparation or dispatch of postcards or sealed documents that solicit the conclusion of contracts pertaining to business of another business operator or that explain the contents of said contracts;
 - (x) a business of evaluation of properties that is the object of security for a claim pertaining to loan or other credit extended executed by another business operator, maintenance of property that is the object of said security or other necessary services for said properties;
 - (xi) a business of consulting service for loan (limited to a loan necessary to purchase a housing or a loan to any other consumers) provided by another business operator, or an introducing brokerage of services pertaining to said loan, or performing other services necessary for said loan;
 - (xii) a business pertaining to foreign funds transfer transactions carried out by another business operator, letters of credit, or traveler's checks, or a business to carry out services necessary for the loan of funds directly necessary for import or export or any other international transactions, discounting of bills and notes, a debt guarantee, or the acceptance of bills and notes;
 - (xiii) a business of calculations pertaining to services of another business operator;
 - (xiv) a business of preparation, arrangement, custody, dispatching, or delivery of documents pertaining to services of another business operator, vouchers, or any other documents;
 - (xv) a business as an introducing brokerage to carry out services between

- another business operator and customers of said other business operator;
- (xvi) a worker dispatch business as prescribed in Article 2, item (iii) of the Act Concerning Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers (Act No. 88 of 1985) or an employment placement business that is carried out after obtaining a permission based on the provisions of Article 30, paragraph (1) of the Employment Security Act (Act No. 141 of 1947);
 - (xvii) a business to carry out services concerning computers for another business operator (including businesses performing design or maintenance of a system that functions by using a computer, or the design, development, or sales of a software program (including sales of attachments to be necessary for sale of the software program) or its maintenance);
 - (xviii) a business to provide education or training to officers or employees of another business operator;
 - (xix) a business of transportation of cash, checks, bills and notes, or securities of another business operator (except those corresponding to the following item and item (xxi));
 - (xx) a business of collection and delivery of cash, checks, bills and notes, or certificates to principal customers of another business operator;
 - (xxi) a business of acceptance and delivery of securities pertaining to the business of another business operator with principal customers of said other business operator;
 - (xxii) a business of arrangement of cash, checks, bills and notes, or securities, confirmation of the amount or count, or retaining custody temporarily on behalf of another business operator;
 - (xxiii) a business of investment on behalf of an insurance corporation (which means an insurance corporation as prescribed in Article 16-2, paragraph (1), item (v) of the Act; the same applies hereinafter) that is a Subsidiary Company;
 - (xxiv) when a Bank that is a Subsidiary Company, its Subsidiary Company that is a Bank, a long-term credit bank, or an insurance corporation (hereinafter referred to as "Parent Bank, etc." in this item) requires exercise of the security interest for the calling of credit pertaining to a loan of funds or any other credit extended, or when a purchasing company of claims secured with real property that is contributed and incorporated jointly by financial institutions (hereinafter referred to as "Purchasing Company" in this item) requires exercise of the security interest in order to call claims secured with real property purchased from said Parent Bank, etc., a business to purchase the real property that is the object of security for these claims at an appropriate price for said Parent Bank, etc. or said Purchasing Company and a business to own and manage purchased real property and any other

- necessary services concerning said real property;
- (xxv) other business as provided by the Commissioner of the Financial Services Agency as equivalent to business as set forth in items (i) to the preceding item; or
- (xxvi) business incidental to business as set forth in each of the preceding items (limited to business carried out by a person that engages in business as set forth in each said item).
- (2) Business as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (2), item (ii) of the Act is the following:
- (i) agency services or intermediary of a business (excluding business as set forth in item (i)-5) of a Bank, a long-term credit bank or a Shinkin Bank, Credit Cooperatives or Labor Bank (including federations organized with these corporations);
- (i)-2 agency services or intermediary of Trust Business (excluding business as set forth in item (i)-5) that is as prescribed in Article 11, paragraph (2) of the Agricultural Co-operatives Act and is carried out by an agricultural cooperative or a federation of agricultural cooperatives; Trust Business (excluding a business as set forth in item (i)-5) that is as prescribed in Article 54-2, paragraph (2) of the Fishery Cooperative Act and is carried out by a fisheries cooperative or a federation of fisheries cooperatives, or a fishery processing cooperative or a federation of fishery processing cooperative, or a business (excluding a business as set forth in item (i)-5) of the Norinchukin Bank;
- (i)-3 agency services or intermediary of business of a foreign company that carries out Banking (in the cases of carrying out business in Japan, limited to intermediary of custody of securities, settlement concerning transactions of securities based on the instruction of customers, transfer of profits, etc. pertaining to said securities in custody, lending of said securities in custody to a third party based on the instruction or exercise of rights of said securities in custody, or business incidental to the above);
- (i)-4 agency or intermediary service for a fund transfer business operated by a fund transfer operator;
- (i)-5 agency service of a trust contract as prescribed in Article 2, paragraph (8) of the Trust Business Act (excluding agency services as set forth in Article 3, item (ii) of the Order for Enforcement of the Act on Engagement in Trust Business by a Financial Institution and Article 3, paragraph (1), item (ii) of the Ordinance for Enforcement of the Act on Engagement in Trust Business by a Financial Institution);
- (i)-6 agency services or intermediary of conclusion of a contract that a financial institution that carries out Trust Business accepts as an entrustment of business as set forth in Article 1, paragraph (1), items (iii) to (vii) of the Act

- on Engagement in Trust Business by a Financial Institution (excluding business as set forth in Article 3, item (iii) of the Order for Enforcement of the Act on Engagement in Trust Business by a Financial Institution, and business as set forth in Article 3, paragraph (1), items (iii) to (v) of the Ordinance for Enforcement of the Act on Engagement in Trust Business by a Financial Institution);
- (ii) intermediary of a monetary loan (including intermediary of the granting of money by the discounting of bills and notes, security by way of transfer, or by another method similar to these, or transfer of money by said method) that is carried out as a business (excluding business as set forth in items (i) to (i)-3);
 - (ii)-2 Business pertaining to a transaction other than a monetary loan, but equivalent to a monetary loan (limited to business in which the receiving of interest is forbidden by religious discipline and which is conducted based on the judgment of a collegiate system comprised of persons with expert knowledge on religious discipline with regard to said transaction being a transaction other than a monetary loan).
 - (iii) a business as prescribed in Article 10, paragraph (2) of the Act (excluding business as set forth in item (viii) and item (viii)-2 of the same paragraph, securities-related business, and other business corresponding to business as specified by the Commissioner of the Financial Services Agency);
 - (iii)-2 a servicer as prescribed in Article 2, paragraph (2) of the Act on Special Measures Concerning Servicer (Act No. 126 of 1998), and business as set forth in each item of Article 12 of the same Act (in the cases of carrying out business as prescribed in item (ii) of the same Article, limited to the cases where all standards specified by the Commissioner of the Financial Services Agency are satisfied);
 - (iii)-3 defined contribution pension plan operational management as prescribed in Article 2, paragraph (7) of the Defined Contribution Pension Act (Act No. 88 of 2001) or a business to engage in services as set forth in each item of Article 61, paragraph (1) of the same Act;
 - (iii)-4 solicitation for insurance prescribed in Article 2, paragraph (26) of the Insurance Business Act (referred to as "Solicitation for Insurance" in item (xxvii) and Article 34-48, paragraph (1)).
 - (iv) a business to perform acts as set forth in Article 2, paragraph (8), items (vii), (xiii), and (xv) of the Financial Instruments and Exchange Act;
 - (v) [deleted];
 - (vi) a commodity investment advisory business as prescribed in Article 2, paragraph (3) of the Act on Control for Business Pertaining to Commodity Investment;
 - (vii) when granting a voucher, other item or number, a code or other mark (hereinafter referred to as "Voucher, etc." in this item and the following item)

- that enables the purchase of goods or rights, or to receive the provision of service by exchange or presentation of the Voucher, etc., or by notification, from a specified seller or service provider, to a person intending to purchase goods or rights, or a person intending to receive the provision of service with the Voucher, etc. (hereinafter referred to as "User" in this item and the following item), and said User purchased goods or rights or received the provision of service by exchanging or presenting the Voucher, etc., or by notification, from the specified seller or service provider, a business to receive the cost for said goods or said rights, or amount equivalent to compensation for said service from said User, and to grant said amount to said seller or said service provider;
- (viii) under the conditions that a User purchases goods or rights or receives the provision of service from a specified seller or service provider without using a Voucher, etc., a business to grant the cost of said goods or said rights or the amount equivalent to compensation for said service to said seller or said service provider, and to receive said amount from said User;
- (ix) a business to issue self-issued, prepaid means of payment prescribed in Article 3, paragraph (4) of the Act on Fund Settlement or a business to issue third party-issued, prepaid means of payment prescribed in paragraph (5) of the same Article, or a business to sell these means of payment.
- (x) Deleted
- (xi) a business to lease machinery, etc., other goods or articles (hereinafter referred to as "Leased Object, etc." in this item) (limited to the cases where said business is mainly carried out pursuant to the standards as specified by the Commissioner of the Financial Services Agency, based on a contract that satisfies all of the requirements as set forth in the following):
- (a) there is no stipulation that a party or both parties may provide notice of termination after the commencement date (hereinafter referred to as "Commencement Day of Service" in this item) of the period when the Leased Object, etc. may be used (hereinafter referred to as "Service Period" in this item) or after a certain period has elapsed from the Commencement Day of Service;
- (b) the contents of business are that the amount as a result of deducting the estimated residual price of the Leased Object, etc. after expiry of the Service Period from the acquisition price of said Leased Object, etc. and the amount of interest, fixed asset tax, insurance premium and payment, as compensation, during the Service Period are received; and
- (c) there is no stipulation that ownership or other rights of the Leased Object, etc. are transferred to the other party after expiry of the Service Period;
- (xii) a business to provide funds to another stock company of which funds are necessary for its business by performing the following acts:

- (a) to acquire shares issued by said company with the purpose to receive dividends pertaining to shares or to gain profit from a sale pertaining to said shares;
- (b) to acquire corporate bonds (excluding short-term bonds as set forth in Article 10, paragraph (3), item (i) of the Act) issued by said company; or
- (c) to conclude a partnership agreement as prescribed in Article 667, paragraph (1) of the Civil Code with the purpose to perform acts as set forth in item (a) or (b), or an investment business limited partnership contract as prescribed in Article 3, paragraph (1) of the Limited Partnership Act for Investment;
- (xiii) a business carried out as an investment trust management company or an asset management company (in a foreign state, entities similar to these; including a business to manage real property that belongs to investment trust assets for which an investment trust management company instructs its management, or assets of an investment corporation that are assets managed by an asset management company);
- (xiv) an investment advisory business (which means an investment advisory business as prescribed in Article 28, paragraph (6) of the Financial Instruments and Exchange Act) or a business pertaining to an discretionary investment contract;
- (xiv)-2 a business (excluding business corresponding to item (iv) and the preceding two items) to manage (including its instruction) money or other property for others as an investment in assets set forth in Article 3, items (i) and (ii), and items (vi) to (viii) of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000);
- (xiv)-3 a business of consulting service concerning transfer of business, merger, company split, share exchange, or share transfer of another business operator, or for introducing brokerage concerning these;
- (xv) a business of consulting service concerning management of another business operator;
- (xvi) a business of investigation or research concerning finance or other economics;
- (xvii) a business of consulting service concerning the asset formation of individuals;
- (xviii) in principle, a business to process data concerning business of a Bank Holding Company, a long-term credit bank holding company, a company corresponding to a company eligible as a Subsidiary Company (which means a company eligible as a Subsidiary Company as prescribed in Article 16-2, paragraph (1) of the Act, or a company subject to Subsidiary Company as prescribed in Article 52-23, paragraph (1) of the Act; the same applies in the

- following item, item (xxxii) and the following paragraph), or other financial institution as specified by the Commissioner of the Financial Services Agency, or data concerning finance of a business operator, and a business to provide transmission service of these data;
- (xviii)-2 in principle, business of a Bank Holding Company, a long-term credit bank holding company, or a company corresponding to a company corresponding to a c companies eligible as a Subsidiary Company, or other financial institution as specified by the Commissioner of the Financial Services Agency, or a business for creation or sale of a software program for a computer concerning finances of a business operator (including sale of attachments that become necessary due to sale of the software program), or a business of entrusted calculation (excluding those corresponding to item (xxxii));
- (xviii)-3 a business concerning calculation of premium or benefits concerning a defined benefit corporate pension as prescribed in Article 2, paragraph (1) of the Defined Benefit Corporate Pension Act (Act No. 50 of 2001) or other pension equivalent to this, and a business concerning preparation or transfer of such documents, etc.;
- (xviii)-4 business set forth in Article 11, item (iv) of the Act;
- (xviii)-5 Electronic Monetary Claims Recording Business prescribed in Article 51, paragraph (1) of Electronically Recorded Monetary Claims Act;
- (xix) a business as an introducing brokerage between an owner and issuer of securities of the services concerning said securities;
- (xx) agency of a customer concerning securities;
- (xxi) a business, with the purpose to facilitate business finance by issuance of shares of a stock company, of advertisement, promotion, or investigation pertaining to said stock company, or other business contributing to the increase of the reputation of an investor in said stock company;
- (xxii) the provision of information concerning securities or advisory service (excluding business corresponding to item (ixx) and the preceding item);
- (xxiii) a business for intermediary, as an introducing brokerage or as an agency of conclusion of a partnership agreement as prescribed in Article 667, paragraph (1) of the Civil Code or a silent partnership agreement as prescribed in Article 535 of the Commercial Code (excluding business corresponding to securities-related business);
- (xxiv) agency of a business pertaining to insurance business of an insurance corporation or a small amount and short-term insurance provider (excluding business corresponding to that as set forth in item (iii)-4), or act of such services;
- (xxv) Deleted;
- (xxvi) a business of investigation of matters pertaining to an accident covered

- by insurance or other insurance contract;
- (xxvii) a business of education of a person who performs Solicitation for Insurance;
- (xxviii) a business to provide services concerning welfare facilities for the elderly, etc. (which means a welfare facility for the elderly as prescribed in Article 5-3 of the Old Age Welfare Act (Act No. 133 of 1963) and a fee-charging home for the aged as prescribed in Article 29, paragraph (1) of the same Act), and other services concerning welfare for persons who are aged, disabled, etc.;
- (xxix) a business to manage facilities for exercise in order to maintain or improve health, or facilities for the promotion of maintaining or improving health by use of a hot spring;
- (xxx) a business of investigation, analysis, or advisory service in order to prevent occurrence of accidents or other risks, to prevent or reduce damage due to occurrence of risks, or to evaluate the size, etc. of damage due to the occurrence of risks;
- (xxxii) a business of investigation, analysis, or advisory service concerning health, welfare, or medical care;
- (xxxiii) in principle, a business of creation or sale (including sale of attachments that become necessary due to sale of a software program) of a computer software program concerning business of a Holding Company insurance corporation, a Holding Company of small amount and short-term insurance provider (which means a small amount and a Holding Company of small amount and short-term insurance provider as prescribed in Article 272-37, paragraph (2) of the Insurance Business Act), a company corresponding to a company eligible as a Subsidiary Company (limited to an insurance corporation, small amount and short-term insurance provider, or a foreign company that carries out insurance business), or an insurance agent, or the business of entrusted calculations;
- (xxxiv) a business concerning intermediary or introduction of an automobile repairer, etc.;
- (xxxv) a business as an introducing brokerage of reporting concerning an accident covered by insurance from an insurance contractor or a business of consulting service concerning an insurance contract;
- (xxxvi) a business concerning management of assets (excluding business corresponding to those as set forth in item (iii), limited to business that is a Trust Subsidiary Company, etc. that holds voting rights of a company carrying out said business, manages the same type of assets as accepting trust assets by the same method as a management method of trust assets as prescribed in a statement of operational procedures) or an agency pertaining to said business;

- (xxxvi) a business as set forth in Article 1, paragraph (1), items (iv) to (vii) of the Act on Engagement in Trust Business by a Financial Institution (excluding business corresponding to item (vi) and the preceding item; Article 3, item (iii) of the Order for Enforcement of the Act on Engagement in Trust Business by a Financial Institution; Article 3, paragraph (1), items (iii) and (iv) of the Ordinance for Enforcement of the Act on Engagement in Trust Business by a Financial Institution, with regard to the scope of said business when there is not a company equivalent to a Trust Bank among the Bank that holds a company carrying out said business as a Subsidiary Company, or a Trust Subsidiary Company, etc. of a Bank which is a Subsidiary Company of a Bank Holding Company that holds a company carrying out said business as a Subsidiary Company, limited to business pertaining to business for which said Trust Subsidiary Company, etc. obtained an approval pursuant to the provisions of Article 21, paragraph (2) of the Trust Business Act);
 - (xxxvii) in the cases of accepting trust, a business concerning evaluation of assets (excluding real property);
 - (xxxviii) other business as specified by the Commissioner of the Financial Services Agency as equivalent to business as set forth in item (i) to the preceding item; or
 - (xxxix) a business incidental to business as set forth in each preceding item (limited to a business carried out by a person that carries out a business as set forth in each said item).
- (3) Business as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (2), item (iii) of the Act is the following:
- (i) a business as set forth in items (ixx) to (xxiii) of the preceding paragraph;
 - (ii) other business as specified by the Commissioner of the Financial Services Agency as equivalent to business as set forth in the preceding item; or
 - (iii) among business as set forth in item (xxxix) of the preceding paragraph, that pertaining to business incidental to business as set forth in the preceding two items.
- (4) Business as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (2), item (iv) of the Act is as set forth in the following:
- (i) a business as set forth in paragraph (2), items (xxiv) to (xxxiv);
 - (ii) other business as specified by the Commissioner of the Financial Services Agency as equivalent to business as set forth in the preceding item; or
 - (iii) among business as set forth in paragraph (2), item (xxxix), that pertaining to business incidental to business as set forth in the preceding two items.
- (5) Business as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (2), item (v) of the Act is as set forth in the following:
- (i) a business as set forth in paragraph (2), items (xxxv) to (xxxvii);
 - (ii) other business as specified by the Commissioner of the Financial Services

- Agency as equivalent to business as set forth in the preceding item; or
- (iii) among business as set forth in paragraph (2), item (xxxix), that pertaining to business incidental to business as set forth in the preceding two items.
- (6) The companies as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (2), item (vi), sub-item (c) of the Act are a Holding Company as prescribed in paragraph (1), item (xiii) of the same Article, of which voting rights exceeding fifty percent of the Holding Company's All Shareholders', etc. Voting Rights are held by a Company Specialized in Securities Business or a Company Specialized in Securities Introducing Brokerage Services that is a Subsidiary Company of said Bank.
- (7) The companies as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (2), item (vii), sub-item (c) of the Act are a Holding Company as prescribed in paragraph (1), item (xiii) of the same Article, of which voting rights exceeding fifty percent of the Holding Company's All Shareholders', etc. Voting Rights are held by an insurance corporation or a small amount and short-term insurance provider that is a Subsidiary Company of said Bank.
- (8) The companies as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (2), item (viii), sub-item (d) of the Act are a Holding Company as prescribed in paragraph (1), item (xiii) of the same Article, of which voting rights exceeding fifty percent of the Holding Company's All Shareholders', etc. Voting Rights are held by a Trust Bank or a trust company that is a Subsidiary Company of said Bank.
- (9) The provisions in Article 1-6, paragraph (3) are applied mutatis mutandis to the voting rights held by the persons prescribed in these provisions in the case of the preceding three paragraphs. In this case, the phrase "Article 147, paragraph (1) or Article 148, paragraph (1) (including cases where these provisions are applied mutatis mutandis in Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1), and Article 276 (limited to the part pertaining to item (ii) of the Act)" and the term "shares or contribution" are deemed to be replaced with "Article 147, paragraph (1) or Article 148, paragraph (1)" and "shares", respectively, in paragraph (3) of that Article.

(Reasons Why the Provisions of Article 16-2, paragraph (1) of the Act Do Not Apply)

Article 17-4 (1) Reasons as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (3) of the Act are the following reasons:

- (i) acquisition of Shares, etc. by exercise of the security interest of a Bank or its Subsidiary Company;
- (ii) acquisition of Shares, etc. by an acceptance of substitute performance of a Bank or its Subsidiary Company;

- (iii) acquisition of voting rights pertaining to shares or ownership interest that may not exercise voting rights, held by a Bank or its Subsidiary Company (limited to an acquisition due to occurrence of an event that is not based on the intension of said Bank or its Subsidiary Company);
 - (iv) conversion of shares (which means that said shares are acquired by an issuing company of said shares, and another type of share is granted in exchange for said shares; the same applies hereinafter) of a company for which shares are held by a Bank or its Subsidiary Company (excluding the cases where conversion is requested by said Bank or its Subsidiary Company);
 - (v) consolidation or split of Shares, etc. of a company, for which Shares, etc. are held by a Bank or its Subsidiary Company, or an allotment of shares without contribution (which means an allotment of shares without a contribution as prescribed in Article 185 of the Companies Act; the same applies hereinafter);
 - (vi) change of the content of rights or number of share units pertaining to Shares, etc. due to a change of articles of incorporation of a company for which Shares, etc. are held by a Bank or its Subsidiary Company; or
 - (vii) acquisition of its own Shares, etc. by a company for which Shares, etc. are held by a Bank or its Subsidiary Company.
- (2) Reasons as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (5) of the Act are reasons as set forth in each item of the preceding paragraph.

(Companies Eligible as a Subsidiary Company That Is Excluded from Banks Subject to Subsidiary Company)

Article 17-4-2 The companies as provided by Cabinet Office Ordinance as prescribed in Article 16-2, paragraph (4) of the Act are a company that carries out only the following business:

- (i) a business as set forth in Article 17-3, paragraph (2), items (i) to (xviii)-5;
- (ii) a business as set forth in Article 17-3, paragraph (2), item (xxxviii) (excluding business as set forth in paragraph (3), item (ii); paragraph (4), item (ii); and paragraph (5), item (ii) of the same Article); or
- (iii) a business as set forth in Article 17-3, paragraph (2), item (xxxix) (excluding business as set forth in paragraph (3), item (iii); paragraph (4), item (iii); and paragraph (5), item (iii) of the same Article).

(Application of Authorization for Making a Bank Subject to Subsidiary Company as a Subsidiary Company)

Article 17-5 (1) A Bank, when intending to obtain an authorization to make a Bank, etc. subject to Subsidiary Company (which means a Bank, etc. subject to

Subsidiary Company as prescribed in Article 16-2, paragraph (4) of the Act; hereinafter the same applies in this Article) as a Subsidiary Company, must attach the following documents to an written application for authorization and submit them to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning said Bank:
 - (a) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest condition of business, assets, and profit and loss;
 - (b) a document stating an estimation of income and expenditures after obtaining said authorization;
 - (c) in the cases of holding a Bank, etc. subject to Subsidiary Company due to a share exchange, the documents as set forth in the following:
 - 1. minutes of shareholders meetings or other documents certifying that necessary procedures are followed;
 - 2. a document stating the content of the share exchange contract; and
 - 3. a document stating the cost for the share exchange;
- (iii) the following documents concerning said Bank and its Subsidiary Company, etc. (which means a Subsidiary Company, etc., as prescribed in Article 14-2, item (ii) of the Act; hereinafter the same applies in this item and the following paragraph):
 - (a) with regard to said Bank and its Subsidiary Company, etc., the latest consolidated balance sheet, profit and loss statement, statement of changes in net assets, other documents that provide the latest condition of business, assets, and profit and loss of these companies; and
 - (b) a document stating an estimation of income and expenditures and the consolidated capital adequacy ratio (which means the percentage obtained by calculations pertaining to standards as prescribed in Article 14-2, item (ii) of the Act; the same applies in item (ii) of the following paragraph; Article 19-3, items (ii) and (iii); Article 22, item (xii); Article 22-2, item (xii); Article 23, item (vii); and Article 35, paragraph (1)) of said Bank and its Subsidiary Company, etc. (including the company to become a Subsidiary Company) after obtaining said authorization;
- (iv) the following documents concerning a Bank, etc. subject to Subsidiary Company pertaining to said authorization:
 - (a) a document stating the name and the location of its principal business office or office;
 - (b) a document stating the content of business;
 - (c) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest condition of business, assets, and profit and loss; and

- (d) a document stating the title and name of officers (when an officer is a corporation, including the persons who are to engage in the duties);
 - (v) when said Bank or its Subsidiary Company becomes to hold voting rights of a company in Japan for which the total number exceeds the maximum threshold for voting rights held (which means the maximum threshold for voting rights held as prescribed in Article 16-3, paragraph (1) of the Act; the same applies in the following Article and Article 17-7) by making a Bank, etc. subject to Subsidiary Company pertaining to said authorization as a Subsidiary Company, a document stating the name and content of business of said company in Japan; and
 - (vi) other documents stating matters to be referenced for an examination as prescribed in the following paragraph.
- (2) The Commissioner of the Financial Services Agency, when an application of authorization pursuant to the provisions of the preceding paragraph is filed, is to examine whether it conforms to the following standards:
- (i) the amount of stated capital of the Bank which filed said application (hereinafter referred to as "Applicant Bank" in this paragraph) is of sufficient amount to acquire or hold voting rights of the Bank, etc. subject to Subsidiary Company pertaining to said application;
 - (ii) the consolidated capital adequacy ratio of the Applicant Bank and its Subsidiary Company, etc. (including the Bank, etc. subject to Subsidiary Company pertaining to said authorization) is estimated to be at the proper level;
 - (iii) the latest condition of business, assets, and profit and loss of the Applicant Bank is satisfactory;
 - (iv) income and expenditures of the Applicant Bank and its Subsidiary Company, etc. are satisfactory at the time of said application and are estimated to change satisfactorily after making the Bank, etc. subject to Subsidiary Company pertaining to said authorization as a Subsidiary Company;
 - (v) the Applicant Bank may take measures in order to secure sound and appropriate performance of business of the Bank, etc. subject to Subsidiary Company; and
 - (vi) the Bank, etc. subject to Subsidiary Company pertaining to said authorization may perform its business properly and fairly.
- (3) The provisions of the preceding two paragraphs apply mutatis mutandis to an authorization pursuant to the provisions of Article 16-2, proviso of paragraph (5) of the Act.
- (4) The provisions of paragraph (1) apply mutatis mutandis to an authorization pursuant to the provisions of Article 16-2, paragraph (6) of the Act.
- (5) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis

to voting rights as prescribed in paragraph (1), item (v) (including the cases where it is applied mutatis mutandis pursuant to the preceding two paragraphs).

(Reasons Why the Provisions of Article 16-3, paragraph (1) of the Act Do Not Apply)

Article 17-6 (1) Reasons as provided by Cabinet Office Ordinance as prescribed in Article 16-3, paragraph (2) of the Act are the following reasons:

- (i) acquisition of Shares, etc. by the exercise of the security interest of a Bank or its Subsidiary Company;
- (ii) acquisition of Shares, etc. by acceptance of substitute performance of a Bank or its Subsidiary Company;
- (iii) acquisition of Shares, etc. (limited to an acquisition that is for the extinguishment of debt of said company to said Bank or its Subsidiary Company and for which the status of said company's management is estimated to improve by said acquisition of Shares, etc. within a reasonable period of time) by a Bank or its Subsidiary Company based on a plan for reasonable improvement of management of a company that is its customer;
- (iv) acquisition of voting rights pertaining to shares or an ownership interest that may not exercise voting rights, held by a Bank or its Subsidiary Company (limited to an acquisition due to occurrence of an event that is not based on the intention of said Bank or its Subsidiary Company);
- (v) conversion of shares of a company for which shares are held by a Bank or its Subsidiary Company (excluding cases where conversion is requested by said Bank or its Subsidiary Company);
- (vi) consolidation or split of Shares, etc. of a company for which Shares, etc. are held by a Bank or its Subsidiary Company, or an allotment of share without contribution;
- (vii) change of content of rights or number of share units pertaining to Shares, etc. due to a change of articles of incorporation of a company for which Shares, etc. are held by a Bank or its Subsidiary Company;
- (viii) acquisition of its own Shares, etc. by a company for which Shares, etc. are held by a Bank or its Subsidiary Company;
- (ix) when intending to dispose of voting rights of a Company Cultivating New Business Field, etc. pursuant to the provisions of Article 17-2, paragraph (8), said voting rights are unable to be disposed of since it is extremely difficult to transfer said voting rights due to reasons that are found to be compelling;
- (x) an acquisition of Shares, etc. when the number of voting rights that are for assets other than trust assets pertaining to a trust without compensation of principal is within the maximum threshold for voting rights held;
- (xi) when an approval of the Commissioner of the Financial Services Agency is

obtained in advance for the share exchange (excluding matters corresponding to reasons as set forth in item (v)) or other reasonable causes that are necessary for disposing of shares issued by a company, for which shares were acquired based on a plan for the reasonable improvement of management of said company that is a customer of the Bank or its Subsidiary Company, within a reasonable period of time due to improvement of the condition of said company's management.

- (2) When intending to obtain an approval as prescribed in item (xi) of the preceding paragraph, a written application for approval attached with the following documents must be submitted to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) a document stating the trade name of a company in Japan pertaining to said approval and content of its business;
 - (iii) a document stating policies concerning methods of disposing of a portion of voting rights of a company in Japan pertaining to said approval that voting rights are acquired or held exceeding its maximum threshold for voting rights held; and
 - (iv) other documents stating matters to be referenced in an examination as prescribed to the following paragraph.
- (3) The Commissioner of the Financial Services Agency, when an application for approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether there are reasonable causes for the Bank that filed said application to possess or hold voting rights exceeding the maximum threshold for voting rights held, and whether the policy concerning the disposition method of a portion of voting rights that have been acquired or held exceeding the maximum threshold for voting rights held, for which the policy may be submitted, is reasonable or not.

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

- Article 17-7 (1) A Bank, when intending to obtain an approval for holding voting rights exceeding the maximum threshold for voting rights held pursuant to the provisions of Article 16-3, proviso of paragraph (2) of the Act, must submit a written application for approval attached with the following documents to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) a document stating the name of a company in Japan pertaining to said approval and content of its business;
 - (iii) a document stating policies concerning the method of disposing of a portion of voting rights that are acquired or held exceeding the maximum threshold

- for voting rights held among voting rights of a company in Japan pertaining to said approval; and
- (iv) other documents stating matters to be referenced in an examination pursuant to the following paragraph.
- (2) The Commissioner of the Financial Services Agency, when an application for approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether there are reasons, which are found to be compelling, for the Bank that filed said application or its Subsidiary Company to hold voting rights exceeding the maximum threshold for voting rights held.
- (3) The provisions of Article 2, paragraph (11) of the Act apply *mutatis mutandis* to voting rights prescribed in paragraph (1), item (iii).

(Cases That Voting Rights May Be Held Exceeding the Maximum Threshold for Voting Rights Held)

- Article 17-7-2 (1) The cases as provided by Cabinet Office Ordinance as prescribed in Article 16-3, paragraph (4), item (i) of the Act are the cases where said Bank makes another Bank, long-term credit bank, a Company Specialized in Securities Business, a Company Specialized in Securities Introducing Brokerage Services, an insurance corporation, or small amount and short-term insurance provider, as its Subsidiary Company after obtaining an approval pursuant to Article 16-2, item (iv) of the Act.
- (2) The cases as provided by Cabinet Office Ordinance as prescribed in Article 16-3, paragraph (4), item (v) of the Act are as set forth in the following:
- (i) if said Bank has succeeded to the business of another Bank or a long-term credit bank due to an absorption-type company split after obtaining an authorization pursuant to the provisions of Article 30, paragraph (2) of the Act; or
 - (ii) when said Bank makes another Bank, long-term credit bank, a Company Specialized in Securities Business, a Company Specialized in Securities Introducing Brokerage Services, an insurance corporation, or a small amount and short-term insurance provider as its Subsidiary Company by succeeding to business due to an absorption-type company split after obtaining an authorization pursuant to Article 30, paragraph (2) of the Act (excluding cases as set forth in the preceding item).
- (3) The cases as provided by Cabinet Office Ordinance as prescribed in Article 16-3, paragraph (4), item (vi) of the Act are the following cases:
- (i) when said Bank makes a business acquisition of another Bank or long-term credit bank, or Shinkin Bank, credit cooperatives, or labor bank (including a federation organized with these corporations) after obtaining an approval pursuant to the provisions of Article 30, paragraph (3) of the Act; or
 - (ii) when said Bank makes another Bank, a long-term credit bank, a Company

Specialized in Securities Business, a Company Specialized in Securities Introducing Brokerage Services, an insurance corporation, or a small amount and short-term insurance provider as its Subsidiary Company by making a business acquisition after obtaining authorization pursuant to the provisions of Article 30, paragraph (3) of the Act (excluding cases as set forth in the preceding item).

Chapter IV Accounting

(Record of Reserve Pursuant to the Provisions of Article 18 of the Act)

Article 17-7-3 (1) When a Bank pays dividends from surplus, the amount of capital reserve after the payment of dividends from surplus is the amount obtained by adding, corresponding to the category of cases as set forth in each of the following items, the amount specified in said each item to the amount of capital reserve immediately before said payment of dividends from surplus:

- (i) when the amount of capital reserve or retained earnings reserve (hereinafter referred to generally as "Reserve" in this Article) on the date of payment of said dividends from surplus is the amount of stated capital or more on the said date: nil;
- (ii) when the amount of Reserve on the date of payment of said dividends from surplus is less than the amount of stated capital on said date: the amount obtained by multiplying the lesser of the amount among the amounts as set forth in sub-items (a) and (b) by the dividend rate of capital reserve (which means the percentage obtained by dividing the amount as set forth in item (i), sub-item (a) of the following Article by the amount as set forth in Article 446, item (vi) of the Companies Act):
 - (a) the upper limit of Reserve to be recorded on the date of payment of dividends from surplus (which means the amount obtained by deducting the amount of Reserve from the amount of stated capital; hereinafter the same applies in this Article);
 - (b) the amount obtained by multiplying the amount as set forth in Article 446, item (vi) of the Companies Act by twenty percent.

(2) When a Bank pays dividends from surplus, the amount of retained earnings reserve after the payment of dividends from surplus is the amount obtained by adding, corresponding to the category of cases as set forth in each of the following items, the amount specified in said each item to the amount of retained earnings reserve immediately before said payment of dividends from surplus:

- (i) when the amount of Reserve on the date of payment of said dividends from surplus is the amount of stated capital or more on the said date: nil;
- (ii) when the amount of Reserve on the date of payment of said dividends from

surplus is less than the amount of stated capital on said date: the amount obtained by multiplying the smaller of the amount among the amounts as set forth in sub-items (a) and (b) by the dividend rate of retained earnings reserve (which means the percentage obtained by dividing the amount as set forth in item (ii), sub-item (a) of the following Article by the amount as set forth in Article 446, item (vi) of the Companies Act):

- (a) the upper limit of Reserve to be recorded on the date of payment of dividends from said surplus;
- (b) the amount obtained by multiplying the amount as set forth in Article 446, item (vi) of the Companies Act by twenty percent.

(Amount of Surplus to Be Deducted)

Article 17-7-4 When a Bank pays a dividend payment from surplus, the amount as set forth in each of the following items after the payment of dividends from surplus is the amount obtained by deducting the amount as specified in said each item from said amount immediately before said payment of dividends from surplus:

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

(Business Report)

Article 18 (1) An interim business report pursuant to the provisions of Article 19, paragraph (1) of the Act must be prepared, with regard to the condition of business and assets during the period from the beginning date of the business year to September 30 of said business year, by separating data into an interim summary statement of business, interim balance sheet, interim profit and loss statement, interim statement of changes in net assets, and interim cash flow statement (with regard to a Foreign Bank Branch, an interim summary statement of business, interim balance sheet, and interim profit and loss

- statement) pursuant to item (i) of the appended form (with regard to a Bank with Specified Transaction Account, item (i)-2 of the appended form; with regard to a Foreign Bank Branch, item (ii) of the appended form (with regard to a Foreign Bank Branch That Submitted Notification of a Specified Transaction Account, item (ii)-2 of the appended form)), and must be submitted to the Commissioner of the Financial Services Agency, etc. within three months after the close of said period.
- (2) The business report pursuant to the provisions of Article 19, paragraph (1) of the Act must be prepared by separating data into a summary statement of business, balance sheet, profit and loss statement, a statement of changes in net assets, and cash flow statement (with regard to a Foreign Bank Branch, a summary statement of business, balance sheet, and profit and loss statement) pursuant to item (iii) of the appended form (with regard to a Bank with Specified Transaction Account, item (iii)-2 of the appended form; with regard to a Foreign Bank Branch, item (iv) of the appended form (with regard to a Foreign Bank Branch That Submitted Notification of a Specified Transaction Account, item (iv)-2 of the appended form)), and must be submitted to the Commissioner of the Financial Services Agency, etc. within three months after the close of said period.
- (3) An interim business report pursuant to the provisions of Article 19, paragraph (2) of the Act must be prepared pursuant to item (v) of the appended form, with regard to the condition of business and assets of a Bank and its Subsidiary Company, etc. (which means a Subsidiary Company, etc., as prescribed in Article 14-2, item (ii) of the Act; hereinafter the same applies in this Chapter, the following Chapter, and Article 35, paragraph (1)) for the period from the beginning date of the business year to September 30 of said business year, by separating data into an interim summary statement of business and interim consolidated financial statements, and must be submitted to the Commissioner of the Financial Services Agency, etc. within three (3) months after the close of said period.
- (4) The business report pursuant to the provisions of Article 19, paragraph (2) of the Act must be prepared pursuant to item (v)-2 of the appended form by separating data into a summary of business report and consolidated financial statements, and must be submitted to the Commissioner of the Financial Services Agency, etc. within three months after the close of said period.
- (5) A Bank, if an interim business report or business report is unable to be reported within the period specified in each of the preceding paragraphs due to compelling reasons, may obtain an approval of the Commissioner of the Financial Services Agency (in a case, pursuant to the provisions of Article 17-2 of the Order, the Director General of the Local Finance Bureau (when said location is within the jurisdictional district of the Fukuoka Local Finance

Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau) that has jurisdiction over the location of the head office of said Bank receives said reports, its Director General of the Local Finance Bureau or Fukuoka Local Finance Branch Bureau), in advance, and may postpone said submission.

- (6) A Bank, when intending to obtain an approval pursuant to the provisions of the preceding paragraph, must submit a written statement of reasons attached to a written application for approval to the Commissioner of the Financial Services Agency, etc.
- (7) The Commissioner of the Financial Services Agency, etc., when an application of approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether there are reasons that are found to be compelling or not, with regard to said Bank that filed said application, to postpone the submission pursuant to the provisions of paragraph (5).

(Public Notice of Balance Sheet)

- Article 19 (1) An interim balance sheet, etc., which is to be prepared pursuant to the provisions of Article 20, paragraph (1) of the Act (which means an interim balance sheet, etc., as prescribed in the same paragraph; including an electronic or magnetic record that is prepared pursuant to the provisions of paragraph (3) of the same Article (which means an electronic or magnetic record as prescribed in the same paragraph; the same applies hereinafter); the same applies in paragraph (6)), must be prepared pursuant to item (vi), 1 of the appended form (with regard to a Bank with Specified Transaction Account, item (vi)-2, 1 of the appended form; with regard to a Foreign Bank Branch, item (vii), 1 of the appended form (with regard to a Foreign Bank Branch That Submitted Notification of a Specified Transaction Account, item (vii)-2, 1 of the appended form)), and balance sheet, etc. (which means a balance sheet, etc., as prescribed in paragraph (1) of the same Article; including an electronic or magnetic record prepared pursuant to the provisions of paragraph (3) of the same Article; the same applies in paragraph (6)) must be prepared pursuant to item (vi)-3, 1 of the appended form (with regard to a Bank with Specified Transaction Account, item (vi)-4, 1 of the appended form; with regard to a Foreign Bank Branch, item (vii)-3, 1 of the appended form (with regard to a Foreign Bank Branch That Submitted Notification of a Specified Transaction Account, item (vii)-4, 1 of the appended form)).
- (2) The interim consolidated balance sheet, etc., which is to be prepared pursuant to the provisions of Article 20, paragraph (2) of the Act (which means the interim consolidated balance sheet, etc., as prescribed in the same paragraph and including an electronic or magnetic record that is prepared pursuant to the provisions of paragraph (3) of the same Article; the same applies in paragraph

- (6)) must be prepared pursuant to item (viii), 1 of the appended form, and the consolidated balance sheet, etc. (which means the consolidated balance sheet, etc., as prescribed in paragraph (2) of the same Article, and including an electronic or magnetic record prepared pursuant to the provisions of paragraph (3) of the same Article; the same applies in paragraph (6)) must be prepared pursuant to item (viii)-2, 1 of the appended form.
- (3) Matters as provided by Cabinet Office Ordinance as prescribed in Article 20, paragraph (3) of the Act are a file which is prepared with matters, in which certain matters can be recorded surely by magnetic disk, or other method equivalent to this, and in which information is recorded.
- (4) A Bank, when intending to obtain an approval for postponement of public notice pursuant to the provisions of Article 20, proviso of paragraph (4) of the Act, must submit a written application for approval attached with a written statement of reasons to the Commissioner of the Financial Services Agency, etc.
- (5) The Commissioner of the Financial Services Agency, etc., when an application for approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether said Bank, which filed said application, has reasons found to be compelling for the postponement of the public notice pursuant to the provisions of Article 20, proviso of paragraph (4) of the Act.
- (6) The gist of an interim balance sheet, etc., which is to be provided by public notice by a Bank pursuant to the provisions of Article 20, paragraph (5) of the Act, is to be as specified in item (vi), 2 of the appended form (with regard to a Bank with Specified Transaction Account, item (vi)-2, 2 of the appended form; with regard to a Foreign Bank Branch, item (vii), 2 of the appended form (with regard to a Foreign Bank Branch That Submitted Notification of a Specified Transaction Account, item (vii)-2, 2 of the appended form)), the gist of the balance sheet, etc. is to be as specified in item (vi)-3, 2 of the appended form (with regard to a Bank with Specified Transaction Account, item (vi)-4, 2 of the appended form; with regard to a Foreign Bank Branch, item (vii)-3, 2 of the appended form (with regard to a Foreign Bank Branch That Submitted Notification of a Specified Transaction Account, item (vii)-4, 2 of the appended form)), the gist of the interim consolidated balance sheet, etc. is to be as specified in item (viii)-2 of the appended form, and the gist of the consolidated balance sheet, etc. is to be as specified in item (viii)-2, 2 of the appended form.
- (7) The method to use as an electronic data processing system as prescribed in Article 20, paragraph (6) of the Act or other method to use information and communications technologies as provided by Cabinet Office Ordinance is the following method:
- (i) among methods to use as an electronic data processing system, those as set forth in (a) or (b):
- (a) a method to transmit via a telecommunications line that is connected to a

computer pertaining to the use of a sender and a computer pertaining to the use of a receiver, and to record in a file kept in a computer pertaining to the use of the receiver; or

- (b) a method to provide the content of information recorded in a file kept in a computer pertaining to the use of a sender available through a telecommunications line for inspection of a person that receives the provision of information, and to record said information in a file kept in a computer pertaining to the use of the person that receives said provision of information;
 - (ii) a method to deliver a file which is prepared with matters, in which certain matters can be recorded surely by magnetic disk, or other method equivalent to this, and in which information is recorded.
- (8) Methods as set forth in each item of the preceding paragraph must enable a receiver to prepare documents by outputting information to a file.
- (9) Measures pursuant to the provisions of Article 20, paragraph (6) of the Act are to be taken by a method to use an automatic public transmission server (which means a server with functions, by connecting a telecommunications line for the use of the public, to record in the section for the use of automated public transmission in its recording medium or to transmit the information which is input in said server through the automated public transmission server; the same applies hereinafter) that is connected to the Internet, among methods as set forth in paragraph (7), item (i), sub-item (b).

(Public Inspection of Written Explanation Concerning the Condition of Business and Assets)

- Article 19-2 (1) Matters as provided by Cabinet Office Ordinance as prescribed in Article 21, first sentence of paragraph (1) of the Act are the matters as set forth in the following (with regard to a written explanation pertaining to an interim period of business year (hereinafter referred to as "Interim Written Explanation"), excluding matters as set forth in item (i), sub-items (a) and (c) to (g), item (ii), item (iii), sub-item (b), 11, item (iv), and item (v), sub-item (h):
- (i) the following matters concerning the summary and organization of a Bank:
 - (a) the management organization;
 - (b) the following matters concerning the largest ten or more shareholders in order of the number of shares held:
 1. name (when shareholder is a corporation or other organization, its name);
 2. number of shares held by each shareholder; and
 3. percentage of shares held by each shareholder of the total number of issued shares;
 - (c) name and title of directors and company auditors (with regard to a

- company with committees, directors and executive officers);
- (d) with regard to a company with accounting advisors, name of the accounting advisors;
- (e) name and location of the business office;
- (f) the following matters concerning a Bank Agent for which a Principal Bank is the said Bank:
 1. trade name or name of said Bank Agent; and
 2. name of the business office or offices that said Bank Agent carries out Bank Agency Services for said Bank;
- (g) the following matters concerning a trustee of acts as set forth in each item of Article 2, paragraph (14) of the Act in a foreign state:
 1. trade name or name of said trustee; and
 2. name and location of the business office or business offices where said trustee performs acts as set forth in each item of Article 2, paragraph (14) of the Act for said Bank;
- (ii) content of principal business of the Bank (in the cases of carrying out Trust Business, including the content of the Trust Business);
- (iii) the following matters as those concerning the principal business of a Bank:
 - (a) summary of business in the latest interim of business year or business year;
 - (b) the following matters as an index of the condition of the principal business in the latest three interim periods of business year and two business years, or, the latest five business years (with regard to matters as set forth in 13 to 16, limited to cases when carrying out Trust Business):
 1. ordinary income;
 2. ordinary profit or ordinary loss;
 3. interim net income or interim net loss, or net income for the period or net loss for the period;
 4. stated capital and total number of issued shares;
 5. amount of net assets;
 6. amount of total assets;
 7. balance of deposits;
 8. balance of loans;
 9. balance of securities;
 10. non-consolidated capital adequacy ratio (which means the ratio obtained by the formula pertaining to the standards as prescribed in Article 14-2, item (i) of the Act; the same applies in item (v); Article 22, item (ix); and Article 22-2, item (ix));
 11. dividend payout rate;
 12. number of employees;
 13. trust remuneration;

- 14. loan balance of trust accounts;
 - 15. balance of securities of trust accounts; and
 - 16. amount of trust assets;
- (c) matters as set forth in Appended Table 1 as an index of the condition of business in the latest two interim periods of business year or two business years;
- (iv) the following matters concerning business management of the Bank services:
- (a) risk management system; and
 - (b) compliance system;
 - (c) Matters prescribed below for the categories of cases set forth respectively therein:
 - 1. When there exists a Designated Dispute Resolution Organization, the trade name or name of the Designated Dispute Resolution Organization, which is the other party to the Basic Contract for the Implementation of Dispute Resolution Procedures that said Bank takes a measure to conclude, prescribed in Article 12-3, paragraph (1), item (i) of the Act;
 - 2. When there does not exist any Designated Dispute Resolution Organization, the details of the complaint handling measures and the dispute resolution measure of said Bank prescribed in Article 12-3, paragraph (1), item (ii) of the Act; and
- (v) the following matters concerning the condition of assets of the Bank in the latest two interim periods of business year or two business years:
- (a) interim balance sheet or balance sheet, interim profit and loss statement or profit and loss statement, and interim statement of changes in net assets or statement of changes in net assets;
 - (b) the amount of each item as set forth in the following among loans, and the total of these amounts:
 - 1. loans corresponding to claims to debtors in bankruptcy (which means loans (excluding the portion written off as uncollectible; hereinafter referred to as "Loan without Recording of Accrued Interest"), for which accrued interest income has not been recorded since it is considered that there is no chance of collection of principal or interest, or of payment, due to circumstances in which delay in payment of principal or interest has been continuing for a considerable period and other reasons, and for reasons as set forth in Article 96, paragraph (1), item (iii), sub-items (a) to (e) of the Order for Enforcement of the Corporation Tax Act (Cabinet Ordinance No. 97 of 1965) or reasons as prescribed in item (iv) of the same paragraph; the same applies hereinafter);

2. loans corresponding to claims in arrears (which means a Loan without Recording of Accrued Interest that is other than those as set forth in 1 and other than those provided with postponement of interest payments with the purpose to promote reorganization or support of the debtor; the same applies hereinafter);
 3. loans corresponding to a claims in arrears for three months or more (which means a loan (excluding those as set forth in 1 and 2) for which payment of principal or interest has been delayed for three months or more from the date following the agreed payment date; the same applies hereinafter); and
 4. loans corresponding to a claim with moderate loan conditions (which means a loan (excluding those as set forth in 1, 2 and 3) with agreement of a reduction of money rate, postponement of payment of interest, postponement of payment of principal, waiver of claim, or other agreement which becomes advantageous to a debtor, for the purpose of promoting reorganization or support of the debtor; the same applies hereinafter);
- (c) the amount of loans pertaining to a trust (including a trust that is re-entrusted for trust assets management) with a contract for compensation of principal that corresponds to claims to debtors in bankruptcy, claims in arrears, claims in arrears for three months or more, and claims with moderate loan conditions, and the total of these amounts;
- (d) matters as specified separately by the Commissioner of the Financial Services Agency concerning the condition of adequacy of equity capital;
- (e) acquisition price, contract price, current price, and appraisal profit or loss of the followings:
1. securities;
 2. money trusts; and
 3. transactions as set forth in Article 13-3, paragraph (1), item (v);
- (f) closing balance at the end of business year and changes during the business year of the allowance for doubtful accounts;
- (g) amount of loan amortization;
- (h) if the documents (including an electronic or magnetic record prepared pursuant to the provisions of paragraph (3) of the same Article) prepared pursuant to the provisions of Article 20, paragraph (1) of the Act have been audited by financial auditors pursuant to Article 396, paragraph (1) of the Companies Act, that effect is stated in the interim balance sheet or balance sheet, interim profit and loss statement or profit and loss statement;
- (i) if a Bank has obtained audit certification of a certified public accountant or auditing firm based on provisions of Article 193-2 of the Financial Instruments and Exchange Act for an interim balance sheet or balance

- sheet, interim profit and loss statement or profit and loss statement, and interim statement of changes in net assets or statement of changes in net assets, that effect; or
- (j) if an external audit has been conducted concerning the calculation of non-consolidated capital adequacy ratio, that effect.
- (vi) when, at the end of the business period (in Interim Written Explanation, at the end of interim business period), there exists an event or circumstances that cast serious doubt on the premise that said Bank will continue its business activities in the future or any other event that may have a significant effect on the management of said Bank (hereinafter referred to as "Material Event, etc." in this item and in item (iv) of the following Article), a statement to such effect and the details of such events, the results of analysis and examination of said Material Event, etc. as well as the specific measures to be taken to eliminate or improve said Material Event, etc.
- (2) Notwithstanding the provisions of the preceding paragraph, matters as provided by Cabinet Office Ordinance as prescribed in Article 21, first sentence of paragraph (1) of the Act pertaining to a Foreign Bank Branch are the following matters (with regard to an Interim Written Explanation, excluding the matters as set forth in item (i), sub-item (a))
- (i) the following matters concerning a summary of the Foreign Bank Branch:
- (a) name and title of the representative person in Japan of the Foreign Bank Branch;
- (b) with regard to Shares, etc. of a Foreign Bank pertaining to a Foreign Bank Branch, the following matters concerning the largest ten or more owners of Shares, etc. in order of number of shares held:
1. name (when an owner of Shares, etc. is a corporation or other organization, its name);
 2. number or amount of Shares, etc. held by each owner of Shares, etc.;
 3. percentage of Shares, etc. held by each owner of Shares, etc. of Issued Shares, etc.;
- (c) name and location of the business office;
- (d) the following matters concerning the Bank Agent for which a Principal Bank is said Foreign Bank Branch:
1. trade name or name of said Bank Agent; and
 2. name of the business office or office where said Bank Agent carries out Bank Agency Services for said Foreign Bank Branch;
- (ii) summary of business of the Foreign Bank Branch in the latest interim period of business year or business year; and
- (iii) interim balance sheet or balance sheet, and interim profit and loss statement or profit and loss statement of the Foreign Bank Branch in the latest two interim periods of business year or two business years.

- (3) A Foreign Bank Branch, in addition to written explanations stating matters as prescribed in the preceding paragraph, must keep documents (including those written in any language other than Japanese) stating matters concerning the condition of business and assets of the company that is a Foreign Bank pertaining to said Foreign Bank Branch or a Holding Company that is a Subsidiary Company of said Foreign Bank and is incorporated based on foreign laws and regulations (which is referred to as "Foreign Bank Holding Company" in the following paragraph) at said Foreign Bank Branch (excluding an unmanned business office; the same applies in the following paragraph), and must make the documents available for public inspection.
- (4) When documents as prescribed in the preceding paragraph are stated in a language other than Japanese, a Foreign Bank Branch, in addition to said documents, must prepare documents stating in Japanese the summary of business pertaining to a Foreign Bank pertaining to said Foreign Bank Branch or a Foreign Bank Holding Company and interim balance sheet or balance sheet and interim profit and loss statement or profit and loss statement, keep them at said Foreign Bank Branch, and make them available for public inspection.
- (5) A business office as provided by Cabinet Office Ordinance as prescribed in Article 21, first sentence of paragraph (1) of the Act is the following business offices:
- (i) unmanned business office of a Bank; and
 - (ii) a business office of a Bank located in a foreign state.

Article 19-3 Matters as provided by Cabinet Office Ordinance as prescribed in Article 21, first sentence of paragraph (2) of the Act are the following matters (with regard to an Interim Written Explanation, excluding matters as set forth in item (i) and item (iii), sub-item (e)):

- (i) the following matters concerning the summary of a Bank and its Subsidiary Company, etc. (excluding a Subsidiary Company, etc. that does not have a material effect on the content of a written explanation as prescribed in Article 21, first sentence of paragraph (2) of the Act; hereinafter the same applies in this Article):
 - (a) content of principal business and organizational structure of the Bank and its Subsidiary Company, etc.;
 - (b) the following matters concerning a Subsidiary Company, etc. of the Bank:
 1. name;
 2. location of its principal business office or office;
 3. stated capital or contribution in capital;
 4. content of business;
 5. date of establishment;

6. percentage of voting rights of the Subsidiary Company, etc. held by the Bank of the voting rights held by all of shareholders or all of investors; and
 7. percentage of voting rights of a single Subsidiary Company, etc. of a Bank held by another Subsidiary Company, etc. other than said a single Subsidiary Company, etc. of the Bank, of the voting rights of all of shareholders, all of members, or all of investors.
- (ii) the following matters concerning the principal business of the Bank and its Subsidiary Company, etc.:
- (a) summary of business in the latest interim period of business year or business year; and
 - (b) the following matters as an index of the condition of principal business in the latest three interim periods of consolidated fiscal year (which means a period pertaining to the preparation of interim consolidated financial statements; the same applies hereinafter) and two consolidated fiscal years (which means a period pertaining to preparation of consolidated financial statements; the same applies hereinafter) or the latest five consolidated fiscal years:
 1. ordinary income;
 2. ordinary profit or ordinary loss;
 3. interim net income or interim net loss, or net income for the period or net loss for the period;
 4. amount of net assets;
 5. amount of total assets; and
 6. consolidated capital adequacy ratio;
- (iii) matters concerning the condition of assets of the Bank and its Subsidiary Company, etc., in the latest two interim periods of consolidated fiscal year or two consolidated fiscal years, as set forth in the following:
- (a) interim consolidated balance sheet or consolidated balance sheet, interim consolidated profit and loss statement or consolidated profit and loss statement, and interim consolidated statement of changes in net assets or consolidated statement of changes in net assets;
 - (b) the amounts as set forth in the following among loans and the total of these amounts:
 1. loans corresponding to claims to debtors in bankruptcy;
 2. loans corresponding to claims in arrears;
 3. loans corresponding to claims in arrears for three months or more; and
 4. loans corresponding to claims with moderate loan conditions;
 - (c) matters as specified separately by the Commissioner of the Financial Services Agency concerning the condition of adequacy of equity capital;
 - (d) those amounts calculated in accordance with category by business type

- when the Bank and its subsidiary corporation, etc. (which means a subsidiary corporation, etc., as prescribed in Article 4-2, paragraph (2) of the Order) carry out two or more different types of business, as the amount of ordinary income, amount of ordinary profit or ordinary loss, and amount of assets (hereinafter referred to as "Ordinary Income, etc." in this item) that pertain to said category (excluding the cases where the percentage to the total amount of each item of Ordinary Income, etc. is immaterial);
- (e) if the documents prepared pursuant to the provisions of Article 20, paragraph (2) of the Act (including an electronic or magnetic record that is prepared pursuant to the provisions of paragraph (3) of the same Article) has been audited by financial auditors pursuant to Article 396, paragraph (1) of the Companies Act, that effect;
 - (f) if the Bank has obtained audit certification of a certified public accountant or an auditing firm based on the provisions of Article 193-2 of the Financial Instruments and Exchange Act for the interim consolidated balance sheet or consolidated balance sheet, interim consolidated profit and loss statement or consolidated profit and loss statement, and interim consolidated statement of changes in net assets or consolidated statement of changes in net assets, that effect; and
 - (g) if an external audit has been conducted concerning the calculation of consolidated capital adequacy ratio, that effect.
- (iv) when, at the end of the business period (in Interim Written Explanation, at the end of interim business period), there exists a Material Event, etc., a statement to such effect and the details of such events, the results of analysis and examination of said Material Event, etc. as well as the specific measures to be taken to eliminate or improve said Material Event, etc.;

Article 19-4 (1) A Bank must commence to make available documents (with regard to a Foreign Bank Branch, including documents prescribed in Article 19-2, paragraphs (3) and (4), and an electronic or magnetic record prepared pursuant to Article 20, paragraph (3) of the Act, and Article 21, paragraph (3) of the Act; hereinafter referred to as "Documents Subject to Public inspection" in this paragraph and the following paragraph) prepared pursuant to the provisions of Article 20, paragraph (1) or paragraph (2) of the Act and Article 21, paragraph (1) or paragraph (2) of the Act, for public inspection within four months after the end of an interim period of business year and business year of said Bank (with regard to a Foreign Bank Branch, within six months after the end of an interim period of business year and business year), and must make the documents available for public inspection until commencement of public inspection of each of the Documents Subject to Public inspection pertaining to the following interim period of business year and the following business year of

said interim period of business year and business year.

- (2) If a Bank is unable to commence to make Documents Subject to Public inspection available for public inspection by the period prescribed in the preceding paragraph due to compelling reasons, the Bank may obtain an approval of the Commissioner of the Financial Services Agency in advance (with regard to a Bank other than a Bank as designated by the Commissioner of the Financial Services Agency, the Director General of the Local Finance Bureau that has jurisdiction over the location of the head office of said Bank (with regard to said location within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau)) and may postpone the commencement of said public inspection.
- (3) A Bank, when intending to obtain an approval pursuant to the provisions of the preceding paragraph, must submit a written statement of reasons attached to a written application for approval to the Commissioner of the Financial Services Agency, etc.
- (4) The Commissioner of the Financial Services Agency, etc., when an application of approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether there are reasons that are found to be compelling, or not, with regard to the Bank, which filed said application, to postpone commencement of public inspection pursuant to the provisions of paragraph (1).
- (5) Measures as provided by Cabinet Office Ordinance as prescribed in Article 21, paragraph (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to paragraph (5) of the same Article) are undertaken for a method to display matters recorded in an electronic or magnetic record on paper or screen.

Article 19-5 A Bank must conduct the disclosure of especially material matters (including matters as specified separately by the Commissioner of the Financial Services Agency) among matters to be reference for a depositor as prescribed in Article 21, paragraph (7) of the Act and other customers to learn the condition of business and assets of said Bank and its Subsidiary Company, etc.

(Information for Inclusion in a Business Report)

- Article 20 (1) Business reports as prescribed in Article 22 of the Act must be prepared pursuant to item (ix) of the appended form (with regard to a Bank with Specified Transaction Account, item (ix)-2 of the appended form).
- (2) Annexed detailed statement pursuant to the provisions of Article 22 of the Act must be prepared pursuant to item (x) of the appended form.

(Corporation for Which Management Is Controlled by a Bank)

Article 21 Matters as provided by Cabinet Office Ordinance as prescribed in Article 24, paragraph (2) of the Act are a subsidiary corporation, etc. of said Bank (excluding a Subsidiary Company of said Bank).

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

(Application of Approval for Merger)

Article 22 A Bank, when intending to obtain an authorization for merger pursuant to the provisions of Article 30, paragraph (1) of the Act, must submit a written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) minutes of shareholders meetings and other documents certifying that necessary procedures were followed;
- (iii) a document stating the content of the contract of the merger;
- (iv) a document stating the merger costs;
- (v) the latest balance sheet, profit and loss statement, and statement of changes in net assets, and recent daily statement of accounts;
- (vi) when there are creditors who received public notice or other notice (when a public notice is given by means of a daily newspaper publishing matters concerning current events or an electronic public notice, in addition to by a gazette, pursuant to the provisions of the Article 789, paragraph (3) of the Companies Act (including cases where it is applied mutatis mutandis pursuant to Article 793, paragraph (2) of the same Act; the same applies hereinafter); Article 799, paragraph (3); or Article 810, paragraph (3) (including cases where it is applied mutatis mutandis pursuant to Article 813, paragraph (2) of the same Act; the same applies hereinafter), the public notice by these means) pursuant to the provisions of the Article 789, paragraph (2) of the same Act (excluding item (iii), and including cases where it is applied mutatis mutandis pursuant to Article 793, paragraph (2) of the same Act; the same applies hereinafter); Article 799, paragraph (2); or Article 810, paragraph (2) (excluding item (iii), and including cases where it is applied mutatis mutandis pursuant to Article 813, paragraph (2) of the same Act; the same applies hereinafter), and said creditor filed an objection, a document certifying that the debt was paid to said creditor, reasonable security was provided to said creditor, or reasonable assets were entrusted for the purpose of payment to said creditor, or there is no risk of loss to said creditor if said merger is implemented;
- (vii) when an extinct company due to a merger or a company that consolidates

shares is a share certificate-issuing company, a document certifying that public notice was given pursuant to the provisions of the main clause of Article 219, paragraph (1) of the Companies Act, or a document certifying that share certificates have not been issued with regard to all said shares;

(vii)-2 if an extinct company due to a merger has issued share options, a document certifying that public notice was given pursuant to the provisions of Article 293, paragraph (1) of the Companies Act and a document certifying that share options as prescribed in said paragraph have not been issued;

(viii) a document certifying that a notification was submitted pursuant to the provisions of Article 15-2, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947);

(ix) articles of incorporation, resumes of directors and company auditors (in the cases of a company with committees, directors and executive officers), and a document stating the location of business offices of the surviving Bank after a merger or the Bank to be incorporated due to the merger, a document stating the status of establishment of business offices or offices where a Bank Agent, for which the Principal Bank is said Bank, carries out Bank Agency Services for said Bank, and a document stating prospective income and expenditures and non-consolidated capital adequacy ratio after the merger;

(ix)-2 when the surviving Bank after a merger or a Bank to be incorporated due to the merger is a company with accounting advisors, resumes of the accounting advisors of said Bank (when an accounting advisor is a corporation, a document stating the history of said accounting advisor and resumes of employees who are to engage in the duties);

(x) when a part of parties of a merger is not a Bank, prior articles of incorporation of said party that is not a Bank and the documents as set forth in item (v);

(xi) when the surviving Bank after a merger or a Bank to be incorporated due to the merger makes a company eligible as a Subsidiary Company (which means a company eligible as a Subsidiary Company as prescribed in Article 16-2, paragraph (1) of the Act; hereinafter the same applies in this item, item (xi) of the following Article, and Article 23, paragraph (ix)) as its Subsidiary Company, the documents concerning said company eligible as a Subsidiary Company as set forth in Article 17-5, paragraph (1), item (iv);

(xii) when the surviving Bank after a merger or a Bank to be incorporated due to the merger holds a Subsidiary Company, etc. (which means a Subsidiary Company, etc. as prescribed in Article 14-2, item (ii) of the Act; hereinafter the same applies in this item, item (xii) of the following Article, and Article 23, item (vii)), a document stating income and expenditures and the consolidated capital adequacy ratio of said Bank and said Subsidiary Company, etc. after the merger;

- (xiii) when the surviving Bank after a merger, a Bank to be incorporated due to the merger or its Subsidiary Company holds voting rights for which the total number exceeds the maximum threshold for voting rights held (which means the maximum threshold for voting rights held as prescribed in Article 16-3, paragraph (1) of the Act; the same applies in item (xiv) of the following Article and Article 23, item (x)) of the voting rights of a company in Japan due to said merger, a document stating the name and content of business of said company in Japan; and
- (xiv) other documents stating matters to be referenced for an examination as prescribed in Article 31 of the Act.

(Application of Authorization for Company Split)

Article 22-2 A Bank, when intending to obtain an authorization for a company split pursuant to the provisions of Article 30, paragraph (2) of the Act, must submit a written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) minutes of shareholders meetings and other documents certifying that necessary procedures were followed;
- (iii) a document stating content of the incorporation-type company split plan or the absorption-type company split agreement;
- (iv) a document stating the costs of the company split;
- (v) the latest balance sheet, profit and loss statement, and statement of changes in net assets, and recent daily statement of accounts;
- (vi) when there is a creditor that received public notice or other notice (when a public notice is given by means of a daily newspaper publishing matters concerning current events or an electronic public notice, in addition to by means of a gazette, pursuant to the provisions of the Article 789, paragraph (3) of the Companies Act; Article 799, paragraph (3); or Article 810, paragraph (3), the public notice by these means (when a separate notice is not required pursuant to the provisions of Article 789, paragraph (3) or Article 810, paragraph (3) of the same Act, said public notice and other notice)) pursuant to the provisions of the Article 789, paragraph (2) of the Companies Act; Article 799, paragraph (2); or Article 810, paragraph (2), and said creditor filed an objection, a document certifying that the debt was paid to said creditor, reasonable security was provided to said creditor, or reasonable assets were entrusted for the purpose of payment to said creditor, or there is no risk of loss to said creditor if said company split is implemented;
- (vii) when a share certificate-issuing company consolidates shares, a document certifying that public notice was given pursuant to the provisions of Article

- 219, main clause of paragraph (1) of the Companies Act, or a document certifying that share certificates have not been issued with regard to all said shares;
- (vii)-2 if the company to be split has issued share options and if it is as prescribed in Article 758, item (v) or Article 763, item (x) of the Companies Act, a document certifying that public notice was given pursuant to the provisions of Article 293, paragraph (1) of said Act and a document certifying that certificates of share options as prescribed in said paragraph have not been issued;
- (viii) when a notification is required pursuant to the provisions of Article 15-2, paragraphs (2) or (3) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, a document certifying that said notification was submitted;
- (ix) articles of incorporation, resumes of directors and company auditors (in the case of a company with committees, directors and executive officers), and a document stating the location of business offices of the Bank after said company split, a document stating the condition of the establishment of business offices or offices where a Bank Agent, for which the Principal Bank is said Bank, carries out Bank Agency Services for said Bank, and a document stating prospective income and expenditures and non-consolidated capital adequacy ratio after the company split;
- (ix)-2 when the Bank after said company split is a company with accounting advisors, resumes of the accounting advisors of said Bank (when an accounting advisor is a corporation, a document stating the history of said accounting advisor and resumes of employees who are to engage in the duties);
- (x) when part of parties of the company split is not a Bank, prior articles of incorporation of said party that is not a Bank and the documents as set forth in item (v);
- (xi) in the case of making a company eligible as a Subsidiary Company as its Subsidiary Company due to said company split, the documents concerning said company eligible as a Subsidiary Company as set forth in Article 17-5, paragraph (1), item (iv);
- (xii) when the Bank after said company split holds a Subsidiary Company, etc., a document stating the prospective income and expenditures and consolidated capital adequacy ratio of said Bank and said Subsidiary Company, etc.;
- (xiii) when a Subsidiary Company of said Bank is no longer a Subsidiary Company due to said company split, a document stating the name of said Subsidiary Company;
- (xiv) when the Bank or its Subsidiary Company holds voting rights for which

the total number exceeds the maximum threshold for voting rights held of a company in Japan due to said company split, a document stating the name and content of business of said company in Japan; and
(xv) other documents stating matters to be referenced for an examination as prescribed in Article 31 of the Act.

(Application of Authorization for Transfer of Business)

Article 23 A Bank, when intending to obtain an authorization for a business transfer or acquisition (hereinafter referred to as "Transfer, etc. of Business" in this Article) pursuant to the provisions of Article 30, paragraph (3) of the Act, must submit an written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) minutes of shareholders meetings and other documents certifying that necessary procedures were followed;
- (iii) a document stating the content of the contract of Transfer, etc. of Business;
- (iv) recent daily statement of accounts;
- (v) when there is a creditor that received public notice or other notice (when a public notice is given by means of a daily newspaper publishing matters concerning current events or an electronic public notice, in addition to by means of a gazette, pursuant to the provisions of Article 34, paragraph (3) of the Act (including cases where it is applied mutatis mutandis pursuant to Article 35, paragraph (3) of the same Act), the public notice by these means) pursuant to the provisions of Article 34, paragraph (1) of the Act or Article 35, paragraph (1), and said creditor filed an objection, a document certifying that the debt was paid to said creditor, reasonable security was provided to said creditor, or reasonable assets were entrusted for the purpose of payment to said creditor, or there is no risk of loss to said creditor if said Transfer, etc. of Business is implemented;
- (vi) when a notification is required pursuant to the provisions of Article 16, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, a document certifying that said notification was submitted;
- (vii) when the Bank after said Transfer, etc. of Business holds a Subsidiary Company, etc., a document stating the prospective income and expenditures and consolidated capital adequacy ratio of said Bank and said Subsidiary Company, etc.;
- (viii) when a Subsidiary Company of said Bank is no longer a Subsidiary Company due to said transfer of business, a document stating the name of said Subsidiary Company;
- (ix) in the case of making a company eligible as a Subsidiary Company as a

Subsidiary Company due to said business acquisition, the documents concerning said company eligible as a Subsidiary Company as set forth in Article 17-5, paragraph (1), item (iv);

- (x) when the Bank or its Subsidiary Company holds voting rights for which the total number exceeds the maximum threshold for voting rights held of a company in Japan due to said business acquisition, a document stating the name and content of business of said company in Japan; and
- (xi) other documents stating matters to be referenced for an examination as prescribed in Article 31 of the Act.

(Creditor Not Requiring Demand in Case of Merger)

Article 24 A creditor as prescribed in Article 7 of the Order as provided by Cabinet Office Ordinance is the following creditors; provided, however that with regard to a creditor as set forth in items (ii) to (vi), limited to the cases of a company split (limited to the case of a succession of business by the company split) as prescribed in Article 33-2, paragraph (1) of the Act, is resolved:

- (i) a creditor pertaining to a custody contract;
- (ii) a creditor pertaining to a futures funds transfer transaction (limited to transactions conducted with certain standards and methods);
- (iii) a creditor pertaining to an over-the-counter derivatives transaction (excluding transactions as set forth in Article 2, paragraph (22), item (vi) of the Financial Instruments and Exchange Act, and limited to transactions conducted with certain standards and methods based on fair commercial customs) pertaining to money rate or foreign exchange;
- (iv) a creditor pertaining to a transaction of a letter of credit (limited to transactions pertaining to export and import transactions in international transactions based on fair commercial customs);
- (v) a creditor pertaining to checks that a Bank issued with itself as the drawer; and
- (vi) a creditor pertaining to the distribution, etc. of identification cards attached to prize money as prescribed in Article 6, paragraph (1) of the Act on Identification Card Attached to Prize Money (Act No. 144 of 1948).

Chapter VI Discontinuance of Banking and Dissolution

(Application of Approval for Discontinuance of Banking and Dissolution)

Article 25 A Bank, when intending to obtain an authorization for abolishment, merger, or dissolution of Banking pursuant to the provisions of Article 37, paragraph (1) of the Act, must submit a written application for authorization attached with following documents to the Commissioner of the Financial Services Agency:

- (i) abolishment or dissolution of Banking:
 - (a) a written statement of reasons;
 - (b) minutes of shareholders meetings (with regard to a Foreign Bank Branch, minutes of the organization that is to resolve said matters);
 - (c) recent daily statement of accounts;
 - (d) a document identifying the content of assets and liabilities;
 - (e) a document stating the disposition method of obligations; and
 - (f) other documents stating matters to be referenced for an examination as prescribed in Article 37, paragraph (2) of the Act;
- (ii) merger:
 - (a) documents as set forth in each item of Article 22 (excluding item (ix), item (ix)-2, and item (xi));
 - (b) articles of incorporation of the surviving company after a merger or the company incorporated due to the merger, and resume of directors and auditors (with regard to a company with committees, directors and executive officers);
 - (c) when the surviving company after the merger or the company incorporated due to the merger is a company with accounting advisors, resume of accounting advisors of said company (in the case an accounting advisor is a corporation, a document stating the history of said accounting advisor and resume of members who are to engage in the duties); and
 - (d) documents as set forth in (e) and (g) of the preceding item.

(Public Notice of Discontinuance)

Article 26 A Bank, when providing public notice or a display pursuant to the provisions of Article 38 of the Act, is to indicate the policies of disposing of deposits, etc. and other transactions pertaining to business as specified by the Commissioner of the Financial Services Agency.

(Application of Approval for Effect of License)

Article 27 (1) A person that obtained a license from the Prime Minister as prescribed in Article 4, paragraph (1) of the Act, when intending to obtain an approval pursuant to the provisions of Article 41, item (iv) of the Act, must submit an written application for approval attached with a written statement of reasons to the Commissioner of the Financial Services Agency.

(2) The Commissioner of the Financial Services Agency, when an application of approval pursuant to the provisions of the preceding paragraph is filed, is to examine whether it conforms to the following standards:

- (i) there are reasons that are be found to be compelling for the business not being able to be commenced within six months from the date when the license, as prescribed in Article 4, paragraph (1) of the Act, is obtained;

- (ii) it is predicted that the business may be commenced within a reasonable period; and
- (iii) it is predicted that there will be not material changes with regard to basic matters of the examination of said license until the prospective time for the commencement of business.

Chapter VII Foreign Bank Branches

(Application of Foreign Banks' Business Licenses)

Article 28 When a Foreign Bank specifies its principal Foreign Bank Branch (which means a Principal Foreign Bank Branch as prescribed in Article 47, paragraph (1) of the Act; the same applies in Article 37, paragraph (3)) based on the provisions of Article 47, paragraph (1) of the Act and intends to obtain a business license pursuant to the provisions of Article 4, paragraph (1) of the Act, the Foreign Bank must submit a written application for license signed by directors who have the authority of representation of said Foreign Bank attached with the following documents to the Prime Minister via the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) articles of incorporation or a document sufficient for identifying the characteristics of said Foreign Bank;
- (iii) a document certifying the existence of the principal business office of said Foreign Bank;
- (iv) a document certifying the qualification of directors who have the authority of representation of said Foreign Bank;
- (v) a document stating the location of the Foreign Bank Branch pertaining to said application;
- (vi) a document stating the prospective of income and expenditures for three business years after commencement of business of the Foreign Bank Branch pertaining to said application;
- (vii) resume of representative person in Japan of said Foreign Bank Branch;
- (viii) a document stating the name, domicile or residence, nationality, and occupation of the major shareholder or the person that holds the major ownership interest of said Foreign Bank (hereinafter referred to as "Major Shareholder, etc." in this item) (when the Major Shareholder, etc. is a corporation or other organization, its name, location of its principal business office or office and the content of business carried out) and the number of shares held by the person or the amount of contribution;
- (ix) the latest balance sheet of said Foreign Bank, its profit and loss statement, statement of changes in net assets, and other documents providing the recent condition of business, assets, and profit and loss;

- (x) when establishment of a Foreign Bank Branch pertaining to said application requires permission, authorization and other acts (hereinafter referred to as "Permission, etc." in this item and Article 32, paragraph (2)) of a foreign administrative organ, a document certifying that said Permission, etc. was granted; and
- (xi) other documents stating matters to be referenced for an examination as prescribed in Article 4, paragraphs (2) and (3) of the Act.

(Preliminary Examination of Foreign Banks' Business Licenses)

Article 29 A Foreign Bank that intends to obtain a business license pursuant to the provisions of Article 4, paragraph (1) of the Act based on the provisions of Article 47, paragraph (1) of the Act, may submit documents equivalent to those pursuant to the provisions of the preceding Article to the Prime Minister via the Commissioner of the Financial Services Agency and request a Preliminary Examination.

(Acts Deemed as Agency or Intermediary Foreign Bank Services)

Article 29-2 An act provided by Cabinet Office Ordinance as prescribed in Article 47, paragraph (3) of the Act is an act that is, when a Foreign Bank Branch and a Business Office in the Home State of a Foreign Bank to which said Foreign Bank Branch belongs are deemed as different corporations, deemed as agency or intermediary of the Business Office in the Home State of said Foreign Bank.

(Uniquely Related Persons Pertaining to License of Foreign Banks)

Article 30 A person, as provided by Cabinet Office Ordinance as prescribed in Article 11, item (iv) of the Order, is a person corresponding to any of two or more persons (limited to any said persons that hold fifty percent or more of shares or ownership interest of Issued Shares, etc. of a Foreign Bank), when fifty percent or more of the number of shares or amount of ownership interest of Issued Shares, etc. of a Foreign Bank in total is held by said two or more persons that have established a principal business office in a country as prescribed in Article 3, item (ii).

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

Article 30-2 The business provided by Cabinet Office Ordinance as prescribed in Article 13-3-2, paragraph (1) of the Act, as replaced pursuant to the provisions of Article 9 of the Order, is Bank-Related Business.

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

Article 30-3 (1) A Foreign Bank Branch must, to prevent the customer's interests pertaining to Bank-related Business conducted by said Foreign Bank Branch, Foreign Bank to which said Foreign Bank Branch belongs, a Bank Agent having said Foreign Bank Branch as its Principal Bank, or subsidiary financial institution, etc. (which means a subsidiary financial institution, etc. as prescribed in Article 13-3-2, paragraph (3) of the Act, as replaced pursuant to Article 9 of the Order; hereinafter the same applies in this Article) of Foreign Bank to which said Foreign Bank Branch belongs from being unreasonably harmed in connection with transactions conducted by said Foreign Bank Branch, a Foreign Bank to which said Foreign Bank Branch belongs, Bank Agent having said Foreign Bank Branch as its Principal Bank, or a parent financial institution, etc. (which means a parent financial institution, etc., prescribed in Article 13-3-2, paragraph (2) of the Act, as replaced pursuant to the provisions of Article 9 of the Order; the same applies hereinafter in this Article) or a subsidiary financial institution, etc. of the Foreign Bank to which said Foreign Bank Branch belongs, take the following measures:

- (i) development of a system to identify the subject transactions in an appropriate manner;
 - (ii) development of a system to properly ensure the protection of said customer by the following or any other methods:
 - (a) method for separating the department conducting subject transactions and the department conducting transactions with said customer;
 - (b) method for changing the conditions or method of subject transactions or transactions with said customer;
 - (c) method for interrupting subject transactions or transactions with said customer;
 - (d) method for appropriately disclosing to said customer that the customer's interests may be unreasonably harmed in connection with subject transactions.
 - (iii) Formulation of the policy of implementation of the measures set forth in the preceding two items and disclosure of their outline by an appropriate method;
 - (iv) keeping the following records on file:
 - (a) records pertaining to the identification of subject transactions conducted under the system prescribed in item (i);
 - (b) records pertaining to measures to appropriately ensure the protection of customers conducted under the system prescribed in item (ii);
- (2) The record prescribed in item (iv) of the preceding paragraph must be kept on file for five years from the date of creation.
- (3) The term "subject transactions" in paragraph (1), when, in connection with transactions conducted by a Foreign Bank Branch, a Foreign Bank to which

said Foreign Bank Branch belongs, a Bank Agent having said Foreign Bank Branch as its Principal Bank, or the parent financial institution, etc. or subsidiary financial institution, etc. of a Foreign Bank to which said Foreign Bank Branch belongs, the interests of the customer pertaining to Bank-related Business conducted by said Foreign Bank Branch, the Foreign Bank to which said Foreign Bank Branch belongs, the Bank Agent having said Foreign Bank Branch as its Principal Bank, or the subsidiary financial institution, etc. of said Foreign Bank Branch to which said Foreign Bank Branch belongs may be unreasonably harmed, means such transactions.

(Holding Assets of a Foreign Bank Branch in Japan)

Article 31 The assets that a Foreign Bank Branch must hold in Japan pursuant to the provisions of Article 13, paragraph (2) of the Order, must be the following assets:

- (i) cash, deposits, and savings in a Bank in Japan or other financial institutions as specified separately by the Commissioner of the Financial Services Agency;
- (ii) Japanese government bonds;
- (iii) local government bonds;
- (iv) bonds issued by a corporation based on a special Act;
- (v) investment securities issued by a corporation that was established based on a special Act;
- (vi) right of beneficiary of a money trust with an agreement for compensation of principal;
- (vii) secured bonds of a company in Japan that issues share certificates listed on a financial instruments exchange in Japan;
- (viii) loans to a person in Japan that accepts certain security in Japan; and
- (ix) other assets that the Commissioner of the Financial Services Agency finds to be appropriate.

(Establishment of a Secondary Foreign Bank Branch)

Article 32 (1) Cases as provided by Cabinet Office Ordinance as prescribed in Article 47-2 of the Act are the following cases:

- (i) establishment of a Sub-Office (limited to a temporary or circuit-type facility or unmanned equipment); or
 - (ii) abolishment of a Sub-Office.
- (2) A Foreign Bank Branch, when intending to obtain an authorization for establishment, change of type, or abolishment of a Secondary Foreign Bank Branch (which means a Secondary Foreign Bank Branch as prescribed in Article 47, paragraph (2) of the Act; hereinafter the same applies in this Article) pursuant to the provisions of Article 47-2 of the Act, must submit an

written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency, etc.:

- (i) a written statement of reasons;
 - (ii) when establishment of said Secondary Foreign Bank Branch requires Permission, etc. of a foreign administrative organ, a document certifying that said Permission, etc. has been obtained; and
 - (iii) other documents stating matters that the Commissioner of the Financial Services Agency finds to be necessary.
- (3) The Commissioner of the Financial Services Agency, etc., when an application of authorization for establishment or change of type of a Secondary Foreign Bank Branch pursuant to the provisions of the preceding paragraph is filed, is to examine whether it conforms to the following standards:
- (i) excluding cases that it is found to contribute to securing sound business of a Foreign Bank Branch which filed said application, the condition of adequacy of equity capital of the Foreign Bank pertaining to the Foreign Bank Branch that filed said application corresponds to a category equivalent to an exception from the categories of the table in Article 1, paragraph (1) of the Order Providing for the Categories, etc. Prescribed in Article 26, Paragraph (2) of the Banking Act, and the condition of adequacy of equity capital of the Foreign Bank that filed said application and its Subsidiary Company, etc. corresponds to a category equivalent to an exception from the categories of the table in paragraph (2) of the same Article;
 - (ii) in light of the systems, etc. pertaining to business management of the Foreign Bank Branch which filed said application, said systems are able to carry out the Bank services accurately, fairly, and effectively; and
 - (iii) necessary crime prevention measures are taken at said Secondary Foreign Bank Branch and customer information is maintained appropriately.
- (4) The Commissioner of the Financial Services Agency, etc., when an application of authorization for abolishment of a Secondary Foreign Bank Branch pursuant to the provisions of paragraph (2) is filed, is to examine whether it will not cause an extreme effect upon the customers of said Secondary Foreign Bank Branch, such as the succession of transactions pertaining to the customers of said business office by another business office of the Foreign Bank Branch which filed said application or another financial institution, without any problems.

(Notification of a Foreign Bank Branch)

Article 33 (1) Cases as provided by Cabinet Office Ordinance as prescribed in Article 49, paragraph (1), item (vii) of the Act are the cases where there is a change of a person that holds a number of shares or an amount of ownership interest exceeding fifty percent or more of said Issued Shares, etc.

- (2) Cases as provided by Cabinet Office Ordinance as prescribed in Article 49, paragraph (2), item (i) of the Act are the following:
- (i) the cases of changing the location of a Sub-Office (limited to temporary or circuit-type facility or unmanned equipment);
 - (ii) the cases of changing the location due to extension and reconstruction or other compelling reasons (limited to the cases where it is obvious to return to the location before the change); and
 - (iii) the case of returning the Foreign Bank Branch pertaining to a change of location as prescribed in the preceding item to the location before the change.
- (3) Cases as provided by Cabinet Office Ordinance as prescribed in Article 49, paragraph (2), item (iii) of the Act are the following cases:
- (i) the case of abolishment of a Sub-Office (excluding a Sub-Office as prescribed in item (i) of the preceding paragraph);
 - (ii) if a contract to entrust Bank Agency Services has been concluded, if said contract has been changed, or if said contract has been terminated (including the cases where sub-entrustment of an entrusted Bank Agency Services has been authorized); and
 - (iii) if an entrustment contract for agency or intermediary of the conclusion of a contract pertaining to business as prescribed in Article 10, paragraph (2) of the Act has been concluded, if said contract has been changed, or if said contract has been terminated.
- (4) A Foreign Bank Branch, when intending to submit a notification pursuant to the provisions of Article 49, must submit the written notice attached with a written statement of reasons and other documents stating the matters to be referenced to the Commissioner of the Financial Services Agency without delay.

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

Article 34 (1) Matters as provided by Cabinet Office Ordinance as prescribed in Article 52, paragraph (1) of the Act are the following matters:

- (i) the following matters concerning a Foreign Bank:
 - (a) name;
 - (b) location of the principal business office; and
 - (c) content of business;
 - (ii) the following matters concerning a liaison office or other facility to be established in Japan:
 - (a) name;
 - (b) address and name of the representative person;
 - (c) reasons for establishment; and
 - (d) date of establishment.
- (2) A Foreign Bank, when intending to submit a notification pertaining to a

liaison office or other facility pursuant to the provisions of Article 52, paragraph (1) of the Act, must submit a written notifies attached with the following documents to the Commissioner of the Financial Services Agency:

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

Chapter VII-2 Special Provisions on Foreign Bank Agency Services

(Application for Authorization of Foreign Bank Agency Services)

Article 34-2 (1) A Bank (excluding a bank that intends to perform Foreign Bank Agency Services (Foreign Bank Agency Services prescribed in Article 52-2, paragraph (1) of the Act; the same applies hereinafter) having a Business Office in the Home State of a Foreign Bank to which a Foreign Bank Branch belongs as Principal Foreign Bank (Principal Foreign Bank prescribed in the same paragraph; the same applies hereinafter)), when intending to obtain authorization pursuant to the provisions of the same paragraph, must submit a written application for authorization with the Commissioner of the Financial Services Agency with the following documents attached thereto:

- (i) a written statement of reasons;
- (ii) articles of incorporation of the Principal Foreign Bank or a document sufficient for identifying its characteristics;
- (iii) a document certifying the existence of the principal business office of the Principal Foreign Bank;
- (iv) a document certifying the qualification of the directors who have the authority of representation of the Principal Foreign Bank;
- (v) a document stating the name, domicile or residence, nationality, and occupation of the major shareholder or the person that holds the major equity of Principal Foreign Bank (hereinafter referred to as "Major Shareholder, etc." in this item) (when the Major Shareholder, etc. is a corporation or other organization, its name, location of the principal business office or office and the details of business carried out) and the number of shares held or the amount of contribution by the shareholder or person;
- (vi) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest condition of the business, assets, and profit and loss of the Principal Foreign Bank;
- (vii) a document stating the capital relationship between said Bank and the Principal Foreign Bank;

- (viii) a draft agreement for entrustment of Foreign Bank Agency Services between said Bank and the Principal Foreign Bank pertaining to said application;
 - (ix) a document stating the details and method of the Foreign Bank Agency Services pertaining to said application;
 - (x) other documents providing information useful to the examination prescribed in paragraph (3).
- (2) A Bank that intends to perform Foreign Bank Agency Services having a Business Office in the Home State of a Foreign Bank to which a Foreign Bank Branch belongs as Principal Foreign Bank must, when it intends to obtain authorization pursuant to the provisions of Article 52-2, paragraph (i) of the Act, submit a written application for authorization with the Commissioner of the Financial Services Agency together with the following documents (excluding the documents set forth in items (ii) and (iii), when the applicant is a Foreign Bank Branch and it intends to perform Foreign Bank Agency Services having a Business Office in the Home State of a Foreign Bank to which said Foreign Bank Branch belongs as the Principal Foreign Bank):
- (i) a written statement of reasons;
 - (ii) a document stating the capital relationship between said Bank and the Principal Foreign Bank;
 - (iii) a draft agreement for entrustment of Foreign Bank Agency Services between said Bank and the Principal Foreign Bank pertaining to said application;
 - (iv) a document stating the details and method of the Foreign Bank Agency Services pertaining to said application;
 - (v) other documents providing information useful to the examination prescribed in the next paragraph.
- (3) Upon receiving an application for authorization prescribed in the preceding two paragraphs, the Commissioner of the Financial Services Agency is to examine whether said application satisfies the following standards:
- (i) the Principal Foreign Bank has a sufficient financial basis to conduct the Bank services soundly and efficiently;
 - (ii) in light of such matters as its personnel structure, the Principal Foreign Bank has knowledge and experience to conduct the Bank services appropriately, fairly and efficiently, and has sufficient social credibility.;
 - (iii) in a state where the principal business office of the Principal Foreign Bank and persons who are in the following special relationship with said Principal Foreign Bank (limited to, for persons set forth in (c), those who hold all or part of the shares of the Principal Foreign Bank) is located, the Bank is recognized as being given substantially equivalent treatment as under the Act; provided, however, that the foregoing does not apply when such

examination is to preclude sincere implementation of the treaties or other international agreements concluded by Japan;

- (a) a person who holds a number of shares or an amount of equity exceeding fifty percent of Issued Shares, etc. of the Principal Foreign Bank;
- (b) a person who holds a number of shares or an amount of equity exceeding fifty percent of Issued Shares, etc. of the person set forth in (a);
- (c) when the total number of shares or amount of equity held by two or more persons whose principal business offices are located in the same state exceeds fifty percent of Issued Shares, etc. of the Principal Foreign Bank, any of said two or more persons;
- (d) when the total number of shares or amount of equity held by two or more persons (limited to the cases where each of said persons holds a number of shares or an amount of equity exceeding five percent of the Issued Shares, etc. of the Principal Foreign Bank) whose principal business offices are located in the states prescribed in Article 3, item (ii) exceeds fifty percent of Issued Shares, etc. of the Principal Foreign Bank, any of said two or more persons.

(Written Notice Pertaining to Foreign Bank Agency Services)

Article 34-2-2 (1) A Foreign Bank provided by Cabinet Office Ordinance as prescribed in Article 52-2, paragraph (2) of the Act is any of the following Foreign Banks:

- (i) a Foreign Bank that a Bank has changed into a Subsidiary Company under any of the following authorizations:
 - (a) authorization to change a Bank, etc. Eligible for Subsidiary Company prescribed in Article 16-2, paragraph (4) of the Act (including cases where it is applied mutatis mutandis pursuant to the provisions of paragraph (vi) of the same article) (which means a Bank, etc. Eligible for Subsidiary Company prescribed in paragraph (iv) of the same Article) into a Subsidiary Company;
 - (b) authorization prescribed in Article 16-2, proviso of paragraph (5) of the Act;
 - (c) authorization prescribed in Article 30, paragraphs (1) to (3) of the Act;
 - (d) authorization prescribed in Article 5, paragraph (1) the Act on Financial Institutions' Merger and Conversion;
- (ii) a Foreign Bank that a Bank Holding Company has changed into a Subsidiary Company under any of the following authorizations (excluding a Foreign Bank prescribed in the preceding item):
 - (a) authorization to change a Bank, etc. Eligible for Subsidiary Company prescribed in Article 52-23, paragraph (3) of the Act (including cases where it is applied mutatis mutandis pursuant to the provisions of paragraph (5)

- of the same Article) (which means a Bank, etc. Eligible for Subsidiary Company prescribed in paragraph (3) of the same Article) into a Subsidiary Company;
 - (b) authorization prescribed in Article 52-23, proviso of paragraph (4) of the Act;
 - (c) authorizations prescribed in Article 52-35, paragraphs (1) to (3) of the Act;
- (2) A Bank, when intending to submit a notification pursuant to the provisions of Article 52-2, paragraph (2) of the Act, must submit the written notification with the Commissioner of the Financial Services Agency, etc. with the following documents attached thereto:
- (i) a written statement of reasons;
 - (ii) articles of incorporation of the Principal Foreign Bank or a document sufficient for identifying its characteristics;
 - (iii) a document certifying the existence of the principal business office of the Principal Foreign Bank;
 - (iv) a document certifying the qualification of the directors who have the authority of representation of the Principal Foreign Bank;
 - (v) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the most recent condition of the business, assets, and profit and loss of the Principal Foreign Bank;
 - (vi) a document stating the capital relationship between said Bank and the Principal Foreign Bank;
 - (vii) a draft agreement for entrustment of Foreign Bank Agency Services between said Bank and the Principal Foreign Bank pertaining to said notification.
 - (viii) a document stating the details and method of the Foreign Bank Agency Services pertaining to said application;

(Information for Inclusion in the Draft Agreement for Entrustment)

Article 34-2-3 The matters to be stated in the Draft Agreement for Entrustment prescribed in paragraph (1), item (viii) and paragraph (2), item (iii) of Article 34-2 as well as paragraph (2), item (vii) of the preceding Article are the following matters:

- (i) matters concerning the establishment, abolishment, or change of location of the business office where Foreign Bank Agency Services are carried out;
- (ii) matters concerning the details of the Foreign Bank Agency Services (including whether it is agency or intermediary; the same applies hereinafter);
- (iii) matters concerning the business days and business hours of the Foreign Bank Agency Services;
- (iv) provisions forbidding the Principal Foreign Bank (which means a Foreign

- Bank's Agent Bank prescribed in Article 52-2-5 of the Act; the same applies hereinafter) to unreasonably disclose information relating to trade secret or credit of a customer to any person other than said Foreign Bank's Agent Bank or said customer or use such information for the interest of any person other than oneself, said Foreign Bank's Agent Bank or said customer;
- (v) matters concerning cash and securities, etc. handling standard and the responsibility of the Principal Foreign Bank toward customers pertaining thereto;
 - (vi) matters concerning the term, renewal, and cancellation of agreements;
 - (vii) matters concerning the display at the storefront of the details of the Foreign Bank Agency Services and the business days and business hours of the Foreign Bank Agency Services;
 - (viii) other matters found to be necessary.

(Details and Method of Foreign Bank Agency Services)

- Article 34-2-4 (1) The matters to be stated in the document stating the details and method of Foreign Bank Agency Services prescribed in Article 34-2, paragraph (1), item (ix) , paragraph (2), item (iv) and Article 34-2-2, paragraph (2) , item (viii) are the following:
- (i) types of the Principal Foreign Bank services that the Bank Agent handles;
 - (ii) by type of the Principal Foreign Bank services that the Bank Agent handles, whether it acts as an agent or an intermediary of said service (when the agent handles both, a statement to that effect);
 - (iii) system to carry out the Foreign Bank Agency Services.
- (2) The system to carry out the Foreign Bank Agency Services prescribed in item (iii) of the preceding paragraph is to include a system to prevent the acts prescribed in the items (excluding item (iv)) of Article 52-45 of the Act, which is applied mutatis mutandis in Article 52-2-10 of the Act, and other acts that may prevent appropriate and reliable conduct of Foreign Bank Agency Services and, according to the classification of categories in the following items, systems prescribed in said items:
- (i) when a Bank Agent is authorized to receive delivery of cash or other assets from a customer concerning activities as a foreign bank agent (which means acts pertaining to Foreign Bank Agency Services; the same applies hereinafter); a system to separate and manage said delivered assets from its own assets;
 - (ii) when a Bank Agent operates Foreign Bank Agency Services by using a computer connected with electronic telecommunications lines; a system to prevent a customer from misidentifying said Foreign Bank's Agent Bank for another party.

(Types of Contract)

Article 34-2-5 Matters as provided by Cabinet Office Ordinance as prescribed in Article 34 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are a specified deposit, etc. contract.

Article 34-2-6 Deleted

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

Article 34-2-7 Matters as provided by Cabinet Office Ordinance as prescribed in Article 34-2, paragraph (3), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, a statement to the effect that, with regard to a Subject Contract (which means a Subject Contract prescribed in the same paragraph; the same applies in Article 34-2-9-2), the applicant (which means the applicant prescribed in the same paragraph) is treated as a customer other than a Professional Investor only by a Foreign Bank's Agent Bank who gave approval pursuant to the provisions of paragraph (2) of Article 34-2.

(Provision by Use of Information and Communications Technology)

Article 34-2-8 (1) Matters provided by Cabinet Office Ordinance as prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (including the cases where it is applied mutatis mutandis in Article 34-3, paragraph (12) (including the cases where it is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act), Article 34-4, paragraph (3), Article 37-3, paragraph (2) and Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act; hereinafter the same applies in this Article) are the following:

- (i) a method to use an electronic data processing system that is in the following:
 - (a) a method to transmit matters to be entered in documents (hereinafter referred to as an "Entry" in this Article) through a telecommunications line that connects computers used by a Foreign Bank's Agent Bank (including a person who keeps a file in a computer managed by said person pursuant to a contract with a Foreign Bank's Agent Bank who provides matters prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act)

- and makes said file available to other parties providing said matters (hereinafter referred to as "customers" in this Article) or to said Foreign Bank's Agent Bank; hereinafter the same applies in this Article) and computers used by a customer, etc. (which means a customer and a person who keeps a customer file (which means a file that is made available exclusively to said customer; hereinafter the same in this Article) in a computer managed by said person pursuant to a contract with the customer; hereinafter the same applies in this Article) and to record said matters in a customer file kept in the computer used by the customer, etc. (in the case of offering to accept or not to accept the provisions by the method prescribed in the same paragraph, a method to record matters to that effect in the file kept in a computer used by the Foreign Bank's Agent Bank that provides matters prescribed in the same paragraph);
- (b) a method to make an Entry recorded in a file kept in a computer used by a Foreign Bank's Agent Bank available for inspection by a customer through a telecommunications line, and to record said Entry in the customer file of said customer kept in a computer used by the customer, etc. (in the case of offering to accept or not to accept provisions pursuant to a method prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act, a method to record matters to that effect in a file kept in a computer used by the Foreign Bank's Agent Bank);
- (c) a method to make an Entry recorded in a customer file kept in a computer used by a Foreign Bank's Agent Bank available for inspection by a customer through a telecommunications line; or
- (d) a method to make an Entry recorded in an inspection file (which means a file that is kept in a computer used by a Foreign Bank's Agent Bank and that is for recording an Entry in order to make it available for inspection by multiple customers simultaneously; hereinafter the same applies in this Article) available for inspection by a customer through a telecommunications line.
- (ii) a method to deliver an Entry recorded in a file prepared on a magnetic disk, CD-ROM, or other method equivalent thereto in which certain matters can be recorded securely.
- (2) Methods set forth in each item of the preceding paragraph must conform to the following standards:
- (i) a method that enables a customer to prepare documents by outputting records in a customer file or inspection file;
- (ii) with regard to a method set forth in item (i), sub-item (a), (c), or (d) of the preceding paragraph (excluding a method to record an Entry in a customer file kept in a computer used by the customer), a method to notify the

- customer that an Entry is to be recorded or was recorded in the customer file or inspection file; provided, however, that this does not apply when it is confirmed that the customer inspected said Entry;
- (iii) with regard to a method as set forth in item (i), sub-item (c) or (d) of the preceding paragraph, a method that is unable to delete or modify the following matters for five years after the date of a transaction set forth as an Entry was carried out for the final time (if a complaint pertaining to said Entry is filed before the expiration of said period, until said period ends or until said complaint is resolved, whichever occurs later); provided, however, that, when an Entry made available for inspection is delivered in writing, when it is provided by a method set forth in item (i), sub-item (a) or (b) of the preceding paragraph or item (ii) of the same paragraph after obtaining an approval of the customer (which means an approval pursuant to a method prescribed in Article 14-3 of the Order), or when the customer instructs the deletion of said Entry, said Entry may be deleted:
- (a) with regard to a method set forth in item (i), sub-item (c) of the preceding paragraph, the Entry recorded in the customer file; or
- (b) with regard to a method as set forth in item (i), sub-item (d) of the preceding paragraph, the Entry recorded in the inspection file;
- (iv) with regard to a method set forth in item (i), sub-item (d) of the preceding paragraph, a method that conforms to the following standards:
- (a) a method to record, in the customer file, information necessary for a customer to inspect the inspection file; and
- (b) a method that maintains the connection, through a telecommunications line, with the customer file that records information necessary for a customer to inspect the inspection file pursuant to the provisions of (a) and said inspection file until the period prescribed in the preceding item expires; provided, however, that this does not apply if a customer, who is entitled to inspect the file, has declined such maintenance of file connectability.
- (3) The electronic data processing system prescribed in paragraph (1), item (i) means an electronic data processing system that connects a computer used by a Foreign Bank's Agent Bank and a computer used by a customer, etc. or a Foreign Bank's Agent Bank, on which a customer file is kept, through a telecommunications line.

(Types and Details of Electronic or Magnetic Methods)

Article 34-2-9 The types and details of methods to be specified pursuant to the provisions of Article 14-3, paragraph (1) and Article 14-4, paragraph (1) of the Order are the following:

- (i) a method set forth in each item of paragraph (1) of the preceding paragraph

or each item in Article 34-2-12, paragraph (1) that is used by a Foreign Bank's Agent Bank.

(ii) a method to record data in a file

(Information for Inclusion in Documents to Which a Person Who Has Made a Request for Reinstatement as a Professional Investor Gives Its Consent)

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

(i) the date when acceptance is gained (which is referred to as "approval date" in items (iv) and (v)) pursuant to the provisions of Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act;

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

(iii) a statement to the effect that the person requesting reinstatement (which means the person requesting reinstatement prescribed in Article 34-2, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; hereinafter the same applies in this Article) understands the following matters:

(a) the fact that the provisions set forth in the items of Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are not applicable when the person requesting reinstatement, with regard to Subject Contract, is a person prescribed in any of said items (excluding the cases prescribed in the proviso of the same Article);

(b) the fact that there is the risk of insufficient protection involved when 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 person requesting reinstatement is to be treated again as a Professional Investor when the person requesting reinstatement is solicited to conclude or concludes a Subject Contract on or after the approval date;

(v) a statement to the effect that, at any time on or after the approval date, the person requesting reinstatement may make an application pursuant to Article 34-2, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act;

(Obtainment of Consent by the Use of Information and Communications

Technology)

Article 34-2-9-3 (1) The matters provided by Cabinet Office Ordinance as prescribed in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act (including the cases where it is applied mutatis mutandis pursuant to Article 34-3, paragraph (3) of the Financial Instruments and Exchange Act (including the cases where it is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act), as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; hereinafter the same applies in this Article), as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are the following:

- (i) a method to use an electronic data processing system that is in the following:
 - (a) a method to transmit matters through a telecommunications line that connects computers used by a Foreign Bank's Agent Bank and a computer used by the other party from whom consent is to be obtained pursuant to the provisions of Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act (hereinafter referred to as "a customer") and to record said matters in a file kept in the computer used by the receiver.
 - (b) a method to make matters concerning a customer's consent recorded in a file kept in a computer used by a Foreign Bank's Agent Bank available for inspection by said customer through a telecommunications line and to record said matters concerning said customer's consent in a file kept in a computer used by said Foreign Bank's Agent Bank;
 - (ii) a method to obtain data concerning the consent recorded in a file prepared on a magnetic disk, CD-ROM, or other methods equivalent thereto in which certain data can be recorded securely.
- (2) The methods set forth in each item of the preceding paragraph must be a method that allows a Foreign Bank's Agent Bank to prepare documents by outputting the record in the file.
- (3) The "electronic data processing system" prescribed in paragraph (1), item (i) means an electronic data processing system that connects a computer used by a Foreign Bank's Agent Bank and a computer used by a customer through a telecommunications line.

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

Article 34-2-10 (1) Cases provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are cases

where a Foreign Bank's Agent Bank specifies a certain date and publicly discloses the following matters by posting in a place that facilitates public viewing in a business office of said Foreign Bank's Agent Bank or by any other appropriate method:

(i) said date; and

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

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

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

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

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

- (i) with regard to an act performed based on the provisions of laws and regulations or the stipulations of a contract pertaining to a subject contract concluded before the end date, even if such act is performed after the end date, the fact that an applicant is treated as a Professional Investor;
- (ii) a statement to the effect that, with regard to the subject contract, an applicant is treated as a Professional Investor only by the Foreign Bank Agent Bank that accepted the request pursuant to the provisions of Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5 of the Act;
- (iii) a statement to the effect that, at any time on or after the approval date, an applicant may make an application pursuant to Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act.

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

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

- (i) if the period between the approval date and the end date is less than one year (excluding the cases set forth in the following item), a period obtained by deducting one month from said period;
 - (ii) if the period between the approval date and the end date does not exceed one month, one day;
- (2) In applying the provisions of the preceding paragraph in the cases prescribed in Article 34-3, paragraph (8) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, the term "approval date" in the same paragraph is deemed to read "the day immediately following the previous end date".

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

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

- (i) the date when acceptance is made pursuant to the provisions of Article 34-3,

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

- (ii) a statement to the effect that the Subject Contract is a specified deposit, etc. contract;
- (iii) a statement to the effect that when being solicited to conclude or concluding a Subject Contract on or after the approval date, a corporation that has made a request pursuant to Article 34-3, paragraph (9) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, is treated again as a customer other than a Professional Investor;

(Business Person Who May Request Treatment as a Professional Investor)

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

- (i) the person has not obtained consent of all silent partners to make the request prescribed in Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act.
 - (ii) the total amount of contributions under the silent partnership agreement the person has concluded as prescribed in Article 535 of the Commercial Code is less than 300 million yen.
- (2) The individuals provided by Cabinet Office Ordinance as prescribed in Article 34-4, paragraph (1), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are the following persons:
- (i) an individual who is a partner who concluded a partnership agreement prescribed in Article 667, paragraph (1) of the Civil Code and has been entrusted with the execution of business of the partnership (limited to a person satisfying all of the following requirements):
 - (a) The individual has obtained the consent of all the other silent partners to make the request prescribed in Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; and
 - (b) the total amount of contributions under said partnership agreement is 300 million yen or more;
 - (ii) an individual who is a partner who has concluded a limited liability partnership agreement prescribed in Article 3, paragraph (1) of the Limited Liability Partnership Act, participates in decision-making on a major

partnership business, and executes said business personally (limited to a person satisfying all of the following requirements):

- (a) The individual has obtained the consent of all the other partners to make the request prescribed in Article 34-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; and
- (b) the total amount of contributions under said limited liability business partnership agreement is 300 million yen or more.

(Individuals Who May Request Treatment as a Professional Investor)

Article 34-2-14 The requirements provided by Cabinet Office Ordinance as prescribed in Article 34-4, paragraph (1), item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are that the individual satisfies all of the following requirements:

- (i) Reasonably judged from the condition of transactions and other circumstances, the difference calculated by deducting the total amount of liabilities from the total amount of assets of the applicant (which means an applicant prescribed in Article 34-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; hereinafter the same applies in this Article and Article 34-2-16) on the approval date (which means the approval date as prescribed in Article 34-3, paragraph (2), item (i) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; the same applies in the following item, paragraph (2) of the following Article, Article 34-2-16, paragraph (2), item (iii), and Article 34-2-16-2) is estimated to be 300 million yen or more;
- (ii) Reasonably judged from the condition of transactions and other circumstances, the total amount of assets (limited to those set forth in the following items) of the applicant on the approval date is estimated to be 300 million yen or more:
 - (a) securities (excluding those set forth in (e));
 - (b) rights pertaining to derivatives transactions;
 - (c) Specified Deposit, etc. as prescribed in Article 13-4 of the Act; specified savings, etc. as prescribed in Article 11-2-4 of the Agricultural Co-operatives Act; specified savings, etc., as prescribed in Article 11-9 of the Fisheries Cooperatives Act; specified deposit, etc., as prescribed in Article 6-5-2 of the Act on Financial Businesses by Cooperative; specified deposit, etc., as prescribed in Article 89-2 of the Shinkin Bank Act; specified deposit, etc., as prescribed in Article 17-2 of the Long-Term Credit Bank Act; specified deposit, etc., as prescribed in Article 94-2 of the Labor Bank Act;

- and specified deposit, etc., as prescribed in Article 59-3 of the Norinchukin Bank Act; and specified deposit, etc. as prescribed in Article 29 of the Shoko Chukin Bank Limited Act;
- (d) rights pertaining to an insurance payment, mutual aid insurance money, refund, or other payment based on a specified mutual aid insurance contract as prescribed in Article 11-10-3 of the Agricultural Co-operatives Act, a specified mutual aid insurance contract as prescribed in Article 12-3, paragraph (1) of the Consumers Cooperatives Act, a specified mutual aid insurance contract as prescribed in Article 15-7 of the Fisheries Cooperatives Act, a specified mutual aid insurance contract as prescribed in Article 9-7-5, paragraph (2) of the Small and Medium-Sized Enterprise Cooperatives Act, and a specified mutual aid insurance contract as prescribed in Article 300-2 of the Insurance Business Act;
 - (e) a beneficiary right of trust pertaining to a specified trust contract as prescribed in Article 24-2 of the Trust Business Act;
 - (f) a right based on a real property specified joint enterprise contract as prescribed in Article 2, paragraph (3) of the Real Estate Specified Joint Enterprise Act; and
 - (g) a right pertaining to a futures transaction as prescribed in Article 2, paragraph (8) of the Commodity Exchange Act;
- (iii) one year has elapsed from the date the applicant first concluded a specified deposit, etc. contract pertaining to Foreign Bank Agency Services.

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

Article 34-2-15 (1) The cases provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph 2 of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis in Article 52-2-5 of the Act, are cases where a Foreign Bank's Agent Bank specifies a certain date and publicly discloses the following matters by posting them in a place that facilitates public viewing in a business office of said Foreign Bank's Agent Bank or by another appropriate method:

- (i) said date.
- (ii) a statement to the effect that the end date (which means the end date prescribed in Article 34-3, paragraph (2), item (ii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; the same applies in paragraph (2), item (i) of the following Article and Article 34-2-16-2) is the date prescribed in the following paragraph.

(2) The date provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, is a date that is specified by a Foreign Bank's Agent Bank pursuant to the provisions of the preceding paragraph and that is the last day within one year from the approval date.

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

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

(2) The matters provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (2), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis in Article 52-2-5 of the Act, are the following matters:

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

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

(iii) a statement to the effect that, at any time on or after the approval date, an applicant may make an application pursuant to Article 34-4, paragraph (4) of

the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act

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

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

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

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

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

Article 34-2-16-3 The matters provided by Cabinet Office Ordinance as prescribed in Article 34-3, paragraph (11) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the same Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are the following matters:

- (i) the date when acceptance is made pursuant to the provisions of Article 34-4, paragraph (5) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (which is referred to as "approval date" in item (iii));
- (ii) a statement to the effect that the Subject Contract is a specified deposit, etc. contract;
- (iii) a statement to the effect that, when being solicited to conclude or concluding a Subject Contract on or after the approval date, an individual who has made a request pursuant to Article 34-4, paragraph (4) of the

Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, is treated again as a customer other than a Professional Investor.

(Acts Similar to Advertisement)

Article 34-2-17 The acts provided by Cabinet Office Ordinance as prescribed in each item of Article 37 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are the provision of information with the same contents to a large number of persons by postal mail, by confidential correspondence, by facsimile, by electronic mail, by distributing handouts or brochures, or by other methods (excluding the following):

- (i) delivery of documents prepared based on a law or regulation or based on a disposition given by a government agency under a law or regulation;
- (ii) delivery of materials on analysis and evaluation of individual enterprises that are not used for the solicitation of the conclusion of a specified deposit, etc. contract;
- (iii) provision of a premium or any other object on which all of the following matters alone are indicated (limited to one on which the matters set forth in (b) to (d) are clearly and accurately indicated) (when some of such matters are not indicated on the premium or any other object, this includes the provision of another object on which such missing matters are indicated in combination with said premium or any other object):
 - (a) name of the financial instrument (including a name it is commonly known by);
 - (b) trade name or a commonly used name of the Foreign Bank's Agent Bank who provides the same contents of information to a large number of persons by a method prescribed in this item.
 - (c) matters set forth in Article 14-5, paragraph (2), item (i) of the Order (limited to said matters indicated in letters or numbers of a size that is not substantially different from the largest letters or numbers used to indicate other matters);
 - (d) a statement to the effect that the contents of any of the following documents should be read and understood sufficiently:
 1. the document prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (hereinafter referred to as "Document Delivered Prior to the Conclusion of a Contract" from this Article to Article 34-2-30-2);
 2. the document on a foreign currency deposit, etc. prescribed in Article 34-2-25, paragraph (1), item (i);

3. the document on modification of contract prescribed in Article 34-2-25, paragraph (1), item (iii) (b);

(Method of Indication in Running Advertisement of the Details of Agency or Intermediary Service for the Conclusion of a Specified Deposit Contract)

- Article 34-2-18 (1) When a Foreign Bank's Agent Bank runs an advertisement or performs an act prescribed in the preceding paragraph (which is referred to as an "Advertisement, etc." in the following paragraph) with regard to the details of its agency or intermediary service for the conclusion of a specified deposit, etc. contract, the matters set forth in the items of Article 37, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, must be indicated clearly and accurately;
- (2) When a Foreign Bank's Agent Bank runs an Advertisement, etc. of the details of its agency or intermediary service for the conclusion of a specified deposit, etc. contract, the printed characters and numerals of matters set forth in Article 14-5, paragraph (1), item (ii) of the Order are to be indicated in a size that is not significantly different from the largest size among the printed characters and numerals of matters other than said matter;
 - (3) When a Foreign Bank's Agent Bank runs an Advertisement, etc. of the details of its agency or intermediary service for the conclusion of a specified deposit, etc. contract, by broadcasting through the broadcasting equipment of a general broadcaster or by any of the methods set forth in the items of Article 34-2-21, paragraph (1) (excluding audio broadcasting), notwithstanding the provisions of the preceding paragraph, the printed characters and numerals of matters set forth in Article 14-5, paragraph (2), item (i) of the Order are to be indicated in a size that is not significantly different from the largest size among the printed characters and numerals of matters other than said matter;

(Matters Concerning Compensation to Be Paid by a Customer)

Article 34-2-19 The matters provided by Cabinet Office Ordinance as prescribed in Article 14-5, paragraph (1), item (i) of the Order are the amount or the upper limit of the fee, etc. by type, or the outline of their calculation method (including the percentage to the amount of principal of said specified deposit, etc. contract; hereinafter the same applies in this Article) and the sum of such amounts or the upper limit thereof, or the outline of their calculation method; provided, however, that, when it is not possible to indicate these, said matters are a statement to that effect and the reason therefor.

(Material Matters Affecting Decision of a Customer)

Article 34-2-20 The matters provided by Cabinet Office Ordinance as prescribed in Article 14-5, paragraph (1), item (iii) of the Order are the following:

- (i) with regard to a Specified Deposit, etc. for which the Principal Foreign Bank of said Foreign Bank's Agent Bank has a right to extend the deposit period, a statement to the effect that, when said right is exercised, it may be disadvantageous to the customer due to the money rate of said Specified Deposit, etc. falling below the money market rate; or
- (ii) with regard to material matters concerning said specified deposit, etc. contract, other facts that may turn disadvantageous to the customer.

(Method Equivalent to Having a General Broadcaster Broadcast through Its Broadcasting Equipment)

Article 34-2-21 (1) The methods provided by Cabinet Office Ordinance as prescribed in Article 14-5, paragraph (2) of the Order are the following:

- (i) a method of broadcasting through the broadcasting equipment of the following persons:
 - (a) a person engaged in the business of cable television broadcasting;
 - (b) a person engaged in the business of cable radio broadcasting; and
 - (c) a person engaged in the business of broadcasting using telecommunications services;
 - (ii) a method of making the details of information recorded in a file kept in a computer used by a Foreign Bank's Agent Bank or by a person entrusted with business pertaining to Advertisement, etc. conducted by said Foreign Bank's Agent Bank (limited to information identical to information provided by broadcasting through the broadcasting equipment of a general broadcaster or by methods set forth in the preceding item) available for inspection by customers through a telecommunications line; or
 - (iii) a method of indicating information on a constant basis or continuously for a certain period to the public either indoors or outdoors where the information is posted or indicated on a signboard, a billboard, a poster, a placard or an advertising pillar, advertising board, building or any other structure, etc., or a method similar thereto.
- (2) The matters provided by Cabinet Office Ordinance as prescribed in Article 14-5, paragraph (2), item (ii) of the Order are the matters set forth in Article 34-2-17, item (iii), sub-item (d).

(Matters for Which Misleading Advertisement Is Prohibited)

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

- (i) matters concerning the cancellation of a specified deposit, etc. contract;
- (ii) matters concerning the burden of all or part a loss or guarantee of profit pertaining to a specified deposit, etc. contract;

- (iii) matters concerning liquidated damages pertaining to a specified deposit, etc. contract (including a penalty); and
- (iv) matters concerning the amount of a fee, etc. to be paid by a customer concerning a specified deposit, etc. contract or its calculation method, payment method, and timing, and the payee.

(Method of Entry in Document Delivered Prior to the Conclusion of a Contract)

Article 34-2-23 (1) In the Document Delivered Prior to the Conclusion of a Contract, the matters set forth in the items of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, must be entered clearly and accurately, with letters and numbers of font size 8 points or larger as provided for in the Japanese Industrial Standards Z 8305.

- (2) Notwithstanding the provisions of the preceding paragraph, in a Document Delivered Prior to the Conclusion of a Contract, the following matters are to be entered inside a frame, clearly and accurately with letters and numbers of font size 12 points or larger as provided for in the Japanese Industrial Standards Z 8305, and following the matters prescribed in the following paragraph:
 - (i) a summary of the matters set forth in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act and the matters set forth in item (v) of the same paragraph, and Article 34-2-27, item (xi); and
 - (ii) the matters set forth in Article 34-2-27, item (xii).
- (3) In the Document Delivered Prior to the Conclusion of a Contract, a Foreign Bank's Agent Bank is to provide the most critical information that may affect the decision of a customer, selected from among the matters set forth in Article 34-2-27, item (i) and the items of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, in a plain language and with letters and numbers of font size 12 points or larger as provided for in the Japanese Industrial Standards Z 8305 at the very beginning of the Document Delivered Prior to the Conclusion of a Contract.

(Methods of Provision of Information)

Article 34-2-24 The provision of information prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, is to be done by delivering a Document Delivered Prior to the Conclusion of a Contract.

(Cases Where Delivery of Document Delivered Prior to the Conclusion of a Contract Is Not Required)

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

- (i) the cases where a document (hereinafter referred to as "Document on a Foreign Currency Deposit, etc." from this Article to Article 34-2-30-2), in which the matters set forth in Article 37-3, paragraph (1), item (i) and items (iii) to (v) and Article 34-2-27, items (i), (xi), and (xvii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, with regard to a specified deposit, etc. contract pertain to foreign currency deposit, etc., are entered by a method equivalent to that prescribed in Article 34-2-23, is delivered to said customer within one year before the conclusion of said specified deposit, etc. contract (limited to the cases where said customer declared the intention not to require the delivery of the Document Delivered Prior to the Conclusion of a Contract);
 - (ii) the cases where, within one year before the conclusion of a specified deposit, etc. contract, a Document Delivered Prior to the Conclusion of a Contract for a specified deposit, etc. contract, of which the terms are identical to those of said specified deposit, etc. contract, is delivered to said customer (including the cases where the Document Delivered Prior to the Conclusion of a Contract has not been delivered for said specified deposit, etc. contract of identical terms pursuant to the provisions of the preceding item); and
 - (iii) in the cases of acting as an agent or intermediary for conclusion of a specified deposit, etc. contract aiming at changing part of the terms of the specified deposit, etc. contract already concluded, the cases set forth in the following:
 - (a) when there is nothing to be changed, pursuant to said change, in the entry of the Document Delivered Prior to the Conclusion of a Contract for the specified deposit, etc. contract already concluded; and
 - (b) if, pursuant to said change, there are changes to be made in the entry of the Document Delivered Prior to the Conclusion of a Contract for a specified deposit, etc. contract already concluded, when a document in which said change is stated (hereinafter referred to as "Document on Contract Change" to Article 34-2-30-2) is delivered to said customer.
- (2) The provisions of Article 14-11-25, paragraph (2) apply mutatis mutandis to delivery of a Document on Contract Change pursuant to the provisions of item (iii), sub-item (b) of the preceding paragraph.
- (3) If a specified deposit, etc. contract pertaining to a Foreign Currency Deposit, etc. is concluded within one year from the date when a Document on a Foreign Currency Deposit, etc. is delivered (including the date when a Document of Foreign Currency Deposit, etc. is deemed to be delivered pursuant to the

provisions of this paragraph) (limited to the cases where the customer declared the intention not to require delivery of a Document Delivered Prior to the Conclusion of a Contract), it is deemed that a Document on a Foreign Currency Deposit, etc. is delivered on the date of said conclusion and the provisions of paragraph (1), item (i) apply.

(4) If, within one year from the date of delivery of Document Delivered Prior to the Conclusion of a Contract (including, if the Document Delivered Prior to the Conclusion of a Contract is not delivered with regard to a specified deposit, etc. contract pursuant to the provisions of paragraph (1), item (i), the date of conclusion of said specified deposit, etc. contract and the date when the Document Delivered Prior to the Conclusion of a Contract is deemed to be delivered pursuant to the provisions of this paragraph), a specified deposit, etc. contract with terms identical to those of the specified deposit, etc. contract pertaining to said Document Delivered Prior to the Conclusion of a Contract is concluded, it is deemed that a Document Delivered Prior to the Conclusion of a Contract is delivered on the date of said conclusion and the provisions of paragraph (1), item (ii) apply.

(Matters Concerning Compensation to Be Paid by a Customer)

Article 34-2-26 The matters provided by Cabinet Office Ordinance as prescribed in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-2-5, are the amount or the upper limit of the fee, etc. that is to be paid by the customer pertaining to a specified deposit, etc. contract, whether they are known as fees, remunerations, expenses or by any other name, by type, or their calculation method (including the amount as a percentage of the amount of principal of said specified deposit, etc. contract; hereinafter the same applies in this Article) and the sum of such amounts or the upper limit thereof, or their calculation method; provided, however, that, when it is not possible to indicate these, said matters are a statement to that effect and the reason therefor.

(Information for Inclusion in Document Delivered Prior to the Conclusion of a Contract)

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

- (i) a statement to the effect that the content of said Document Delivered Prior to the Conclusion of a Contract should read and understood sufficiently;
- (ii) name of the financial instrument (including a name it is commonly known by)

- (iii) whether it is eligible for the insurance payment prescribed in Article 53 of the Deposit Insurance Act
- (iv) scope of the persons eligible for acceptance;
- (v) period of deposit (including whether the deposit will be automatically renewed or not);
- (vi) minimum amount of deposit, unit of deposit, and any other terms of deposit;
- (vii) method of repayment;
- (viii) method of setting interest rate, payment method, calculation method, and any other terms pertaining to interest;
- (ix) matters concerning special provisions that may be added;
- (x) terms of termination of contract before maturity (including the calculation methods of interest and fees);
- (xi) with regard to specified deposit, etc. contract to be concluded by a customer, when a loss is likely to be incurred by changes in money rate, value of currencies, quotations on a financial instruments market, and other indexes as a direct cause, the matters set forth in the following:
 - (a) said indexes; and
 - (b) reason why fluctuations of said indexes may cause a loss;
- (xii) with regard to a Specified Deposit, etc. for which the Principal Foreign Bank of said Foreign Bank Agent Bank has a right to extend the deposit period, a statement to the effect that, when said right is exercised, it may be disadvantageous to the customer due to the money rate of said Specified Deposit, etc. falling below the money market rate;
- (xiii) when financial instruments are sold that combine Specified Deposit, etc. with those set forth in the following, a statement to the effect that the financial instrument does not guarantee the full repayment at maturity of amount paid at initial deposit and any other details on said instrument:
 - (a) a market derivatives transaction or a foreign market derivatives transaction (excluding one falling under securities-related derivatives transactions);
 - (b) a financial derivatives transaction prescribed in Article 10, paragraph (2), item (xiv) of the Act;
 - (c) a futures foreign funds transfer transaction;
 - (d) a securities-related derivatives transaction (excluding transactions set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act and transactions in a foreign financial instruments market similar to transactions set forth in the same item); and
 - (e) a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or transactions in a foreign financial instruments market similar to transactions set forth in the same

- item (limited to a National Government Bond Certificate, etc. and those of securities set forth in paragraph (1), item (xvii) of the same Article which have the characteristics prescribed in item (i) of the same paragraph);
- (xiv) when the establishment method of an index to be the standard for establishing a money rate of a floating rate deposit and money rate are specified, matters concerning said standards, method, and money rate;
- (xv) outline of taxation pertaining to said specified deposit, etc. contract;
- (xvi) a method for the customer to contact the Principal Foreign Bank of said Foreign Bank's Agent Bank;
- (xvii) any other information deemed useful concerning the deposit of a Specified Deposit, etc.

(Information for Inclusion in Document Delivered upon Conclusion of a Contract)

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

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

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

Article 34-2-29 (1) The cases provided by Cabinet Office Ordinance as prescribed

in Article 37-4, proviso of paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act pertaining to a Document Delivered upon Conclusion of a Contract are the following cases:

- (i) the cases where a Document on a Foreign Currency Deposit, etc. is delivered to the customer within one year before the conclusion of said specified deposit, etc. contract pertaining to a foreign currency deposit, etc. (limited to the cases where said customer declared the intention not to require the delivery of the Document Delivered upon Conclusion of a Contract);
 - (ii) the cases where, within one year before the conclusion of a specified deposit, etc. contract, a Document Delivered upon Conclusion of a Contract for a specified deposit, etc. contract, of which terms are identical to said specified deposit, etc. contract, is delivered to said customer (including the cases where the Document Delivered upon Conclusion of a Contract has not been delivered for said specified deposit, etc. contract of identical terms pursuant to the provisions of the preceding item); and
 - (iii) if a specified deposit, etc. contract has been concluded, aiming at changing part of the terms of another specified deposit, etc. contract that had already been concluded, the cases set forth in the following:
 - (a) pursuant to said change, when there is nothing to be changed in the entry of the Document Delivered upon Conclusion of a Contract for the specified deposit, etc. contract that has already been concluded; and
 - (b) pursuant to said change, if there are changes to be made in the entry of the Document Delivered upon Conclusion of a Contract for a specified deposit, etc. contract that has already been concluded, when a document in which said change is stated has been delivered to said customer.
- (2) The provisions of Article 14-11-25, paragraph (2) apply mutatis mutandis to delivery of a Document pursuant to the provisions of item (iii), sub-item (b) of the preceding paragraph.
- (3) If a specified deposit, etc. contract pertaining to a Foreign Currency Deposit, etc. is concluded within one year from the date when a Document on a Foreign Currency Deposit, etc. is delivered (including the date when a Document of Foreign Currency Deposit, etc. is deemed to be delivered pursuant to the provisions of this paragraph) (limited to the cases where the customer declared the intention not to require delivery of a Document Delivered upon Conclusion of a Contract), it is deemed that a Document on a Foreign Currency Deposit, etc. is delivered on the date of said conclusion and the provisions of paragraph (1), item (i) apply.
- (4) If, within one year from the date of delivery of Document Delivered upon Conclusion of a Contract (including, if the Document Delivered upon Conclusion is not delivered with regard to a specified deposit, etc. contract

pursuant to the provisions of paragraph (1), item (i), the date of conclusion of said specified deposit, etc. contract and the date when the Document Delivered upon Conclusion is deemed to be delivered pursuant to the provisions of this paragraph), a specified deposit, etc. contract with terms identical to those of the specified deposit, etc. contract pertaining to said Document Delivered upon Conclusion of a Contract is concluded, it is deemed that a Document Delivered upon Conclusion of a Contract is delivered on the date of said conclusion and the provisions of paragraph (1), item (ii) apply.

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

Article 34-2-30 (1) The matters provided by Cabinet Office Ordinance as prescribed in Article 38, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are those set forth in the following:

- (i) the significance of registration pursuant to Article 66-27 of the Financial Instruments and Exchange Act;
- (ii) with regard to a person who gave a credit rating, matters set forth in the following:
 - (a) trade name or name.
 - (b) if said person is a corporation (including an organization without legal personality and appoints a representative or an administrator), the name of its officers (in case of an organization without legal personality and appoints a representative or an administrator, such representative or administrator).
 - (c) names and locations of the head office and other principal business offices or offices.
- (iii) the outline of the policy and method that the person who gave the credit rating uses to give said credit rating.
- (iv) the premise, significance, and limitations of credit rating.

(2) Notwithstanding the provisions of the preceding paragraph, with regard to Credit Ratings determined by a specified associated corporation, matters provided by Cabinet Office Ordinance as prescribed in Article 38, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act are the following:

- (i) the significance of registration pursuant to Article 66-27 of the Financial Instruments and Exchange Act;
- (ii) trade name, name and registration number of Credit Rating Agency whose associated corporation is designated as said specified associated corporation by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 116-3, paragraph (2) of the Cabinet Office Ordinance on Financial Instruments Business;

- (iii) the name used by said specified associated corporation as a representation of the Credit Rating Business;
- (iv) the outline of the policy and method that the specified associated corporation who gave the credit rating uses to give said credit rating or way to obtain information on the said outline from Credit Rating Agency specified by item (ii);
- (v) the premise, significance, and limitations of credit rating.

(Prohibited Acts)

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

- (i) acts set forth in the items of Article 34-2-44;
- (ii) with regard to delivery of the following documents, an act as an agent or an intermediary for the conclusion of a specified deposit, etc. contract without explaining in advance to the customer (excluding a Professional Investor (excluding a person who is deemed to be a customer other than a Professional Investor pursuant to the provisions of Article 34-2, paragraph (5) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, and including a person who is deemed to be a Professional Investor pursuant to the provisions of Article 34-3, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (including cases where it is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act)); hereinafter the same applies in this item) about matters (when a document set forth in item (c) is delivered, matters that are stated in said document and that are pertaining to matters set forth in Article 37-3, paragraph (1), items (iii) to (v) and (vii) of the Financial Instruments and Exchange Act) set forth in items (iii) to (v) and (vii) of the same paragraph, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, by a method and to a degree deemed necessary for the good understanding by the customer of said matters in light of the customer's knowledge, experience, condition of assets, and purpose of concluding the specified deposit, etc. contract:
 - (a) Document Delivered Prior to the Conclusion of a Contract;
 - (b) Document on a Foreign Currency Deposit, etc.; and
 - (c) Document on Contract Change;
- (iii) with regard to solicitation of conclusion of a specified deposit, etc. contract, an act of misrepresentation or an act of representation that may cause

- misunderstanding of material matters;
- (iv) with regard to a specified deposit, etc. contract, an act of promising special benefits to the customer or a person designated by the customer, or an act of offering special benefits to the customer or a third party (including an act of having a third party promise or offer special benefits); and
 - (v) with regard to conclusion or termination of a specified deposit, etc. contract, an act of soliciting, by telephone or by visiting, at an hour the customer (limited to an individual) finds annoying.

(Exemption of Exclusion from Application of Behavior Regulation)

Article 34-2-31 The cases as provided by Cabinet Office Ordinance as prescribed in the proviso of Article 45 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, are, with regard to application of provisions of Article 37-4 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, the cases where a system for responding immediately to an inquiry concerning a specified deposit, etc. contract that a customer concluded has not been developed.

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

- Article 34-2-32 (1) A Foreign Bank's Agent Bank must start making available for public inspection documents that its Principal Foreign Bank and the Foreign Bank Holding Company (which means the Foreign Bank Holding Company prescribed in Article 52-2-6, paragraph (1) of the Act; hereinafter the same applies in this Article) of which said Principal Foreign Bank is a Subsidiary Company prepare each business year on the state of business and assets of said Principal Foreign Bank or said Foreign Bank Holding Company (which means explanatory documents for the business year prescribed in Article 21, paragraphs (1) and (2) and Article 52-29, paragraph (1) of the Act, or any documents equivalent thereto, and limited to those written in Japanese or English; hereinafter referred to as "Documents for Public Inspection") within six months from the closing of the business year of said Principal Foreign Bank or said Foreign Bank Holding Company having said Principal Foreign Bank as a Subsidiary Company and keep them so available until they start making available for public inspection Documents for Public Inspection for the following business year.
- (2) When the Documents for Public Inspection are written in English, the Foreign Bank's Agent Bank must, in addition to said documents, prepare documents in Japanese comprised of the overview of business, balance sheet, and profit and loss statement of its Principal Foreign Bank and the Foreign Bank Holding Company having said Principal Foreign Bank as a Subsidiary Company and

- keep them available for public inspection in said Foreign Bank's Agent Bank.
- (3) If a Foreign Bank's Agent Bank is unable to start making Documents for Public Inspection available for public inspection by the time prescribed in paragraph (1) due to compelling reasons, the Foreign Bank's Agent Bank may postpone the start of said public inspection with the prior approval of the Commissioner of the Financial Services Agency (with regard to a Foreign Bank's Agent Bank other than a Bank designated by the Commissioner of the Financial Services Agency, the Director of the Local Finance Bureau that has jurisdiction over the location of the head office of said Foreign Bank's Agent Bank (with regard to said location that is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the head of the Fukuoka Local Finance Branch Bureau))
 - (4) A Foreign Bank's Agent Bank, when intending to obtain an approval prescribed in the preceding paragraph, must submit a written statement of reasons attached to a written application for approval to the Commissioner of the Financial Services Agency, etc.
 - (5) When an application for approval is filed pursuant to the preceding paragraph, the Commissioner of the Financial Services Agency, etc. is to examine the validity of the compelling reasons for the Foreign Bank's Agent Bank, which filed said application, to postpone the start of the public inspection prescribed in paragraph (1).
 - (6) The measure provided by Cabinet Office Ordinance as prescribed in Article 52-2-6, paragraph (2) of the Act is a method to display matters recorded in an electronic or magnetic record on paper or a screen.

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

Article 34-2-33 A Foreign Bank's Agent Bank must, pursuant to the provisions of Article 52-2-7 of the Act, take the following measures to ensure sound and proper operation of Foreign Bank Agency Services).

- (i) measures to develop a system that enables it to promptly respond to inquiries about the state of the services and assets of the Principal Foreign Bank pertaining to the Foreign Bank Agency Services;
- (ii) when it is deemed necessary for the sound and proper operation of the Foreign Bank Agency Services, a measure to modify the terms of or cancel the contract of entrustment with the Principal Foreign Bank;
- (iii) with regard to the Principal Foreign Bank services in which the bank intends to act as an agent or intermediary, a measure to examine by itself, as necessary, whether said business falls under the business prescribed in Article 10, paragraphs (1) and (2) of the Act (excluding business pertaining to agency or intermediary service and the business in which a bank may act as an agent or intermediary pursuant to the provisions of the same paragraph

- (excluding items (viii) and (viii)-2));
- (iv) measures to ensure the proper management of customer information, including one to prevent the Principal Foreign Bank from illegally obtaining customer information from the Foreign Bank's Agent Bank;
 - (v) in abolishing a business office providing Foreign Bank Agency Services, measures to ensure that the customers of said business office are not significantly affected, including measures to smoothly hand over the transactions of the customers of said business office to other Foreign Bank's Agent Banks or other business offices of the same Principal Foreign Bank.
 - (vi) measures necessary to properly and promptly address complaints from customers regarding the Principal Foreign Bank services pertaining to the Foreign Bank Agency Services.

(Notification on Principal Foreign Bank)

Article 34-2-34 (1) The cases provided by Cabinet Office Ordinance as prescribed in Article 52-2-9, paragraph (1), item (vii) of the Act are the cases where there have been changes in a person who holds a number of shares or an amount of equity exceeding fifty percent of the Issued Shares, etc.

(2) A Foreign Bank's Agent Bank, when intending to file a notification pursuant to the provisions of Article 52-2-9, paragraph (1) of the Act, must submit to the Commissioner of the Financial Services Agency, etc. a written notification without delay, with a statement of reasons and a document stating matters to be referenced attached thereto.

(3) A Foreign Bank's Agent Bank, when posting a public notice and display pursuant to Article 52-2-9, paragraph (2) of the Act (limited to the cases where a notification set forth in paragraph (1), items (iii) to (vi) of the same Article), is to indicate a policy for processing transactions in the Foreign Bank Agency Services it provides, such as deposit, etc. in the Principal Foreign Bank.

(Form of Sign)

Article 34-2-35 The form provided by Cabinet Office Ordinance as prescribed in Article 52-40, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act, is as prescribed in item (x)-2 of the appended form.

(Separated Management)

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

other methods.

(Matters to Be Clearly Indicated)

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

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

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

Article 34-2-38 The provisions of Article 13-3 apply mutatis mutandis to the provision of information to Depositor, etc. by a Foreign Bank's Agent Bank pursuant to the provisions of Article 52-44, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act.

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

Article 34-2-39 A Foreign Bank's Agent Bank, when carrying out an activity as a foreign bank agent, is to explain to the customer the following:

- (i) that the other party of the contract is not said Foreign Bank's Agent Bank itself but said Principal Foreign Bank entrusting it with Foreign Bank Agent Services; and
- (ii) other explanation deemed useful to prevent the customer from confusing the contract with a contract concluded by the Foreign Bank's Agent Bank.

(Provision of Information Pertaining to the Same Type of Contract Offered by

Other Principal Foreign Banks)

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

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

Article 34-2-41 For the employees engaged in Foreign Bank Agency Services, a Foreign Bank's Agent Bank must take such measures as providing guidance in Foreign Bank Agency Services and training in legal compliance in Foreign Bank Agency Services (including foreign laws and regulations).

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

Article 34-2-42 A person closely related to a Foreign Bank's Agent Bank provided by Cabinet Office Ordinance as prescribed in Article 52-45, item (iii) of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act, when said Foreign Bank's Agent Bank is a Bank, is a specified related party of said Bank (which means a specified related party prescribed in Article 13-2 of the Act, but excluding a Subsidiary Company of a Bank that is said Foreign Bank's Agent Bank) and, when said Foreign Bank's Agent Bank is a Foreign Bank Branch, be a uniquely related party of said Foreign Bank Branch (which means a uniquely related person prescribed in Article 13-2 of the Act, as replaced pursuant to the provisions of Article 9 of the Order, but excluding a Subsidiary Company of a Foreign Bank to which said Foreign Bank Branch belongs).

(Acts without the Risk of Lacking Protection of Customers)

Article 34-2-43 The acts provided by Cabinet Office Ordinance as those without risk of lacking the protection of customers as prescribed in Article 52-45, item (iii) of the Act, as applied mutatis mutandis pursuant to Article 52-2-10, are acts that are not an act as an agent or intermediary for the conclusion of a contract for a loan of funds or discounting of bills and notes arranged on the condition that the Foreign Bank's Agent Bank conducts transactions unfairly.

(Prohibited Acts in Foreign Bank Agency Services)

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

- (i) an act of unjustifiably providing the customer with the agency or

intermediary service for the conclusion of a contract pertaining to the Principal Foreign Bank services on the condition that the customer conducts transactions with itself or a business operator it designates (excluding those set forth in Article 52-45, item (iii) of the Act, as applied mutatis mutandis in Article 50-2-10 of the Act)

- (ii) an act of causing the customer a disadvantage in the terms or performance of transactions by unjustifiably using its advantageous position as a Foreign Bank's Agent Bank;
- (iii) an act of unjustifiably having the customer conduct transactions with itself or a business operator it designates, on the condition that it provides the customer with the agency or intermediary service for the conclusion of a contract pertaining to the Principal Foreign Bank services;
- (iv) An act of acting as an agent or intermediary in the conclusion of a contract involved in an act of the Principal Foreign Bank that violates or may violate a law or regulation, etc. (including foreign laws and regulations, etc.)

(Books and Documents Concerning Foreign Bank Agency Services)

Article 34-2-45 Pursuant to the provisions of Article 52-49 of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act, a Foreign Bank's Agent Bank must prepare the books and documents prescribed in the following items (when it does not act as an agent in the Principal Foreign Bank services, limited to those set forth in item (iii)) for each Principal Foreign Bank and keep them on file for the periods prescribed respectively in those items to show the processing and calculations made in the Foreign Bank Agency Services:

- (i) general ledger: five years from the date of preparation;
- (ii) Foreign Bank Agency account ledger: ten years from the date of preparation;
- (iii) a document describing the intermediary service with the Principal Foreign Bank it provided to customers of Foreign Bank Agency Services: five years from the date on which said intermediary service is provided.

(Form of a Report on Foreign Bank Agency Services)

Article 34-2-46 (1) The report on Foreign Bank Agency Services pursuant to the provisions of Article 52-50, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-2-10 of the Act, must be prepared pursuant to Appended Form (x)-2-2 and submitted to the Commissioner of the Financial Services Agency, etc., within three months of the end of the business year.

(2) A Foreign Bank's Agent Bank, if it is unable to submit the report on Foreign Bank Agency Services within the period prescribed in the preceding paragraph for compelling reasons, may postpone said submission under the prior approval of the Commissioner of the Financial Services Agency (when the Director the

Local Finance Bureau who has jurisdiction over the location of the head office of said Foreign Bank's Agent Bank (the head of the Fukuoka Local Finance Branch Bureau, when said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau) pursuant to the provisions of Article 17-2 of the Order receives said report on Foreign Bank Agency Services, the director of the Local Finance Bureau or the head of Fukuoka Local Finance Branch Bureau).

- (3) A Foreign Bank's Agent Bank, when intending to obtain an approval prescribed in the preceding paragraph, must submit a written statement of reasons attached to a written application for approval to the Commissioner of the Financial Services Agency, etc.
- (4) When an application for approval is filed pursuant to the preceding paragraph, the Commissioner of the Financial Services Agency, etc. is to examine the validity of the compelling reasons for the Foreign Bank's Agent Bank, the applicant, to postpone the submission as prescribed in paragraph (2).

Chapter VIII Shareholders

Section 1 General Rules

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

- Article 34-2-47 (1) A person that is to submit a Statement of Holdings in Bank Voting Rights (hereinafter referred to as "statement of holdings in bank voting rights" in this paragraph and Article 34-5) as prescribed in Article 52-2-11, paragraph (1) of the Act pursuant to the same paragraph, must prepare said statement of holdings in bank voting rights pursuant to item (x)-2-3 of the appended form, and submit it to the Commissioner of the Financial Services Agency, etc.
- (2) The cases as provided by Cabinet Office Ordinance as prescribed in Article 52-2-11, paragraph (1) of the Act and the day provided by Cabinet Office Ordinance are the case as set forth in each of the following items and the day specified in said each item corresponding to the category:
 - (i) when there is no increase of the holding number of voting rights (excluding the case as set forth in item (iii)): the earliest day among the day when five days (Sunday and the number of holidays as prescribed in Article 15-2 of the Order are not counted; hereinafter the same applies in this item and Article 34-4, paragraph (2), item (i)) have elapsed from the day that a person learns to becoming a Major Holder of Voting Rights in a Bank (which means a Major Holder of Voting Rights in a Bank as prescribed in Article 52-2-11, paragraph (1) of the Act; hereinafter the same applies in this Article and Article 34-4, paragraph (2), items (ii) and (iii)), or, the day when five days have elapsed from the 15th day of the month following the month that

includes the day when a person becomes a Major Holder of Voting Rights in a Bank (if said day is less than one month that elapses from the day when a person became a Major Holder of Voting Rights in a Bank, the day that one month elapses from the day when a person becomes a Major Holder of Voting Rights in a Bank);

- (ii) when a person that becomes a Major Holder of Voting Rights in a Bank is a foreign national or foreign corporation (including a person as set forth in Article 3-2, paragraph (1), item (i) of the Act; the same applies in the following item and Article 34-4, paragraph (2), items (ii) and (iii)) (excluding a case as set forth in the following item): the day when one month elapses from the day when a person becomes a Major Holder of Voting Rights in a Bank; or
- (iii) when a person that becomes a Major Holder of Voting Rights in a Bank is a foreign national or a foreign corporation and there is no increase of the person's held number of voting rights: the earliest day among the day when one month elapses from the day when the person learns to becoming a Major Holder of Voting Rights in a Bank, or the day when one month elapses from the 15th day of the month that following the month that includes the day when the person becomes a Major Holder of Voting Rights in a Bank (if said day is before the day when two months elapse from the day when a person became a Major Holder of Voting Rights in a Bank, the day when two months elapse from the day when a person becomes a Major Holder of Voting Rights in a Bank).

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

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

- (i) a tariff bank as prescribed in Article 7, paragraph (1), item (i) of the supplementary provisions of the Deposit Insurance Act: voting rights pertaining to shares pertaining to acquisition, etc. based on an agreement as prescribed in Article 22, paragraph (1) of the supplementary provisions of the same Act; voting rights pertaining to shares pertaining to the issue, etc. of Shares, etc. as prescribed in Article 4, paragraph (2) of the Act Concerning Emergency Measures for Early Strengthening of Financial Functions (Act No. 143 of 1998; hereinafter referred to as "Financial Strengthening Act"); voting rights pertaining to shares pertaining to the issue, etc. of preferred shares, etc. as prescribed in Article 4, paragraph (1), item (i) of the Act (prior to revision) on Emergency Measures for Stabilization of Financial Functions (Act No. 5 of 1998), which remains in effect by the provisions of Article 5 of the supplementary provisions of the Act Concerning [Emergency Measures

- for the Revitalization of the Financial Functions (Act No. 132 of 1998); and voting rights pertaining to shares which are acquisition shares, etc. as prescribed in Article 35, paragraph (2), item (vi) of the Act on Special Measures for Strengthening Financial Functions (Act No. 128 of 2004);
- (ii) a tariff servicer as prescribed in Article 74, item (i) of the Agricultural and Fishery Cooperation Savings Insurance Act (Act No. 53 of 1973): voting rights pertaining to shares pertaining to the entrustment of purchase of assets pursuant to the provisions of Article 77, item (i) of the same Act;
- (iii) a tariff bank as prescribed in Article 1-2-3, item (i) of the supplementary provisions of the Insurance Business Act: voting rights pertaining to shares pertaining to purchase of assets based on an agreement as prescribed in Article 1-2-12, paragraph (1) of the supplementary provisions of the same Act.

(Submission of Statement of Changes)

- Article 34-4 (1) A person that is to submit a Statement of Changes (hereinafter referred to as a "statement of changes" in this paragraph and paragraph (3), and the following Article) as prescribed in Article 52-3, paragraph (1) of the Act pursuant to the provisions of the same paragraph, must prepare said statement of changes according to item (x)-2-3 of the appended form and submit it to the Commissioner of the Financial Services Agency, etc.
- (2) The cases as provided by Cabinet Office Ordinance as prescribed in Article 52-3, paragraph (1) of the Act and the day provided by Cabinet Office Ordinance are the cases as set forth in each of the following items and the day specified by each said item corresponding to the category:
- (i) when there is no increase or decrease of the holding number of voting rights (limited to the cases where the proportion of voting rights held (which means the proportion of voting rights held as prescribed in Article 52-2-11, paragraph (1), item (i) of the Act; hereinafter the same applies in this Article and the following Article) increases or decreases by one percent or more, and excluding cases as set forth in item (iii)): the earliest day among the day when five days elapse from the day when a person learns of an increase or decrease by one percent or more of said person's proportion of voting rights held, or the day when five days elapse from the 15th day of the month following the month that includes the day when the proportion of voting rights held increases or decreases by one percent or more;
 - (ii) when a Major Holder of Voting Rights in a Bank is a foreign national or a foreign corporation (excluding cases as set forth in the following item): the day when one month elapses from the day when a matter as set forth in Article 52-2-11, paragraph (1) of the Act changes; and
 - (iii) when a Major Holder of Voting Rights in a Bank is a foreign national or a foreign corporation and there is no increase or decrease of said person's

holding number of voting rights (limited to cases where the proportion of voting rights held increases or decreases by one percent or more): the earliest day among the day when one month elapses from the day when a person learns that said person's proportion of voting rights held increases or decreases by one percent or more, or the day when one month elapses from the 15th day of the month following the month that includes the day when the proportion of voting rights held increases or decreases by one percent or more.

- (3) The cases as specified by Cabinet Office Ordinance as prescribed in Article 52-3, proviso of paragraph (1) of the Act are the cases where a statement of changes prepared due to a decrease by one percent or more in the proportion of voting rights held, with the proportion of voting rights held being stated in the said statement of changes as five percent or less, is submitted.

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

Article 34-5 (1) The person that is to submit a statement of holdings in bank voting rights pursuant to the provisions of Article 52-4, paragraph (1) of the Act, or is to submit a statement of changes pursuant to the provisions of paragraph (2) of the said Article, must prepare the said statement of holdings in bank voting rights or the said statement of changes in accordance with item (x)-3 of the appended form and must submit the notice or statement of changes to the Commissioner of the Financial Services Agency, etc.

- (2) The persons as provided by Cabinet Office Ordinance as prescribed in Article 52-4, paragraph (1) of the Act are the following persons:
- (i) a Bank, a long-term credit bank, or a financial instruments business operator (limited to a person who carries out securities-related business or an investment management business (which means an investment management business as prescribed in Article 28, paragraph (4) of the Financial Instruments and Exchange Act; the same applies in the following item)), a trust company (limited to a person that has obtained a license as prescribed in Article 3 or Article 53, paragraph (1) of the Trust Business Act), an insurance corporation (including a foreign insurance corporation, etc.), the Norinchukin Bank, the Shoko Chukin Bank Limited, and the Management Organization for Postal Savings and Postal Life Insurance;
 - (ii) a person who carries out a Banking, securities-related business, investment management business, Trust Business, or insurance business in a foreign state pursuant to laws and regulations of a foreign state, who is other than those as set forth in the preceding item;
 - (iii) a person who is a joint owner with those persons as set forth in the preceding two items (hereinafter referred to as "Bank, etc." in this item and

- paragraph (4)) that are other than Bank, etc.
- (3) The number specified by Cabinet Office Ordinance as prescribed in Article 52-4, paragraph (1) of the Act is ten percent.
 - (4) Cases provided by Cabinet Office Ordinance as prescribed in Article 52-4, paragraph (1) of the Act, when there is any joint holder that is other than a Bank, etc. in a Bank, etc., are the cases where the proportion of voting rights held by the said joint holder that is calculated by deeming the said joint holder as having no joint holders that are Bank, etc. exceeds one percent.
 - (5) In the standards as provided by Cabinet Office Ordinance as prescribed in Article 52-4 paragraph (2), item (ii) of the Act, the proportion of voting rights held is deemed as an increase or decrease from that in the statement of holdings in bank voting rights submitted or to be submitted pursuant to the provisions of paragraph (1) of said Article by two-point-five percent or more.
 - (6) The cases as specified by Cabinet Office Ordinance as prescribed in Article 52-4, paragraph (2), item (iv) of the Act, and the days specified by Cabinet Office Ordinance are the cases as set forth in the following items, and the days specified in the said item according to the category:
 - (i) if the proportion of voting rights held on the last day of the month following the month that includes the standard day pertaining to a statement of changes (which means the standard day as prescribed in Article 52-4, paragraph (3) of the Act; hereinafter the same applies in this Article) has increased or decreased from the proportion of voting rights held that is stated in said statement of changes by two-point-five percent or more: the 15th day of the month following the month that includes said last day;
 - (ii) when the proportion of voting rights held stated in the statement of changes was recorded on the last day of the month other than the month that includes the standard day, if the proportion of voting rights held on the standard day after said month has increased or decreased from the proportion of voting rights held that is stated in the said statement of changes by one percent or more, or any other change occurred in any of the material matters to be stated in the statement of holdings in bank voting rights: the 15th day of the month following the month that includes the standard day;
 - (iii) when the proportion of voting rights held stated in the statement of changes was recorded on the last day of the month other than the month that includes the standard day, if the proportion of voting rights held on the last day of the month that does not include a standard day after the month in the case and has increased or decreased from the proportion of voting rights held that is stated in the said statement of changes by two-point-five percent or more: the 15th day of the said month that does not include a standard day after the month in the case;

- (iv) if the proportion of voting rights held on the standard day after the base day of the calculation of the proportion of voting rights held that is stated in the statement of changes submitted or to be submitted pursuant to the provisions of Article 52-3, paragraph (1) of the Act, has increased or decreased from the proportion of voting rights held that is stated in the said statement of changes by one percent or more, or any other change occurred in any of the material matters to be stated in the statement of holdings in bank voting rights: the 15th day of the month following the month that includes said standard day;
 - (v) if the proportion of voting rights held on the last day of the month other than the month of the standard day after the base day of the calculation of the proportion of voting rights held that is stated in the statement of changes submitted or to be submitted pursuant to the provisions of Article 52-3, paragraph (1) of the Act, has increased or decreased from the proportion of voting rights held that is stated in the said statement of changes by two-point-five percent or more: the 15th day of the month that includes said last day;
 - (vi) if the proportion of voting rights held on the standard day after the base day of the calculation of the proportion of voting rights held that is stated in the statement of holdings in bank voting rights submitted or to be submitted pursuant to the provisions of Article 52-2-11, paragraph (1) of the Act, has increased or decreased from the proportion of voting rights held that is stated in the said statement of holdings in bank voting rights by one percent or more, or any other change occurred in any of the material matters to be stated in the statement of holdings in bank voting rights: the 15th day of the month following the month that includes said standard day;
 - (vii) if the proportion of voting rights held on the last day of the month other than the month of the standard day after the base day of the calculation of the proportion of voting rights held that is stated in the statement of holdings in bank voting rights submitted or to be submitted pursuant to the provisions of Article 52-2-11, paragraph (1) of the Act, has increased or decreased from the proportion of voting rights held that is stated in the said statement of holdings in bank voting rights by two-point-five percent or more: the 15th day of the month following the month that includes said last day.
- (7) A person, who intends to submit a notice of the standard day or of the change of the said standard day, must prepare the written notice in accordance with item (x)-4 of the appended form and must submit the notice to the Commissioner of the Financial Services Agency, etc.

Section 2 Special Provisions on a Bank's Major Shareholder

Subsection 1 General Rules

(Application of Authorization for the Case to Become a Person Holding a Number of Voting Rights in a Bank Which Is Equal to or Greater than the Major Shareholder Threshold)

Article 34-6 (1) A company or other corporation that intends to hold a number of voting rights in a single Bank which is equal to or greater than the Major Shareholder Threshold through transactions or acts as set forth in each item of Article 52-9, paragraph (1) of the Act, when obtaining an authorization pursuant to the provisions of the same paragraph, must submit a written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning said corporation (when a part of the following documents cannot be provided due to the reason that said corporation is a foreign corporation, etc., a document equivalent to said document):
 - (a) articles of incorporation;
 - (b) a certificate of registered matters of the corporation;
 - (c) resumes of the directors and auditors (with regard to a company with committees; directors and executive officers);
 - (d) with regard to a company with accounting advisors, resumes of the accounting advisors (when an accounting advisor is a corporation, a document stating the history of said accounting advisor and resumes of members who are to engage in duties);
 - (e) a document stating the name of any person that holds voting rights exceeding five percent of voting rights held by all of shareholders or all of investors, said person's domicile or residence, nationality, and occupation (when said person is a corporation or other organization, its name, location of principal business office, and the content of business carried out) and the number of shares held by the person;
 - (f) when transactions or acts as set forth in each item of Article 52-9, paragraph (1) of the Act pertaining to said approval require the resolution at the shareholders meeting or of the board of directors (including organizations equivalent to these), minutes of the shareholders meetings or minutes of board of directors concerning this matter (including a document certifying that necessary procedures were followed by organizations equivalent to these);
 - (g) a document stating the location of the principal office;
 - (h) a document stating the content of business;
 - (i) the latest balance sheet, profit and loss statement, statement of changes

- in net assets, and other documents that provide the latest condition of business, assets, and profit and loss of said corporation;
- (j) a document stating the system pertaining to holding of voting rights of said Bank;
 - (k) a document stating the holding number of voting rights of said Bank and the number of voting rights of said Bank to be acquired or held after said authorization; and
 - (l) a document stating the name of its Subsidiary Company, etc., location of principal business office or office, and content of business.
- (iii) a document stating prospective cash flow pertaining to the holding of voting rights of said Bank for the five business years after said authorization and net present value of said forecast (which means the total value of the amount obtained by discounting each increase and decrease of revenue or expenditures caused directly or indirectly by the holding of said voting rights to current value by applying a money rate for the corresponding period pertaining to funds of acquisition of said voting rights, respectively; the same applies in paragraph (3));
- (iv) a document stating the result of a stress test (which means to calculate separately a different value from said net present value on the assumption that, with regard to matters based on the calculation of net present value, that there were and will be changes of said matters for a certain period in the past and other changes within a reasonable scope; the same applies in paragraph (3)) pertaining to the net present value calculation of the preceding paragraph;
- (v) the relationships of personnel affairs, funds, technologies, transactions, etc., which are scheduled to exist with said Bank after said authorization and policies pertaining to said relationships (if said relationships may have an effect on the operation of the services of said Bank, including a system to secure the sound and appropriate operation of the services of said Bank; the same applies in paragraph (3)); and
- (vi) other documents stating matters to be referenced for an examination as prescribed in the Article 52-10, item (i) of the Act.
- (2) A person that intends to become a holder of a number of voting rights in a single Bank which is equal to or greater than the Major Shareholder Threshold through transactions or acts as set forth in each item of Article 52-9, paragraph (1) of the Act (excluding a person as prescribed in the preceding paragraph), when intending to obtain an authorization pursuant to the provisions of the same paragraph, must submit a written application for authorization attached with documents as set forth in item (i), items (iii) to (v) of the preceding paragraph and the following documents to the Commissioner of the Financial Services Agency:

- (i) a document stating the name, location of principal business office, or domicile or residence, and the business being carried out or occupation of said person;
 - (ii) a document stating the holding number of voting rights of said Bank and the number of voting rights of said Bank to be acquired or held after said authorization;
 - (iii) a document stating the name, location of principal business office or offices, and content of the business of a corporation of which said person holds twenty percent or more of the voting rights held by all of shareholders or all of investors; and
 - (iv) other documents stating matters to be referenced for an examination as prescribed in Article 52-10, item (ii) of the Act.
- (3) A person who intends to incorporate a company or other corporation that holds a number of voting rights in a single Bank which is equal to or greater than the Major Shareholder Threshold, when intending to obtain an authorization pursuant to the provisions of Article 52-9, paragraph (1) of the Act, must submit a written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) the following documents concerning a company or other corporation to be incorporated based on said authorization (hereinafter referred to as "corporation to be incorporated" in this paragraph) (if a part of the following documents cannot be provided due to the reason that said corporation to be incorporated is a foreign corporation, etc., a document equivalent to said document):
 - (a) articles of incorporation;
 - (b) resumes of the directors and auditors (with regard to a company with committees; directors and executive officers);
 - (c) with regard to a company with accounting advisors, resumes of the accounting advisors (when the accounting advisor is a corporation, a document stating the history of said accounting advisor and resumes of members who are to engage in duties);
 - (d) a document stating the name of any person that will hold voting rights exceeding five percent of voting rights held by all of shareholders or all of investors, said person's domicile or residence, nationality, and occupation (when said person is a corporation or other organization, its name, location of principal business office, and the content of business carried out) and number of shares held by the person;
 - (e) when said incorporation requires resolution at the organizational meeting, minutes of the organizational meetings concerning the above (in the cases of the incorporation of said corporation to be incorporated due to share

- transfer, merger, or company split, minutes of the shareholders meetings concerning the above or other document certifying that necessary procedures were followed);
- (f) a document stating the location of the principal office;
 - (g) a document stating the content of business;
 - (h) a document providing the amount of stated capital and other conditions of assets after said incorporation;
 - (i) a document stating the system pertaining to the holding of voting rights of said Bank;
 - (j) a document stating the holding number of voting rights of said Bank and the number of voting rights of said Bank to be acquired or held after said approval; and
 - (k) a document stating the name of its Subsidiary Company, etc., location of principal business office or offices, and content of business;
- (iii) a document stating prospective cash flow and prospective net present value pertaining to the holding of voting rights of said Bank for five business years after said incorporation;
 - (iv) a document stating the result of a stress test pertaining to the net present value as prescribed in the preceding item;
 - (v) the relationships of personnel affairs, funds, technologies, transactions, etc., which are scheduled to exist with said Bank after said incorporation and policies pertaining to said relationships; and
 - (vi) other documents stating matters to be referenced for an examination as prescribed in Article 52-10, item (i) of the Act.
- (4) The Commissioner of the Financial Services Agency, when conducting an examination as prescribed in Article 52-10 of the Act pertaining to an application for authorization pursuant to the provisions of the preceding three paragraphs, is to consider the following matters:
- (i) it is clear that the purposes of acquisition or holding of voting rights of said Bank by a person who filed for said authorization or a corporation to be incorporated after said authorization (hereinafter referred to as "Applicant, etc." in this paragraph) will not harm the public nature of the Bank services, and the system that is deemed, based on the condition of assets, and income and expenditures of said Applicant, etc., and said holding, to have an extremely small possibility of damaging sound and appropriate operation of the services of said Bank due to the relationships that said Applicant, etc. has with said Bank and other reasons pertaining to said holding;
 - (ii) in light of the system, etc. pertaining to the holding of voting rights of said Bank, it is clear that Applicant, etc. will not preclude said Bank from carrying out accurate and fair business management, and is a person who has sufficient social creditability.

- (5) Reasons provided by Cabinet Office Ordinance as prescribed in Article 52-9, paragraph (1), item (i) of the Act are the following matters:
- (i) acquisition of shares by exercise of the security interest;
 - (ii) acquisition of shares by acceptance of substitute performance;
 - (iii) increase in the proportion of holding voting rights to the voting rights held by all shareholders of said Bank by acquisition of voting rights pertaining to shares which may not exercise voting rights of said Bank (limited to an acquisition due to occurrence of an event that is not based on the intention of a person who intends to become a holder of voting rights of said Bank);
 - (iv) increase in the proportion of holding voting rights to the voting rights held by all shareholders of said Bank by a share transfer conducted by said Bank (excluding the case of a request by a person who intends to become a holder of voting rights of said Bank);
 - (v) increase in the proportion of holding voting rights to the voting rights held by all shareholders of said Bank by consolidation or split of shares, or allotment of shares without a contribution by said Bank;
 - (vi) increase in the proportion of holding voting rights to the voting rights held by all shareholders of said Bank by changes of content of a right or number of unit shares pertaining to shares due to the articles of incorporation of said Bank being changed;
 - (vii) increase in the proportion of holding voting rights to the voting rights held by all shareholders of said Bank by acquisition of own shares of said Bank;
 - (viii) acquisition of Shares, etc. when the number of voting rights in assets other than trust asset pertaining to a trust without compensation for principal is within the Major Shareholder Thresholds.
- (6) The provisions of the preceding paragraph apply mutatis mutandis to the reasonable grounds as provided by Cabinet Office Ordinance as prescribed in Article 15-4, item (i) of the Order.

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

Article 34-7 A person who intends to become a holder of a number of voting rights in a Bank which is equal to or greater than the Major Shareholder Threshold, or a person that intends to incorporate a company or other corporation that holds a number of voting rights in a Bank which is equal to or greater than the Major Shareholder Threshold, when intending to obtain an authorization pursuant to the provisions of Article 52-9, paragraph (1) of the Act, may request a preliminary examination by submitting the documents equivalent to those applicable as provided by paragraphs (1), (2), and (3) of the preceding Article to the Commissioner of the Financial Services Agency.

(Application of Authorization Pertaining to Specified Major Shareholders)
Article 34-8 (1) A specified major shareholder (which means a specified major shareholder as prescribed in Article 52-9, paragraph (2) of the Act), when intending to obtain an authorization pursuant to the provisions of the proviso of the same paragraph, must submit a written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
 - (ii) the documents as set forth in Article 34-6, paragraph (1), item (i), sub-items (c) to (e), (g) to (j), (l), and items (iii) to (vi) of the same paragraph; and
 - (iii) a document stating the number of the holding voting rights of said Bank.
- (2) The provisions of Article 34-6, paragraph (4) apply mutatis mutandis to an examination as prescribed in Article 52-10 of the Act pertaining to an application for authorization pursuant to the provisions of the preceding paragraph.

Subsection 2 Supervision

(Company Having a Special Relationship with a Bank's Major Shareholder)
Article 34-9 (1) A company that has a special relationship as provided by Cabinet Office Ordinance as prescribed in Article 52-14, paragraph (1) of the Act, is the following persons:

- (i) a Subsidiary Company (which means a Subsidiary Company as prescribed in Article 1-5, paragraph (2), item (i) of said Bank's Major Shareholder (limited to a person that is a company subject to standards for consolidation (which means a company subject to standards for consolidation as prescribed in Article 3-2, paragraph (1), item (ii) of the Act; the same applies in item (iii)); the same applies in the following item);
 - (ii) a relevant company (which means a relevant company as prescribed in Article 1-5, paragraph (2), item (iii) of said Bank's Major Shareholder; and
 - (iii) a company or other corporation of which voting rights exceeding fifty percent of the All Shareholders', etc. Voting Rights are held by said Bank's Major Shareholder (limited to a person other than a company subject to standards for consolidation).
- (2) The provisions of Article 1-6, paragraph (3) are applied mutatis mutandis to the voting rights held, in the case of item (iii) of the preceding paragraph, by the Bank's Major Shareholder in that item.

Section 3 Special Provisions on a Bank Holding Company

Subsection 1 General Rules

(Application of Authorization for a Case of Intending to Become a Holding Company of a Subsidiary Company that Is a Bank)

Article 34-10 (1) A company that intends to become a Holding Company of which Subsidiary Company is a Bank, when intending to obtain an authorization pursuant to the provisions of Article 52-17, paragraph (1) of the Act, must submit a written application for authorization attached with the following documents to the Prime Minister via the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning said company:
 - (a) articles of incorporation;
 - (b) a certificate of registered matters of the company;
 - (c) resumes of the directors and auditors (with regard to a company with committees; directors and executive officers);
 - (d) with regard to a company with accounting advisors, resumes of the accounting advisors (when an accounting advisor is a corporation, a document stating the history of said accounting advisor and resumes of members who are to engage in duties);
 - (e) a document stating each shareholder's name, domicile or residence, nationality and occupation (when a shareholder is a corporation or other organization, its name, location of principal business office, and the content of business being carried out) and number of shares held by the shareholder;
 - (f) when transactions or acts as set forth in each item of Article 52-17, paragraph (1) of the Act pertaining to said authorization require a resolution at the shareholders meeting or of the board of directors, minutes of the shareholders meeting or minutes of the board of directors concerning the above;
 - (g) a document stating the location of offices;
 - (h) a document stating the content of business;
 - (i) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest condition of business, assets, and profit and loss of said company;
 - (j) a document stating the system pertaining to the business management of a Subsidiary Company (including a company to become a Subsidiary Company; hereinafter the same applies in this paragraph) conducted by said company; and
 - (k) a document stating the condition of securing employees with knowledge and experience concerning the Bank services;
- (iii) the following documents concerning a Subsidiary Company, etc. (which

- means a Subsidiary Company corresponding to any Subsidiary Company, etc., as prescribed in Article 52-22, main clause of paragraph (1) of the Act, or a Subsidiary Company, etc., as prescribed in Article 52-25 of the Act; hereinafter the same applies in this Article) of said company:
- (a) a document stating the name and the location of the principal business office or office;
 - (b) a document stating the title and name of the directors (when a director is a corporation, including the persons who are to engage in the duties); and
 - (c) documents set forth in (h) and (i) of the preceding item;
- (iv) a document stating prospective income and expenditures, and consolidated capital adequacy ratio (which means the ratio obtained by a formula pertaining to the standards as prescribed in Article 52-25 of the Act; hereinafter the same applies in this Section excluding Article 34-19-4, paragraph (2), item (ii) and Article 35, paragraph (3)) of said company and its Subsidiary Company, etc. for three business years after said authorization;
- (v) when said company or its Subsidiary Company comes to hold voting rights of a company in Japan (which means a company in Japan as prescribed in Article 52-24, paragraph (1); hereinafter the same applies in this Section) for which the total number exceeds its maximum threshold for voting rights held (which means the maximum threshold for voting rights held as prescribed in the same paragraph; hereinafter the same applies in this Section) by said company that becomes a Holding Company of which a Subsidiary Company is a Bank, a document stating the name and content of the business of said company in Japan; and
- (vi) other documents stating matters to be referenced for an examination as prescribed in Article 52-18, paragraph (1) of the Act.
- (2) A person who intends to incorporate a Holding Company, of which a Subsidiary Company is a Bank, when intending to obtain an authorization pursuant to the provisions of Article 52-17, paragraph (1) of the Act, must submit an written application for authorization attached with the following documents to the Prime Minister via the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) the following documents concerning a company to be incorporated after obtaining said authorization (hereinafter referred to as "Company to Be Incorporated" in this paragraph):
 - (a) articles of incorporation;
 - (b) resumes of the directors and auditors (with regard to a company with committees; directors and executive officers);
 - (c) with regard to a company with accounting advisors, resumes of the

- accounting advisors (when an accounting advisor is a corporation, a document stating the history of said accounting advisor and resumes of members who are to engage in duties);
- (d) a document stating the name of each person to become a shareholder, its domicile or residence, nationality and occupation (when a shareholder is a corporation or other organization, its name, location of principal business office, and the content of business carried out) and number of shares held by the shareholder;
 - (e) when said incorporation requires a resolution at an organizational meeting, minutes of the organizational meeting concerning the above (when said Company to Be Incorporated is incorporated by share transfer, merger, or company split, minutes of shareholders meeting concerning the above and other documents certifying that necessary procedures were followed);
 - (f) a document stating the location of offices;
 - (g) a document stating content of the business;
 - (h) a document providing the amount of stated capital and other condition of assets after said incorporation;
 - (i) a document stating the system pertaining to business management of a Subsidiary Company (including a company to become a Subsidiary Company; hereinafter the same applies in this paragraph and the following paragraph) conducted by said Company to Be Incorporated; and
 - (j) a document stating the condition of securing employees with knowledge and experience concerning the Bank services;
- (iii) the following documents concerning a Subsidiary Company, etc. of said Company to Be Incorporated;
- (a) a document stating the name and location of the principal business office or office;
 - (b) a document stating the title and name of the directors (when a director is a corporation, including the persons who are to engage in the duties);
 - (c) a document stating the content of business; and
 - (d) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest condition of business, assets, and profit and loss of said company;
- (iv) a document stating prospective revenue and expenditures, and consolidated capital adequacy ratio of the Company to Be Incorporated and its Subsidiary Company, etc. for three business years after said incorporation;
- (v) when a Company to Be Incorporated or its Subsidiary Company comes to hold the voting rights of a company in Japan for which the total number exceeds the maximum threshold for voting rights held due to said

- incorporation, a document stating the name and content of the business of said company in Japan; and
- (vi) other documents stating matters to be referenced for an examination as prescribed in Article 52-18, paragraph (1) of the Act.
- (3) The Prime Minister, when conducting an examination pursuant to the provisions of Article 52-18, paragraph (1) of the Act pertaining to an application of authorization pursuant to the provisions of the preceding two paragraphs, is to consider the following:
- (i) the income and expenditures of the company which filed said application or the company to be incorporated based on said authorization (hereinafter referred to as "Applicant, etc." in this paragraph), and its Subsidiary Company, etc. have the prospect of remaining in a good business condition for three business years after said authorization or incorporation;
 - (ii) consolidated capital adequacy ratio of Applicant, etc., and its Subsidiary Company, etc. is expected to be the proper level for three business years after said authorization or incorporation; and
 - (iii) in light of the conditions of securing directors or employees with sufficient knowledge and experience concerning the Bank services and the system pertaining to business management of a Subsidiary Company, the Applicant, etc. is a person that can manage business accurately and properly of the Bank which is or is to be its Subsidiary Company, and a person with sufficient social creditability.
- (4) Reasons as provided by Cabinet Office Ordinance as prescribed in Article 52-17, paragraph (1), item (i) of the Act are the following reasons:
- (i) acquisition of shares by exercise of the security interest;
 - (ii) acquisition of shares by acceptance of substitute performance;
 - (iii) when a financial instruments business operator that carries out securities-related business acquires shares as its business, the implementation of its business;
 - (iv) increase in the proportion of holding voting rights to the voting rights held by all of shareholders of said Bank by acquisition of voting rights pertaining to shares which may not exercise voting rights of said Bank (limited to an acquisition due to occurrence of an event that is not based on the intention of a person who intends to become a holder of voting rights of said Bank);
 - (v) increase in the proportion of holding voting rights to the voting rights held by all of shareholders of said Bank by share transfer conducted by said Bank (excluding the cases of the request of a person who intends to become a holder of voting rights of said Bank);
 - (vi) increase in the proportion of holding voting rights to the voting rights held by all of shareholders of said Bank by consolidation or split of shares, or allotment of shares without a contribution by said Bank;

- (vii) increase in the proportion of holding voting rights to the voting rights held by all of shareholders of said Bank by changes of content of right or number of unit shares pertaining to shares due to a change of the articles of incorporation of said Bank; and
 - (viii) increase in the proportion of holding voting rights to the voting rights held by all of shareholders of said Bank by acquisition of own shares of said Bank.
- (5) The provisions of the preceding paragraph apply mutatis mutandis to reasonable grounds as provided by Cabinet Office Ordinance as prescribed in Article 16-2, item (i) of the Order.
- (6) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to the voting rights as prescribed in paragraph (1), item (v) and paragraph (2), item (v).

(Preliminary Examination for Authorization When Intending to Become a Holding Company of Which a Subsidiary Company Is a Bank)

Article 34-11 A company that intends to become a Holding Company of which a Subsidiary Company is a Bank or a person that intends to incorporate a Holding Company of which a Subsidiary Company is a Bank, when intending to obtain an authorization pursuant to the provisions of Article 52-17, paragraph (1) of the Act, may request a preliminary examination by submitting documents equivalent to those pursuant to paragraph (1) or paragraph (2) of the preceding Article to the Prime Minister via the Commissioner of the Financial Services Agency.

(Notification Matters Pertaining to a Specified Holding Company)

Article 34-12 (1) Matters as provided by Cabinet Office Ordinance as prescribed in Article 52-17, paragraph (2) of the Act are the following matters:

- (i) the fact that said company became a Holding Company of which a Subsidiary Company is a Bank;
 - (ii) the reasonable grounds for, and timing when, said company became a Holding Company of which a Subsidiary Company is a Bank;
 - (iii) the name and content of the business of said company and its Subsidiary Company; and
 - (iv) other matters that the Commissioner of the Financial Services Agency finds to be necessary.
- (2) A specified Holding Company (which means a specified Holding Company as prescribed in Article 52-17, paragraph (2) of the Act; hereinafter the same applies in this Article and the following Article), when intending to submit a notification (when the specified Holding Company is a foreign Holding Company of which a Subsidiary Company is a Bank (which means a foreign

Holding Company of which a Subsidiary Company is a Bank as prescribed in Article 16-4 of the Order; the same applies hereinafter), notification pursuant to the provisions of Article 16-5 of the Order) pursuant to provisions of Article 52-17, paragraph (2) of the Act, must submit the notification attached with the following documents to the Commissioner of the Financial Services Agency, etc.:

(i) articles of incorporation;

(ii) a certificate of registered matters of the company; and

(iii) the latest balance sheet of said specified Holding Company and its Subsidiary Company.

(3) when the specified Holding Company is a foreign Holding Company of which a Subsidiary Company is a Bank, said foreign Holding Company of which a Subsidiary Company is a Bank, when intending to obtain an approval for postponement of the limit for notification pursuant to the provisions of the proviso of Article 16-5 of the Order, must submit a written application for approval attached with a written statement of reasons to the Commissioner of the Financial Services Agency, etc.

(4) The Commissioner of the Financial Services Agency, etc., when an application for approval pursuant to the provisions of the preceding paragraph is filed, is to examine whether there are reasons found to be compelling with regard to the foreign Holding Company that filed said application, to postpone the limit for notification pursuant to the provisions of the proviso of Article 16-5 of the Order.

(5) The specified Holding Company, when intending to submit a notification pursuant to the provisions of Article 52-17, paragraph (4) of the Act, must submit a written notice attached with the following documents to the Commissioner of the Financial Services Agency, etc.:

(i) a written statement of reasons;

(ii) a document stating the timing of when said specified Holding Company will no longer be a Holding Company of which a Subsidiary Company is a Bank; and

(iii) a document stating measures that said specified Holding Company undertook in order not to become a Holding Company of which a Subsidiary Company is a Bank or the reasonable grounds for said specified Holding Company no longer being a Holding Company of which a Subsidiary Company is a Bank.

(Application of Authorization Pertaining to a Specified Holding Company)

Article 34-13 (1) A specified Holding Company, when intending to obtain an authorization pursuant to the provisions of Article 52-17, proviso of paragraph (3) of the Act, must submit a written application for authorization attached

with the following documents to the Prime Minister via the Commissioner of the Financial Services Agency:

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

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

Article 34-14 (1) Directors who engage in the ordinary business of a Bank Holding Company (with regard to a company with committees, executive officers; with regard to a bank holding company located in a foreign state (which means a foreign Holding Company, of which Subsidiary Company is a Bank, and which was incorporated after obtaining an authorization as prescribed in Article 52-17, paragraph (1) of the Act or which has obtained the authorization as prescribed in the proviso of paragraph (3) of the same Article; the same applies hereinafter), directors or executive officers who engage in the ordinary business of said bank holding company located in a foreign state, or a person who is assigned to equivalent duties to the above; the same applies in the following paragraph), when intending to obtain an authorization for engaging in ordinary business of other company, pursuant to the provisions of Article 52-19, paragraph (1) of the Act, must submit a written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency, etc. via said Bank Holding Company:

- (i) a written statement of reasons;
 - (ii) a resume;
 - (iii) a document stating the methods of conducting ordinary business at the Bank Holding Company and said other company;
 - (iv) a document stating transactions between the Bank Holding Company and its Subsidiary Company and said other company, and other relationships; and
 - (v) said other company's articles of incorporation (including documents equivalent to this), the latest business report, balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest condition of business, assets, and profit and loss.
- (2) The Commissioner of the Financial Services Agency, etc., when an application of authorization pursuant to the provisions of the preceding paragraph is filed,

is to examine whether conditions are likely to preclude sound and appropriate operation of the services of the Bank that is a Subsidiary Company of said Bank Holding Company by the director who engages in ordinary business of a Bank Holding Company who filed said application, if engaged in the ordinary business of said other company.

Subsection 2 Business and Subsidiary Company

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

Article 34-14-2 The business provided by Cabinet Office Ordinance as prescribed in Article 52-21-2, paragraph (1) of the Act is Bank-related Business.

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

Article 34-14-3 (1) A Bank Holding Company must, to prevent the customer's interests pertaining to Bank-related Business conducted by a Bank that is a Subsidiary Company of said Bank Holding Company, a Bank Agent having a Bank that is a Subsidiary Company of said Bank Holding Company as its Principal Bank, or subsidiary financial institution, etc. of said Bank Holding Company from being unreasonably harmed in connection with transactions conducted by said Bank that is a Subsidiary Company of said Bank Holding Company, a Bank Agent having said Bank that is a Subsidiary Company of said Bank Holding Company as its Principal Bank, or a parent financial institution, etc. (which means a parent financial institution, etc., prescribed in Article 52-21-2, paragraph (2) of the Act; hereinafter the same applies in this Article) or a subsidiary financial institution, etc. (which means a subsidiary financial institution, etc. as prescribed in paragraph (3) of that Article; hereinafter the same applies in this Article) of said Bank Holding Company, take the following measures:

- (i) development of a system to identify the subject transactions in an appropriate manner;
- (ii) development of a system to properly ensure the protection of said customer by the following or any other methods:
 - (a) method for separating the department conducting subject transactions and the department conducting transactions with said customer
 - (b) method for changing the conditions or method of subject transactions or transactions with said customer
 - (c) method for interrupting subject transactions or transactions with said customer
 - (d) method for appropriately disclosing to said customer that the customer's

interests may be unreasonably harmed in connection with subject transactions;

- (iii) formulation of the policy of implementation of the measures set forth in the preceding two items and disclosure of their outline by an appropriate method;
- (iv) keeping the following records on file:
 - (a) records pertaining to the identification of subject transactions conducted under the system prescribed in item (i)
 - (b) records pertaining to measures to appropriately ensure the protection of customers conducted under the system prescribed in item (ii).
- (2) The record prescribed in item (iv) of the preceding paragraph must be kept on file for five years from the date of creation.
- (3) The term "subject transactions" in paragraph (1), when, in connection with transactions conducted by a Bank that is a Subsidiary Company of a Bank Holding Company, Bank Agent having a Bank that is a Subsidiary Company of said Bank Holding Company as its Principal Bank, or the parent financial institution, etc. or subsidiary financial institution, etc. of said Bank Holding Company, the interests of the customer pertaining to Bank-related Business conducted by the Bank that is a Subsidiary Company of said Bank Holding Company, the Bank Agent having a Bank that is a Subsidiary Company of said Bank Holding Company as its Principal Bank, or the subsidiary financial institution, etc. of said Bank Holding Company may be unreasonably harmed, means such transactions.

(Credit Extended to a Single Person Pertaining to a Bank Holding Company)

- Article 34-15 (1) The provisions of Article 14-4 apply mutatis mutandis to a party which is in a special relationship as provided by Cabinet Office Ordinance with a Bank Holding Company as prescribed in Article 52-22, main clause of paragraph (1) of the Act.
- (2) The provisions of Article 14-2 apply mutatis mutandis to the calculation method of the amount of credit extended, etc. (which means credit extended, etc. as prescribed in Article 52-22, main clause of paragraph (1) of the Act; hereinafter the same applies in this Article) to a single person of a Bank Holding Company or its Subsidiary Company, etc. (which means a Subsidiary Company, etc. prescribed in the main clause of the same paragraph; hereinafter the same applies in this Article) and other necessary matters concerning application of provisions of the same paragraph. In this case, the term "said Bank" is deemed to be replaced with the "said Bank Holding Company."
 - (3) The amount of credit extended, etc. to a single person of a Bank Holding Company and its Subsidiary Company, etc., with regard to each of said Bank

Holding Company or its Subsidiary Company, etc., is to be calculated by deducting the amount subject to the adjustment pertaining to said single person from the total amount of credit extended, etc. that is calculated in accordance with the example as prescribed in the provisions of Article 14-2, paragraph (1) as applied mutatis mutandis pursuant to the preceding paragraph (except for the amount contributed by said Bank Holding Company to said single person as prescribed in Article 14, paragraph (3)).

- (4) The term "amount subject to the adjustment" as prescribed in the preceding paragraph means the amount of loans provided by said Subsidiary Company, etc. or any other amounts specified by the Commissioner of the Financial Services Agency among the amount guaranteed by said Bank Holding Company or its Subsidiary Company, etc..
- (5) The net total amount of equity capital as prescribed in Article 52-22, main clause of paragraph (1) of the Act is the amount of equity capital calculated in accordance with the standards as prescribed in Article 52-25 of the Act after adding necessary adjustments pursuant to the provisions specified by the Commissioner of the Financial Services Agency.
- (6) A Bank Holding Company, when intending to obtain an approval for the total amount of credit extended, etc. to a single person of the Bank Holding Company or its Subsidiary Company, etc. as prescribed in the proviso of Article 52-22, paragraph (1) of the Act that exceeds the limit on extensions of credit, etc. pertaining to the Bank Holding Company as prescribed in the main clause of said paragraph, must attach the documents set forth in each item of Article 14-3, paragraph (3) to a written application for approval and submit them to the Commissioner of the Financial Services Agency, etc.
- (7) A Bank Holding Company, under whatever name, must not perform any transaction or act to evade prohibitions as prescribed in Article 52-22, main clause of paragraph (1) of the Act.

(Scope of a Subsidiary Company of a Bank Holding Company)

Article 34-16 (1) Persons provided by Cabinet Office Ordinance primarily as a Bank Holding Company, its Subsidiary Company, and any other person similar to the above, as prescribed in Article 52-23, paragraph (1), item (x) and paragraph (6) of the Act, are the following:

- (i) a group of bank holding companies of said Bank Holding Company (which means a group which includes a Bank or companies set forth in Article 52-23, paragraph (1), item (i) or item (vi) of the Act among a group of two or more Subsidiary Companies of said Bank Holding Company or a group of said Bank Holding Company and its Subsidiary Companies; the same applies in the following item);
- (ii) a group of bank holding companies of said Bank Holding Company and the

following persons:

- (a) a person set forth in Article 17-2, paragraph (4), item (iv);
 - (b) a group of bank holding companies of other Bank Holding Company; and
 - (c) a group of long-term credit bank holding companies of a long-term credit bank holding company.
- (2) The term a "group of long-term credit bank holding companies" as prescribed in the preceding paragraph, item (ii), sub-item (c) means a group that includes a long-term credit bank or companies set forth in Article 16-4, paragraph (1), item (i) or (vi) of the Long-Term Credit Bank Act among a group of two or more Subsidiary Companies of a group of long-term credit bank holding companies or a group of said long-term credit bank holding companies and its Subsidiary Companies, etc.
- (3) Business as provided by Cabinet Office Ordinance as prescribed in Article 52-23, paragraph (1), item (x), sub-item (a) of the Act is the following:
- (i) a business of leasing of real property (as a general rule, limited to real property for business acquired from or leased to a Bank Holding Company is a Subsidiary Company, or its Subsidiary Company) for another business operator, or maintenance, inspection, or other management of real property or incidental equipment to the real property that is owned by another business operator;
 - (ii) a business of providing services concerning a benefit or welfare program for officers or employees of another business operator;
 - (iii) a business of purchase or management of goods for business use of another business operator;
 - (iv) a business of printing or bookbinding of documents, vouchers or other statements pertaining to services of another business operator;
 - (v) a business of advertisement or promotion concerning business of another business operator;
 - (vi) a business of operation, maintenance, inspection, or other management of automobiles for another business operator;
 - (vii) a business of investigation or provision of information to be necessary for the business of another business operator (except for that corresponding to item (x));
 - (viii) a business of maintenance, inspection, or other management of Cash Dispensers, etc. of another business operator;
 - (ix) a business of preparation or dispatch of postcards or sealed documents that solicit the conclusion of contracts pertaining to business of another business operator or that explain the contents of said contracts;
 - (x) a business of evaluation of properties that is the object of security for a claim pertaining to financing or other credit extended executed by another business operator, maintenance of property that is the object of said security

- or other necessary services for said properties;
- (xi) a business of consulting service for loan (limited to a loan necessary to purchase a housing or a loan to any other consumers) provided by another business operator, or an introducing brokerage of services pertaining to said loan, or performing other services necessary for said loan;
 - (xii) a business pertaining to foreign funds transfer transactions carried out by another business operator, letters of creditor traveler's checks, or a business to carry out services necessary for the loan of funds directly necessary for import or export or any other international transactions, discounting of bills and notes, a debt guarantee, or accepting of bills and notes;
 - (xiii) a business of calculations pertaining to services of another business operator;
 - (xiv) a business of preparation, arrangement, custody, dispatching, or delivery of documents pertaining to services of another business operator, vouchers, or any other documents;
 - (xv) a business as an introducing brokerage to carry out services between another business operator and customers of said other business operator;
 - (xvi) a worker dispatch business as provided in Article 2, item (iii) of the Act Concerning Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers, or employment placement business carried out after obtaining a permission pursuant to the provisions of Article 30, paragraph (1) of the Employment Security Act;
 - (xvii) a business to carry out services concerning computers for another business operator (including businesses performing design or maintenance of a system that functions by using a computer, or the design, development, or sales of a software program (including sales of attachments to be necessary for sale of the software program) or its maintenance);
 - (xviii) a business to provide education or training to officers or employees of another business operator;
 - (xix) a business of transportation of cash, checks, bills and notes, or securities of another business operator (except those corresponding to the following item and item (xxi));
 - (xx) a business of collection and delivery of cash, checks, bills and notes, or certificates to principal customers of another business operator;
 - (xxi) a business of acceptance and delivery of securities pertaining to the business of another business operator with the principal customers of said business operator;
 - (xxii) a business of arrangement of cash, checks, bills and notes, or securities, confirmation of the amount or count, or retaining custody temporarily on behalf of another business operator;

- (xxiii) a business of investment on behalf of an insurance corporation which is a Subsidiary Company;
 - (xxiv) when a Bank, a long-term credit bank, or an insurance corporation (hereinafter referred to as "Fellow Bank, etc." in this item) that is a Subsidiary Company of a Bank Holding Company, which is a Subsidiary Company, requires to exercise the security interest for the calling of credit pertaining to a loan of funds or any other credit extended, or when a purchasing company of claims secured with real property that is contributed and incorporated jointly by financial institutions (hereinafter referred to as "Purchasing Company" in this item) requires to exercise the security interest in order to call claims secured with real property purchased from said Fellow Bank, etc., a business to purchase the real property that is the object of security for this claims at an appropriate price for said Fellow Bank, etc. or said Purchasing Company and a business to own and manage purchased real property and any other necessary services concerning said real property;
 - (xxv) other business as provided by the Commissioner of the Financial Services Agency as equivalent to the business set forth in items (i) to the preceding item; or
 - (xxvi) business incident to the business set forth in each of the preceding items (limited to business carried out by a person who engages in business as set forth in each said item).
- (4) A company as provided by Cabinet Office Ordinance as prescribed in Article 52-23, paragraph (1), item (xi) and Article 52-24, paragraph (7) of the Act means a stock company as prescribed in Article 17-2, paragraph (6).
- (5) Beyond a company as provided in the preceding paragraph, a stock company that corresponds to a company as prescribed in the preceding item when its voting rights are acquired by a Bank Holding Company or its Subsidiary Company (including a company that is to become a Subsidiary Company; hereinafter the same applies in this paragraph) due to reasons other than those set forth in Article 34-17, paragraph (1), item (i) or (ii) (when voting rights of said stock company are acquired by said Bank Holding Company or its Subsidiary Company in two or more transactions, the last acquisition due to reasons other than those set forth in Article 34-17, paragraph (1), item (i) or (ii)) also corresponds to a company as provided by Cabinet Office Ordinance, as prescribed in Article 52-23, paragraph (1), item (xi) and Article 52-24, paragraph (7) of the Act pertaining to said Bank Holding Company, unless said voting rights are newly acquired by said Bank Holding Company or its Subsidiary Company due to reasons other than those set forth in Article 34-17, paragraph (1), item (i) or (ii).
- (6) Notwithstanding the preceding two items, when a Subsidiary Company of a Bank Holding Company that carries out only in business set forth in Article

17-3, paragraph (2), item (xii) and other business incidental to this (hereinafter referred to as "Specified Subsidiary Company" in this paragraph) does not dispose of the purchased voting rights of a company as prescribed in the preceding two paragraphs (hereinafter referred to as "Company Cultivating New Business Field, etc." in this paragraph and in Article 34-20, paragraph (1), item (ix)) no later than the day after ten years from the date of the acquisition (hereinafter referred to as "Base Disposition Day" in this paragraph), said Company Cultivating New Business Field, etc. on or after the day following the Base Disposition Day does not correspond to a company as provided by Cabinet Office Ordinance, as prescribed in Article 52-23, paragraph (1), item (xi) and Article 52-24, paragraph (7) of the Act pertaining to said Bank Holding Company; provided, however, that this does not apply when the number of voting rights of said Company Cultivating New Business Field, etc. held by said Bank Holding Company or its Subsidiary Company decreases below the base voting right holding number on said Base Disposition Day (which means the number of voting rights obtained by multiplying all of the stockholder voting rights by fifteen percent with regard to the voting rights of a company in Japan (which means a company in Japan prescribed in Article 16-3, paragraph (1) of the Act; hereinafter the same applies in this Chapter and Chapter V), and the number of voting rights obtained by multiplying all of the stockholder voting rights by fifty percent with regard to the voting rights of a foreign company; hereinafter the same applies in this paragraph), and when said Specified Subsidiary Company disposes of voting rights, which correspond to the portion exceeding the base voting right holding number on said Base Disposition Day, of said Company Cultivating New Business Field, etc. held by said Bank or its Subsidiary Company during from said day of acquisition to the Base Disposition Day.

- (7) The companies as provided by Cabinet Office Ordinance as prescribed in Article 52-23, paragraph (1), item (xi) of the Act mean a company that carries out only in business as set forth in Article 17-3, paragraph (2), item (xii) and businesses incidental to this.
- (8) The companies as provided by Cabinet Office Ordinance as prescribed in Article 52-23, paragraph (1), item (xii) of the Act are the following; provided, however that when said Holding Company carries out a business as set forth in each item of Article 17-3, paragraph (1), said business must be that carried out for business that is carried out primarily by a Bank, its Subsidiary Company, or a person as set forth in each item of paragraph (1) pursuant to the standards specified by the Commissioner of the Financial Services Agency:
- (i) with regard to a Holding Company of which Subsidiary Company is a Company Specialized in Securities Business, a Company Specialized in Securities Introducing Brokerage Services, or a foreign company that carries

- out securities-related business as prescribed in Article 52-23, paragraph (1), item (vii) of the Act (excluding a foreign company that carries out Banking) and Company Specialized in Trust Business or a foreign company that carries out Trust Business as prescribed in item (ix) of the same paragraph (excluding a foreign company that carries out Banking), a company that carries out business to engage only in management of said Subsidiary Company, business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (xxiv) to (xxxiv)) (limited to cases where the company does not hold the company as prescribed in Article 16-2, paragraph (1), items (i), (ii), (v), (v)-2, (vii), and (ix) of the Act as its Subsidiary Company; the same applies hereinafter except in the following item and item (iii));
- (ii) with regard to a Holding Company of which Subsidiary Company is a Company Specialized in Securities Business, Company Specialized in Securities Introducing Brokerage Services, or a foreign company that carries out securities-related business as prescribed in Article 52-23, paragraph (1), item (vii) of the Act (excluding a foreign company that carries out Banking), a company that carries out business to engage only in management of said Subsidiary Company, business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (xxiv) to (xxxvii)) (limited to cases where the company does not hold the company as prescribed in Article 16-2, paragraph (1), items (i), (ii), (v) to (vii), (ix), and (x) of the Act as its Subsidiary Company);
- (iii) with regard to a Holding Company of which Subsidiary Company is a Company Specialized in Trust Business or a foreign company that carries out Trust Business as provided in Article 52-23, paragraph (1), item (ix) of the Act (excluding a foreign company that carries out Banking), a company that carries out business to engage only in management of said Subsidiary Company, business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (ixx) to (xxxiv)) (limited to cases where the company does not hold the company as provided in Article 16-2, paragraph (1), items (i), (ii), (iii) to (v)-2, and (vii) to (ix) of the Act as its Subsidiary Company);
- (iv) with regard to a Holding Company of which Subsidiary Company is a company as provided in Article 52-23, paragraph (1), items (i)-2, (x) and (xi) of the Act, a company that carries out business to engage only in management of said Subsidiary Company, business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (ixx) to (xxxiv));
- (v) with regard to a Holding Company as prescribed in Article 17-3, paragraph (6) of the Act among a Company Specialized in Securities Business or a

- Company Specialized in Securities Introducing Brokerage Services that is a Subsidiary Company of said Bank as prescribed in Article 16-2, paragraph (2), item (vi), sub-item (c) of the Act, a company that carries out business to engage only in management of a Subsidiary Company of said Holding Company, business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (xxiv) to (xxxvii));
- (vi) with regard to a Holding Company as prescribed in Article 17-3, paragraph (7) of the Act among Subsidiary Companies of an insurance corporation that is a Subsidiary Company of said Bank as prescribed in Article 16-2, paragraph (2), item (vii), sub-item (c) of the Act, a company that carries out business to engage only in management of a Subsidiary Company of said Holding Company, business incidental to this, and business as set forth in each item of Article 17-3, paragraphs (1) and (2) (excluding items (xiv) to (xxiii), and (xxxv) to (xxxvii)); or
- (vii) with regard to a Holding Company as prescribed in Article 17-3, paragraph (8) of the Act among Subsidiary Companies of a Trust Bank or a Company Specialized in Trust Business, which is a Subsidiary Company of said Bank as prescribed in Article 16-2, paragraph (2), item (viii), sub-item (d) of the Act, a company that carries out business to engage only in management of a Subsidiary Company of said Holding Company, business incidental to this, and business as set forth in each item, paragraphs (1) and (2) of the same Article (excluding items (xiv) to (xxxiv)).
- (9) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to voting rights as prescribed in paragraphs (5) and (6).

(Reasons Why the Provisions of Article 52-23, paragraph (1) of the Act Do Not Apply)

Article 34-17 (1) Reasons as provided by Cabinet Office Ordinance as prescribed in Article 52-23, paragraph (2) of the Act are the following reasons:

- (i) acquisition of Shares, etc. by execution of a security interest of a Bank Holding Company or its Subsidiary Company;
- (ii) acquisition of Shares, etc. by acceptance of substitute performance of a Bank Holding Company or its Subsidiary Company;
- (iii) acquisition of voting rights pertaining to shares or ownership interest that may not exercise voting rights held by a Bank Holding Company or its Subsidiary Company (limited to acquisition due to the occurrence of an event that is not based on the intention of said Bank Holding Company or its Subsidiary Company);
- (iv) conversion of shares of a company for which shares are held by a Bank Holding Company or its Subsidiary Company (excluding the cases of conversion that are requested by said Bank Holding Company or its

- Subsidiary Company);
- (v) consolidation, split, allotment of share without contribution of Shares, etc. of a company for which Shares, etc. are held by a Bank Holding Company or its Subsidiary Company;
 - (vi) change of content of rights or number of share units pertaining to Shares, etc. due to a change of articles of incorporation of a company for which Shares, etc. are held by a Bank Holding Company or its Subsidiary Company;
 - or
 - (vii) acquisition of its own Shares, etc. of a company for which Shares, etc. are held by a Bank Holding Company or its Subsidiary Company.
- (2) Reasons as provided by Cabinet Office Ordinance as prescribed in Article 52-23, paragraph (4) of the Act are the reasons set forth in each item of the preceding paragraph.

(Exclusions from Bank Eligible as Subsidiary Companies among Companies Eligible as a Subsidiary Company)

Article 34-18 The companies as provided by Cabinet Office Ordinance as prescribed in Article 52-23, paragraph (3) of the Act are a company that carries out only in the following business:

- (i) business set forth in Article 17-3, paragraph (2), items (i) to (xviii)-5;
- (ii) other business as provided by the Commissioner of the Financial Services Agency as being similar to business set forth in the preceding item; or
- (iii) business pertaining to business incidental to business set forth in the preceding two items among business set forth in Article 17-3, paragraph (2), item (xxxix).

(Application of an Authorization for Making a Bank Eligible as Subsidiary Companies as a Subsidiary Company)

Article 34-19 (1) A Bank Holding Company, when intending to obtain an authorization for making a Bank, etc. eligible as a Subsidiary Companies (which means Bank, etc. eligible as a Subsidiary Companies as prescribed in Article 52-23, paragraph (3) of the Act; hereinafter the same applies in this Article) as its Subsidiary Company pursuant to the provisions of the same paragraph, must submit a written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents concerning said Bank Holding Company:
 - (a) documents stating the system pertaining to management of a Subsidiary Company executed by said Bank Holding Company;
 - (b) documents stating the situation of securing employees with knowledge and experience concerning the Bank services;

- (c) in the cases of making a Bank, etc. eligible as a Subsidiary Companies by means of a share exchange, the following documents:
 1. minutes of shareholders meeting and other documents certifying that necessary procedures were followed;
 2. documents stating the contents of the share exchange agreement;
 3. documents stating the cost for the share exchange;
 - (iii) the following documents concerning said Bank Holding Company and its Subsidiary Company, etc. (which means a Subsidiary Company, etc., as prescribed in Article 52-25 of the Act; hereinafter the same applies in this item and the following paragraph; Article 34-29, paragraph (1), items (v) and (ix); Article 34-30, paragraph (1), items (v) and (ix); Article 34-31, paragraph (1), items (iv) and (vi); and Article 35, paragraph (3)):
 - (a) with regard to said Bank Holding Company and its Subsidiary Company, etc., the latest consolidated balance sheet, profit and loss statement, statement of changes in net assets, and other documents providing the latest status of business, assets, and profit and loss in these companies; and
 - (b) documents stating an estimation of income and expenditures and consolidated capital adequacy ratio of said Bank Holding Company and its Subsidiary Company, etc. (including a company to become a Subsidiary Company, etc.) after obtaining said authorization;
 - (iv) the following documents concerning a Bank, etc. eligible as a Subsidiary Companies, etc. pertaining to said authorization:
 - (a) documents stating the name, the location of its principal business office or office;
 - (b) documents stating the content of business;
 - (c) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide the latest status of business, assets, and profit and loss; and
 - (d) documents stating the titles and names of officers (when an officer is a corporation, including a person who will be engaged in the duties).
 - (v) when said Bank Holding Company or its Subsidiary Company comes to hold voting rights of a company in Japan for which the total number exceeds the maximum threshold for voting rights held due to holding a Bank, etc. eligible as a Subsidiary Companies, etc., documents stating the name and content of business of said company in Japan; and
 - (vi) other documents stating matters to be referenced for an examination as prescribed in the following paragraph.
- (2) The Commissioner of the Financial Services Agency, when an application of authorization pursuant to the provisions of the preceding paragraph is filed, is to examine whether it conforms to the following standards:

- (i) income and expenditures of the Bank Holding Company that filed an application and its Subsidiary Company, etc. are satisfactory at the time of said application and are estimated to change satisfactorily after making a Bank, etc. eligible as a Subsidiary Companies, etc. pertaining to said authorization as its Subsidiary Company;
 - (ii) consolidated capital adequacy ratio of the Bank Holding Company that filed an application and its Subsidiary Company, etc. (including a Bank, etc. eligible as a Subsidiary Companies, etc. pertaining to said authorization) is expected be the proper level;
 - (iii) the Bank Holding Company which filed the application, in light of systems, etc. pertaining to its personnel structure and business management of the Subsidiary Company, may carry out proper and fair business management of a Bank, etc. eligible as a Subsidiary Companies, etc. pertaining to said authorization; and
 - (iv) a Bank, etc. eligible as a Subsidiary Companies, etc. pertaining to said authorization may carry out proper and fair business.
- (3) The provisions of the preceding two paragraphs apply mutatis mutandis to an authorization pursuant to the provisions of Article 52-23, proviso of paragraph (4) of the Act.
- (4) The provisions of paragraph (1) apply mutatis mutandis to an authorization pursuant to the provisions of Article 52-23, paragraph (5) of the Act.
- (5) The provisions of Article 2, paragraph (1) of the Act apply mutatis mutandis to voting rights as prescribed in paragraph (1), item (v) (including the cases where it is applied mutatis mutandis pursuant to the preceding two paragraphs).

(Persons Similar to a Bank Holding Company and Its Subsidiary Company)
 Article 34-19-2 Persons provided by Cabinet Office Ordinance as prescribed in Article 52-23-2, paragraph (1) item (i), sub-item (a) of the Act are those set forth in the items of Article 34-16, paragraph (1) of the Act.

(Business Subject to Special Subsidiary Company)
 Article 34-19-3 Those provided by Cabinet Office Ordinance as prescribed in Article 52-23-2, paragraph (2) of the Act are the purchase and sale of instruments prescribed in Article 10, paragraph (2), item (xiv) of the Act pertaining to financial derivatives transactions prescribed in the same item.

(Application for Authorization of Making a Company Subject to Special Subsidiary Company a Specified Special Subsidiary Company)
 Article 34-19-4 (1) A Bank Holding Company, when intending to obtain an authorization to make a Company Subject to Special Subsidiary pursuant to

the provisions of Article 52-23-2, paragraph (3) of the Act (which means a Company Subject to Special Subsidiary prescribed in paragraph (1) of the same Article; hereinafter the same applies in this Article) a Holding Specified Subsidiary Company (which means a Holding Specified Subsidiary Company prescribed in paragraph (1) of the same Article; hereinafter the same applies in this Article and the following Articles), must attach the following documents to an written application for authorization and submit them to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) the following documents pertaining to said Bank Holding Company:
 - (a) a document describing the system of management of the Specified Special Subsidiary Company that said Bank Holding Company exercises;
 - (b) a document describing the status of recruitment of personnel having knowledge and experience in Bank services;
 - (c) when making a Company Subject to a Special Subsidiary Company a Holding Specified Subsidiary Company by means of share exchange, the following documents:
 - 1. minutes of shareholders meetings and other documents certifying that necessary procedures are followed;
 - 2. a document describing the details of the share exchange contract; and
 - 3. a document stating the cost of the share exchange;
- (iii) the following documents concerning said Bank Holding Company and its Subsidiary Company, etc. (which means the Subsidiary Company, etc. prescribed in Article 52-25 of the Act; hereinafter the same applies in this item and the following paragraph, item (i)):
 - (a) with regard to said Bank Holding Company and its Subsidiary Company, etc., the latest consolidated balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide information on the latest conditions of the business, assets, and profit and loss of these companies; and
 - (b) a document giving an estimate of income and expenditures and the consolidated capital adequacy ratio of said Bank Holding Company and its Subsidiary Company, etc. (including the company to become a Subsidiary Company, etc.) after obtaining said authorization;
- (iv) the following documents concerning a Company Subject to Special Subsidiary Company on said authorization:
 - (a) a document stating the name and the location of its principal business office or office;
 - (b) a document describing the details of business;
 - (c) the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents that provide information on the latest

- conditions of business, assets, and profit and loss; and
- (d) a document stating the titles and names of the officers (when an officer is a corporation, including the persons who fulfill such function);
 - (v) any other documents providing information that would be useful to the examination prescribed in the following paragraph;
- (2) The Commissioner of the Financial Services Agency is to, when an application for authorization pursuant to the provisions of the preceding paragraph is filed, examine whether it conforms to the following standards:
- (i) income and expenditures of the applicant Bank Holding Company and its Subsidiary Company, etc. are satisfactory at the time of said application and estimated to change satisfactorily after the Company Subject to Special Subsidiary Company under examination for said authorization is made a Holding Specified Subsidiary Company;
 - (ii) the consolidated capital adequacy ratio (which means the ratio obtained by the formula of the criteria prescribed in Article 52-25 of the Act) of the applicant Bank Holding Company and its Subsidiary Company, etc. (which means Subsidiary Company, etc. prescribed in the same Article), the consolidated capital adequacy ratio (which means the ratio obtained by the formula of the criteria prescribed in Article 14-2, item (ii) of the Act) of a bank that is a Subsidiary Company of said Bank Holding Company and its Subsidiary Company, etc. (which means Subsidiary Company, etc. prescribed in the same item), and the non-consolidated capital adequacy ratio of said bank (which means the ratio obtained by the formula of the criteria prescribed in Article 14-2, item (i) of the Act) are all at satisfactory levels at the time of said application and are estimated to remain at satisfactory levels after the Company Subject to Special Subsidiary Company under examination for said authorization is made a Holding Specified Subsidiary Company.
 - (iii) In light of such matters as its personnel structure and the system of management of the Subsidiary Company, the applicant Bank Holding Company is capable of ensuring a proper and fair management of the Company Subject to Special Subsidiary Company under examination for said authorization.
 - (iv) the Company Subject to Special Subsidiary Company under examination for said authorization is capable of conducting its business properly and fairly.
 - (v) In light of the status of business of the applicant Bank Holding Company, there is no risk that may affect the sound and proper operation of the services of the Bank that is a Subsidiary Company of said Bank Holding Company even after the said Bank Holding Company has made the Company Subject to Special Subsidiary Company under examination for said

authorization a Holding Specified Subsidiary Company.

- (3) The provisions of the preceding two paragraphs apply mutatis mutandis to an authorization pursuant to the provisions of Article 52-23-2, proviso of paragraph (5) of the Act.
- (4) The provisions of paragraph (1) apply mutatis mutandis to an authorization pursuant to the provisions of Article 52-23-2, paragraph (6) of the Act.

(Requirements Deemed Necessary to Ensure Sound and Proper Operation of the Services of a Bank That Is a Subsidiary Company of a Bank Holding Company)

Article 34-19-5 (1) The Requirements provided by Cabinet Office Ordinance as prescribed in Article 52-23-2, paragraph (4) of the Act and that pertain to the business prescribed in Article 34-19-3 of the Act are the following:

- (i) the total amount of the commodity held by said Holding Specified Subsidiary Company as a result of the business prescribed in Article 34-19-3 does not exceed the amount prescribed by the Commissioner of the Financial Services Agency;
 - (ii) the company does not own any facility for the storage or transport of the commodity; and
 - (iii) the company does not perform any conversion of the commodity such as refining and processing;
- (2) The amount of the commodity prescribed in item (i) of the preceding paragraph is accounted for at market value; provided, however, that, when the total amount of said commodity exceeds the sum of the prices of acquisition of said commodity (when the decline in the value of said merchandise is deducted as loss in the calculation of profit and loss, the balance of said deduction), the amount is said sum.

(Reasons Why the Provisions of Article 52-24, paragraph (1) of the Act Do Not Apply)

Article 34-20 (1) Reasons as provided by Cabinet Office Ordinance as prescribed in Article 52-24, paragraph (2) of the Act are the following reasons:

- (i) acquisition of Shares, etc. by exercise of the security interest of a Bank Holding Company or its Subsidiary Company;
- (ii) acquisition of Shares, etc. by acceptance of substitute performance of a Bank Holding Company or its Subsidiary Company;
- (iii) acquisition of Shares, etc. by a Bank Holding Company or its Subsidiary Company, based on a plan for reasonable management improvement with the company which is its customer (limited to cases of said acquisition of Shares, etc. is executed in order to extinguish a debt of said company to said Bank Holding Company or its Subsidiary Company, and the cases where the

- business management of said company is expected to be improved within a reasonable period by said acquisition of Shares, etc.);
- (iv) acquisition of voting rights pertaining to shares or ownership interest for which the voting rights held by a Bank Holding Company or its Subsidiary Company may not be exercised (limited to those shares or voting rights acquired due to occurrence of an event that is not based on the intention of said Bank Holding Company or its Subsidiary Company);
 - (v) conversion of shares of a company of whose shares are held by a Bank Holding Company or its Subsidiary Company (excluding cases where said conversion is executed by request of said Bank Holding Company or its Subsidiary Company);
 - (vi) consolidation, split or allotment of share without contribution of Shares, etc. of a company for which Shares, etc. are held by a Bank Holding Company or its Subsidiary Company;
 - (vii) change of the content of rights or a the number of share unit pertaining to Shares, etc. due to a change of articles of incorporation of a company for which Shares, etc. are held by a Bank Holding Company or its Subsidiary Company;
 - (viii) acquisition of own Shares, etc. by a company for which Shares, etc. are held by a Bank Holding Company or its Subsidiary Company;
 - (ix) when intending to dispose of the voting rights of a Company Cultivating New Business Field, etc. pursuant to the provisions of Article 34-16, paragraph (6), said voting rights are unable to be disposed of because transfer of said voting rights is extremely difficult due to a reason found to be compelling;
 - (x) acquisition of Shares, etc. when the number of voting rights in assets other than trust assets pertaining to a trust without compensation for principal is within the maximum threshold for voting rights held; and
 - (xi) with regard to shares that were issued by a company which is a customer of a Bank Holding Company or its Subsidiary Company, and acquired based on reasonable plans with said client company, if an approval by the Commissioner of the Financial Services Agency has been obtained in advance for a transfer of said shares (excluding those corresponding to reasons set forth in item (v)) necessary in order to dispose of said shares within a reasonable period of time in accordance with improvement in management of said client company, or for that there are other reasonable reasons.
- (2) When intending to obtain an approval described in item (xi) in the preceding paragraph, a written application for approval attached with the following documents must be submitted to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;

- (ii) a document stating the trade name and content of business of a company in Japan pertaining to said approval;
 - (iii) a document stating the policies concerning the method of disposition of a portion of voting rights of a company in Japan pertaining to said approval that voting rights are acquired or held exceeding the maximum threshold for voting rights held; and
 - (iv) other documents stating matters to be referenced in an examination as prescribed in the following paragraph.
- (3) The Commissioner of the Financial Services Agency, when an application for an approval is filed pursuant to the preceding paragraph, is to examine whether there is a reasonable cause for the Bank Holding Company that filed said application to own or hold the number of voting rights exceeding the maximum threshold for voting rights held, and whether it is proper or not that the policies concerning method to dispose of portion of voting rights exceeding the maximum threshold for voting rights held which is to be acquired or possessed.

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

Article 34-21 (1) A Bank Holding Company, when intending to obtain an approval pursuant to the provisions of Article 52-24, proviso of paragraph (2) of the Act, must submit a written application for approval attached with the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
 - (ii) a document stating the trade name and content of business of a company in Japan pertaining to said approval;
 - (iii) a document stating the policies concerning the method of disposition of a portion of the voting rights of a company in Japan pertaining to said approval, for which was acquired or possessed in number exceeding the maximum threshold for voting rights held; and
 - (iv) other documents stating matters to be referenced for the examination as prescribed in the following paragraph.
- (2) The Commissioner of the Financial Services Agency, when an application for approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether the Bank Holding Company that filed said application or its Subsidiary Company has a reason, which is found to be unavoidable, to hold voting rights exceeding the maximum threshold for voting rights held, or not.
- (3) The provisions of Article 2, paragraph (11) of the Act apply to the voting rights prescribed in paragraph (1), item (iii).

(Cases That Voting Rights May Be Held Exceeding the Maximum Threshold for

Voting Rights Held)

- Article 34-22 (1) The cases as provided by Cabinet Office Ordinance as prescribed in Article 52-24, paragraph (4) of the Act are the cases that said Bank Holding Company made a Bank, a long-term credit bank, a Company Specialized in Securities Business, Company Specialized in Securities Introducing Brokerage Services, an insurance corporation, or a small amount and short-term insurance provider as its Subsidiary Company in accordance with an authorization as prescribed in Article 52-23, paragraph (3) of the Act.
- (2) The cases as provided by Cabinet Office Ordinance as prescribed in Article 52-24, paragraph (4), item (vi) of the Act are the cases that said Bank Holding Company made a Bank, a long-term credit bank, a Company Specialized in Securities Business, Company Specialized in Securities Introducing Brokerage Services, an insurance corporation, or a small amount and short-term insurance provider as its Subsidiary Company due to succession of business based on an absorption-type company split after obtaining an authorization as prescribed in Article 52-35, paragraph (2) of the Act.
- (3) The cases as provided by Cabinet Office Ordinance as prescribed in Article 52-24, paragraph (4), item (vii) of the Act are the cases that said Bank Holding Company holds a Bank, a long-term credit bank, a Company Specialized in Securities Business, Company Specialized in Securities Introducing Brokerage Services, an insurance corporation, or a small amount and short-term insurance provider as its Subsidiary Company due to a business acquisition after obtaining an authorization as prescribed in Article 52-35, paragraph (3) of the Act.

(Subsidiary Company of a Bank Holding Company)

- Article 34-23 A company that has a special relationship as provided by Cabinet Office Ordinance as prescribed in Article 52-25, of the Act is the following:
- (i) a subsidiary corporation, etc. of said Bank Holding Company (which means a subsidiary corporation, etc. as prescribed in Article 4-2, paragraph (2) of the Order; the same applies in Article 35, paragraph (3)); or
 - (ii) an affiliated corporation, etc. of said Bank Holding Company (which means an Affiliated Corporation, etc. as prescribed in Article 4-2, paragraph (3) of the Order).

Subsection 3 Accounting

(Business Report Pertaining to a Bank Holding Company)

- Article 34-24 (1) An interim business report pursuant to the provisions of Article 52-27, paragraph (1) of the Act must be prepared pursuant to item (xi) of the appended form in regard to the condition of business and assets in the period

from the starting date of the business year to September 30 of said business year in an interim summary statement of business and in interim consolidated financial statements separately, and must be submitted to the Commissioner of the Financial Services Agency, etc. within three months after the close of said period (with regard to a bank holding company located in a foreign state, within six months after the close of said period).

- (2) A business report pursuant to the provisions of Article 52-27, paragraph (1) of the Act must be prepared pursuant to item (xii) of the appended form in a summary statement of business and in consolidated financial statements separately, and must be submitted to the Commissioner of the Financial Services Agency, etc. within three months after the close of the business year (with regard to a bank holding company located in a foreign state, within six months after the close of the business year).
- (3) A Bank Holding Company, if an interim business report or a business report is unable to be submitted within the period prescribed in the preceding two paragraphs due to compelling reasons, said Bank Holding Company may postpone said submission after obtaining an approval from the Commissioner of the Financial Services Agency in advance (when the Director General of the Local Finance Bureau, who has jurisdiction over the location of the main office of said Bank Holding Company pursuant to the provisions of Article 17-3 of the Order, receives said report (when said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau), the Director General of the Local Finance Bureau, or the Director General of the Fukuoka Local Finance Branch Bureau).
- (4) A Bank Holding Company, when intending to obtain an approval pursuant to the provisions of the preceding paragraph, must submit a written application for approval attached with a written statement of reasons to the Commissioner of the Financial Services Agency, etc.
- (5) The Commissioner of the Financial Services Agency, etc., when an application for approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether the Bank Holding Company that filed said application has a compelling reason to postpone submission of an interim business report or business report.

(Public Notice of Balance Sheet Pertaining to a Bank Holding Company)

Article 34-25 (1) An interim consolidated balance sheet, etc. that is to be prepared pursuant to the provisions of Article 52-28, paragraph (1) of the Act (which means an interim consolidated balance sheet, etc. as specified in the same paragraph; including an electronic or magnetic record prepared pursuant to the provisions of same Article, paragraph (2); the same applies hereinafter

- in paragraph (4)) must be prepared in accordance with item (xiii), 1 of the appended form and a consolidated balance sheet, etc. (which means a consolidated balance sheet, etc. as specified in paragraph (1) of same Article; including an electronic or magnetic record prepared pursuant to the provisions of paragraph (2) of same Article; hereinafter the same applies in paragraph (4)) must be prepared in accordance with item (xiii)-2, 1 of the appended form.
- (2) A Bank Holding Company, when intending to obtain an approval for postponement of public notice pursuant to the provisions of Article 52-28, proviso of paragraph (3) of the Act, must submit a written application for approval attached with a written statement of reasons to the Commissioner of the Financial Services Agency, etc.
- (3) The Commissioner of the Financial Services Agency, etc., when an application for approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether there is a reason found to be compelling for postponement of public notice by a Bank Holding Company that filed said application pursuant to the provisions of the proviso of Article 52-28, paragraph (3) of the Act.
- (4) The gist of the interim consolidated balance sheet, etc. that a Bank Holding Company is to announce pursuant to the provisions of Article 52-28, paragraph (4) of the Act is to be specified in item (xiii), 2 of the appended form, and the gist of the consolidated balance sheet, etc. is to be specified in item (xiii)-2, 2 of the appended form.
- (5) Measures pursuant to the provisions of Article 52-28, paragraph (5) of the Act are to be undertaken by means of the use of an automatic public transmission server connected to the Internet among the means set forth in Article 19, paragraph (7), item (i), sub-item (b).

(Public Inspection of Written Explanations Concerning the Condition of Business and Assets Concerning a Bank Holding Company)

Article 34-26 (1) Matters provided by Cabinet Office Ordinance as prescribed in Article 52-29, the first sentence of paragraph (1) of the Act are the following matters (with regard to Interim Written Explanation, except the matters set forth in item (i), sub-items (a), (d) and (e); item (ii), item (iv), sub-item (e)):

- (i) the following matters concerning the general condition and organization of a Bank Holding Company:
- (a) the organization of business management (including the system pertaining to business management of a Subsidiary Company, etc. of a Bank Holding Company (which means a Subsidiary Company, etc. as prescribed in Article 52-25 of the Act (excluding a Subsidiary Company, etc. that does not have material effects to the content of the written explanations prescribed in the first sentence of Article 52-13, paragraph (1)

- of the Act); hereinafter the same applies in this item);
- (b) stated capital and total number of issued shares;
 - (c) the following matters concerning the largest ten or more shareholders in order of the number of shares held
 1. name (when shareholder is a corporation or other organization, its name);
 2. number of shares held by each shareholder; and
 3. percentage of shares held by each shareholder of the total number of issued shares;
 - (d) name and title of directors and company auditors (with regard to a company with committees, directors and executive officers); and
 - (e) with regard to a company with accounting advisors, name of the accounting advisors;
- (ii) the following matters concerning the general condition of the Bank Holding Company and its Subsidiary Company, etc.:
- (a) content of principal business and structure of the organization of the Bank Holding Company and its Subsidiary Company, etc.;
 - (b) the following matters concerning a Subsidiary Company, etc. of the Bank Holding Company:
 1. name;
 2. the location of its principal business office or office;
 3. stated capital or contribution in capital;
 4. content of business;
 5. date of incorporation;
 6. percentage of voting rights of a Subsidiary Company, etc. held by a Bank Holding Company to the number of voting rights held by all of shareholders or all of investors; and
 7. percentage of voting rights of a single Subsidiary Company, etc. of a Bank Holding Company, held by another Subsidiary Company, etc. other than said single Subsidiary Company, etc. to the number of voting rights held by all of shareholders or all of investors;
- (iii) the following matters concerning the principal business of a Bank Holding Company and its Subsidiary Company, etc.:
- (a) general condition of business in the latest interim period of the business year or business year; and
 - (b) the following matters set forth as indexes that indicate the condition of the principal business in the latest three interim periods of consolidated fiscal year and two consolidated fiscal years, or, in the latest five consolidated fiscal years:
 1. ordinary income;
 2. ordinary profit or ordinary loss;

3. interim net income or interim net loss, or net income for the period or net loss for the period;
 4. amount of net assets;
 5. amount of total assets; and
 6. consolidated capital adequacy ratio;
- (iv) the following matters concerning the condition of assets of a Bank Holding Company and its Subsidiary Company, etc. in the latest two interim periods of consolidated fiscal year or two consolidated fiscal years:
- (a) interim consolidated balance sheet or consolidated balance sheet, interim consolidated profit and loss statement or consolidated profit and loss statement, and interim consolidated statement of changes in net assets or consolidated statement of changes in net assets;
 - (b) amount of loans which correspond to the following and its total amount:
 1. loans corresponding to claims to debtors in bankruptcy;
 2. loans corresponding to claims in arrears;
 3. loans corresponding to claims in arrears for three months or more;
 4. loans corresponding to claims with moderate loan conditions;
 - (c) matters as specified separately by the Commissioner of the Financial Services Agency concerning the condition of adequacy of equity capital;
 - (d) in accordance with categories by the type of business when a Bank Holding Company or its subsidiary corporation, etc. (which means a subsidiary corporation, etc., as prescribed in Article 4-2, paragraph (2) of the Order) engages in two or more different types of business, the amount calculated as the amount of ordinary income, the amount of ordinary profit or ordinary loss, and the amount of assets (hereinafter referred to as "Ordinary Income, etc." in this item) that belong to said business category (except for cases that the percentage of each type of Ordinary Income, etc. that accounts for the total amount is small);
 - (e) when documents prepared pursuant to the provisions of Article 52-28, paragraph (1) of the Act (including an electronic or magnetic record prepared pursuant to the provisions of paragraph (2) of said Article) are audited by financial auditors pursuant to the provisions of Article 396, paragraph (1) of the Companies Act, that effect thereof;
 - (f) when a Bank Holding Company obtains an audit certification of a certified public accountant or auditing firm based on Article 193-2 of the Financial Instruments and Exchange Act, for an interim consolidated balance sheet or consolidated balance sheet, interim consolidated profit and loss statement or consolidated profit and loss statement, and interim consolidated statement of changes in net assets or consolidated statement of changes in net assets, that effect; or
 - (g) if an external audit has been conducted concerning the calculation of

consolidated capital adequacy ratio, that effect.

- (v) if, at the end of the business period (in Interim Written Explanation, at the end of the interim business period), there exists an event or circumstances that cast serious doubt on the premise that said Bank Holding Company will continue its business activities in the future or any other event that may have a significant effect on the management of said Bank Holding Company (hereinafter referred to as "Material Event, etc." in this item), a statement to such effect and the details of such events, the results of analysis and examination of said Material Event, etc. as well as the specific measures to be taken to eliminate or improve said Material Event, etc.;
- (2) Notwithstanding the provisions of the preceding paragraph, a bank holding company located in a foreign state must keep documents (including those written in any language other than Japanese) stating matters concerning the condition of business and assets of said bank holding company located in a foreign state at a business office of a Bank that is a Subsidiary Company of said bank holding company located in a foreign state (excluding an unmanned business office, and a business office located in a foreign state; the same applies in the following paragraph) and must make the documents available for public inspection.
- (3) When the documents specified in the preceding paragraph are stated in a language other than Japanese, a bank holding company located in a foreign state, in addition to said documents stating general conditions of business concerning said bank holding company located in a foreign state, interim balance sheet or balance sheet, and interim profit and loss statement or profit and loss statement, must prepare documents stated in Japanese, keep such documents in an office of a Bank that is a Subsidiary Company of said bank holding company located in a foreign state, and must make such documents available for public inspection.
- (4) A business office as provided by Cabinet Office Ordinance as prescribed in the first sentence of Article 52-29, paragraph (1) of the Act is the following office:
 - (i) an unmanned business office of a Bank that is a Subsidiary Company of a Bank Holding Company; or
 - (ii) a business office located in a foreign state of a Bank that is a Subsidiary Company of a Bank Holding Company.

Article 34-27 (1) A Bank Holding Company must make available for public inspection the documents prepared pursuant to the provisions of Article 52-28, paragraph (1) and Article 52-29, paragraph (1) of the Act (with regard to a bank holding company located in a foreign state, the documents prescribed in paragraphs (2) and (3) of the preceding Article) (including an electronic or magnetic record prepared pursuant to the provisions of Article 52-28,

paragraph (2) and Article 52-29, paragraph (2) of the Act; hereinafter referred to as "Documents for Public Inspection" in this paragraph and the following paragraph) no later than four months after the end of an interim period of business year and business year of said Bank Holding Company (with regard to a bank holding company located in a foreign state, no later than six months after the end of an interim period of business year and business year) and keep said documents available for public inspection until the time that the Bank Holding Company commences to make available Documents for Public Inspection concerning the interim period of business year or business year following said interim period of business year and business year.

- (2) If a Bank Holding Company is unable to commence to make available for public inspection the Documents for Public Inspection by the date specified in the preceding paragraph due to an compelling reason, said Bank Holding Company may postpone the commencement of said public inspection after obtaining an approval of the Commissioner of the Financial Services Agency in advance (in the case of a Bank Holding Company other than a Bank Holding Company designated by the Commissioner of the Financial Services Agency, the Director General of the Local Finance Bureau that has jurisdiction over the location of the principal office of said Bank Holding Company (when said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau)).
- (3) A Bank Holding Company, when intending to obtain an approval pursuant to the provisions of the preceding paragraph, must submit a written statement of reasons attached to a written application for approval to the Commissioner of the Financial Services Agency, etc.
- (4) The Commissioner of the Financial Services Agency, etc., when an application for an approval pursuant to the provisions of the preceding paragraph is filed, is to examine whether there is a compelling reason for postponing the commencement date of public inspection pursuant to the provisions of paragraph (1) by the Bank Holding Company that submitted said application.
- (5) Measures as provided by Cabinet Office Ordinance as prescribed in Article 52-29, paragraph (3) of the Act are conducted by means of displaying matters recorded in an electronic or magnetic record on paper or a screen.

Article 34-27-2 A Bank Holding Company must endeavor to disclose by quarterly period of each business year matters of special materiality (including matters specified separately by the Commissioner of the Financial Services Agency) among those matters which are to be referenced for depositors and other customers of a Bank that is a Subsidiary Company of said Bank Holding Company as prescribed in Article 52-29, paragraph (5) of the Act to understand

the condition of business and assets of said Bank Holding Company and its Subsidiary Company, etc.

(Information for Inclusion in a Business Report of a Bank Holding Company)

- Article 34-28 (1) A business report pursuant to the provisions of Article 52-30 of the Act must be prepared in accordance with item (xiv) of the appended form.
- (2) The annexed detailed statement as prescribed in the provisions of Article 52-30 of the Act must be prepared in accordance with item (xv) of the appended form.

Subsection 4 Mergers, Company Splits, and Business Transfers and Acquisitions

(Written Application for Approval for Merger Pertaining to a Bank Holding Company)

- Article 34-29 (1) A Bank Holding Company, when intending to obtain an authorization for merger pursuant to Article 52-35, paragraph (1) of the Act, must submit a written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency:
- (i) a written statement of reasons;
 - (ii) minutes of shareholders meetings and other documents certifying that necessary proceedings were followed;
 - (iii) documents stating the content of the merger agreement;
 - (iv) documents stating the cost of the merger;
 - (v) with regard to said Bank Holding Company and its Subsidiary Company, etc., the latest consolidated balance sheet, profit and loss statement, statement of changes in net assets, and other documents providing the latest condition of business, assets and profit and loss of these companies;
 - (vi) when there are creditors who gave a public notice or other notice (when a public notice is given by means of a daily newspaper publishing matters concerning current events or an electronic public notice in addition to by means of an official gazette pursuant to the provisions of Article 789, paragraph (3); Article 799, paragraph (3); or Article 810, paragraph (3) of the Companies Act, the public notice by these means) pursuant to the provisions of Article 789, paragraph (2); Article 799, paragraph (2); or Article 810, paragraph (2) of the Companies Act, a document certifying that the debt was paid to said creditor, reasonable security was provided to said creditor, or reasonable assets was entrusted for the purpose of payment to said creditor, or that there is no risk of loss to said creditor if said merger is implemented;
 - (vii) when an extinct company due to a merger or a company that consolidates its shares is a company that issues share certificates, a document certifying

- that public notice was given pursuant to the provisions of Article 219, the main clause of paragraph (1) of the Companies Act, or a document certifying that share certificates have not been issued pertaining to all of said shares;
- (vii)-2 if an extinct company due to a merger has issued share options, a document certifying that public notice was given pursuant to the provisions of Article 293, paragraph (1) of the Companies Act, or a document certifying that share option certificates as prescribed in the same paragraph have not been issued;
- (viii) a document certifying that notification was given pursuant to the provisions of Article 15, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade;
- (ix) articles of incorporation, resumes of the directors and auditors (in the cases of a company with committees, directors and executive officers), a document stating the location of offices of a Bank Holding Company surviving the merger, and documents stating the prospective income and expenditures and consolidated capital adequacy ratio of the Bank Holding Company and its Subsidiary Company, etc. after the merger;
- (ix)-2 when a Bank Holding Company surviving the merger or a Bank Holding Company that is incorporated by the merger is a company with accounting advisors, resumes of the accounting advisors of said Bank Holding Company (when the accounting advisor is a corporation, a document stating the history of said accounting advisor and resumes of members who are to engage in the duties);
- (x) when part of the parties of the merger is not a Bank Holding Company, articles of incorporation, the latest balance sheet, profit and loss statement, statement of changes in net assets, and other documents providing the latest condition of business, assets, and profit and loss of said party who is not said Bank Holding Company;
- (xi) a document stating the system pertaining to management of a Subsidiary Company conducted by the Bank Holding Company surviving the merger;
- (xii) a document stating the condition of securing employees with knowledge and experience concerning Bank services;
- (xiii) when a Bank Holding Company surviving the merger makes a company eligible as a Subsidiary Company (which means a company eligible as a Subsidiary Company as prescribed in Article 52-23, paragraph (1) of the Act; hereinafter the same applies in this item, paragraph (1), item (xiv) of the following Article, and Article 34-31, paragraph (1), item (x)) as a Subsidiary Company, the documents set forth in Article 34-19, paragraph (1), item (iv) concerning said company eligible as a Subsidiary Company;
- (xiv) when a Bank Holding Company surviving the merger or its Subsidiary Company comes to hold voting rights of a company in Japan for which the

- total number exceeds the maximum threshold for voting rights held due to said merger, a document stating the name and content of business of said company in Japan; and
- (xv) other documents stating matters to be referenced for an examination as prescribed in Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) of the Act.
- (2) The provisions of Article 34-10, paragraph (3) apply mutatis mutandis to an examination as prescribed in Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) of the Act pertaining to an application for authorization pursuant to the provisions of the preceding paragraph.
- (3) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to voting rights as prescribed in paragraph (1), item (xiv).

(Written Application for Approval of a Company Split Pertaining to a Bank Holding Company)

Article 34-30 (1) A Bank Holding Company, when intending to obtain an approval for a company split as prescribed in the provisions of Article 52-35, paragraph (2) of the Act, must submit a written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency:

- (i) a written statement of reasons;
- (ii) minutes of shareholders meetings and other documents certifying that necessary proceedings were followed;
- (iii) a document stating the content of the incorporation-type company split plan or absorption-type company split agreement;
- (iv) a document stating the cost of the company split;
- (v) the latest consolidated balance sheet, profit and loss statement, statement of changes in net assets of said Bank Holding Company and its Subsidiary Company, etc., and other documents providing the latest condition of business, assets, and profit and loss of these companies;
- (vi) when there are creditors who gave public notice or other notice (when a public notice is made by means of daily newspaper publishing matters concerning current events or an electronic public notice, in addition to by means of an official gazette pursuant to the provisions of Article 789, paragraph (3); Article 799, paragraph (3); or Article 810, paragraph (3) the Companies Act, the public notice by these means (when a separate notice is not required pursuant to the provisions of Article 789, paragraph (3) or Article 810, paragraph (3) of the same Act, said public notice and other notice)) pursuant to the provisions of Article 789, paragraph (2); Article 799, paragraph (2); or Article 810, paragraph (2) of the Companies Act, a

- document certifying that the debt was paid to said creditor, reasonable security was provided to said creditor, or reasonable assets were entrusted for the purpose of payment to said creditor, or there is no risk of loss to said creditor if said company split is implemented;
- (vii) when a share certificate-issuing company consolidates shares, a document certifying that public notice was given pursuant to the provisions of Article 219, the main clause of paragraph (1) of the Companies Act, or a document certifying that share certificates have not been issued with regard to all of said shares;
- (vii)-2 if a company to be split has issued share options and the cases as prescribed in Article 758, item (v) or Article 763, item (x) of the Companies Act, a document certifying that public notice was given pursuant to the provisions of Article 293, paragraph (1) of said Act and a document certifying that share options as prescribed in said paragraph have not been issued;
- (viii) when a notification is required pursuant to the provisions of Article 15-2, paragraph (2) or (3) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, a document certifying that said notification was submitted;
- (ix) articles of incorporation, resumes of directors and auditors (in the cases of a company with committees, directors and executive officers), and a document stating the location of offices of the Bank Holding Company after said company split, and a document stating the prospective income and expenditures and consolidated capital adequacy ratio of the Bank Holding Company and its Subsidiary Company, etc.;
- (ix)-2 when a Bank Holding Company after said company split is a company with accounting advisors, resumes of the accounting advisors of said Bank Holding Company (when an accounting advisor is a corporation, a document stating the history of said accounting advisor and resumes of members who are to engage in the duties;
- (x) when part of the parties of a company split is not a Bank Holding Company, the prior articles of incorporation, the latest balance sheet, profit and loss statement, statement of changes in net assets and other documents providing the latest condition of business, assets, and profit and loss of said parties which is not a Bank Holding Company;
- (xi) a document stating the system pertaining to business management of a Subsidiary Company conducted by said Bank Holding Company;
- (xii) a document stating the condition of securing employees with knowledge and experience concerning Bank services;
- (xiii) when a Subsidiary Company of said Bank Holding Company is no longer be a Subsidiary Company after said company split, a document stating the name of said Subsidiary Company;

- (xiv) when making a company eligible as a Subsidiary Company as a Subsidiary Company due to said company split, the documents set forth in Article 34-19, paragraph (1), item (iv) concerning said company eligible as a Subsidiary Company;
 - (xv) when a Bank Holding Company or its Subsidiary Company comes to hold voting rights of a company in Japan for which the total number exceeds the maximum threshold for voting rights held due to said company split, a document stating the name and content of business of said company in Japan; and
 - (xvi) other documents stating matters to be referenced for an examination as prescribed in Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) of the Act.
- (2) The provisions of Article 34-10, paragraph (3) apply mutatis mutandis to an examination as prescribed in Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) pertaining to an application of an approval pursuant to the provisions of the preceding paragraph.
- (3) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to voting rights as prescribed in paragraph (1), item (xv).

(Amount of Assets)

- Article 34-30-2 (1) The amount as provided by Cabinet Office Ordinance as the amount of debts as prescribed in Article 16-2-4, paragraph (1), item (ii), sub-item (a) of the Order is the amount obtained by deducting the amount set forth below in item (ii) from the amount set forth in item (i):
- (i) the amount obtained by deducting the amounts which are to be stated in the accounting books pertaining to Shares, etc. as prescribed in Article 795, paragraph (2), item (ii) of the Companies Act (limited to corporate bonds (excluding a corporate bond that was held by said Bank Holding Company immediately before the absorption-type company split)) from the amount, when a balance sheet of said Bank Holding Company is deemed to be prepared immediately after the absorption-type company split, which should be included as the liabilities of said balance sheet;
 - (ii) the amount, when a balance sheet of said Bank Holding Company is deemed to be prepared immediately before the absorption-type company split, which should be included as the liabilities of said balance sheet.
- (2) The amount as provided by Cabinet Office Ordinance as the amount of assets as prescribed in Article 16-2-4, paragraph (1), item (ii), sub-item (a) of the Order is the amount obtained by deducting the amount set forth in item (ii) from the amount set forth in item (i):
- (i) the amount which is to be included as the assets of said balance sheet, when

- a balance sheet of said Bank Holding Company is deemed to be prepared immediately after an absorption-type company split;
- (ii) the amount obtained by deducting the book value of money, etc. as prescribed in Article 795, paragraph (2), item (ii) of the Companies Act (including corporate bonds held by said Bank Holding Company immediately before the absorption-type company split among Shares, etc. as prescribed in the same item) from the amount, when a balance sheet of said Bank Holding Company is deemed to be prepared immediately before the absorption-type company split, which should be included as the assets of said balance sheet.
- (3) Notwithstanding the provisions of the preceding paragraph, when said Bank Holding Company is a company subject to restriction of consolidated dividends, when a splitting company in an absorption-type company split (which means a splitting company in an absorption-type company split as prescribed in Article 758, item (i) of the Companies Act) is a Subsidiary Company of said Bank Holding Company, the amount as provided by Cabinet Office Ordinance as the amount of assets as prescribed in Article 16-2-4, paragraph (1), item (ii), sub-item (a) of the Order is the larger of the following:
- (i) the amount obtained by deducting the amount set forth in paragraph (1), item (ii) from the amount set forth in item (i) of the same paragraph;
 - (ii) the amount obtained by deducting the amount set forth in item (ii) of the preceding paragraph from the amount set forth in item (i) of the preceding paragraph.

(Written Application for Authorization for Business Transfer Pertaining to a Bank Holding Company)

- Article 34-31 (1) A Bank Holding Company, when intending to obtain an authorization for a business transfer or acquisition pursuant to the provisions of Article 52-35, paragraph (3) of the Act (hereinafter referred to as "Business Transfer, etc." in this Article), must submit a written application for authorization attached with the following documents to the Commissioner of the Financial Services Agency, etc.:
- (i) a written statement of reasons;
 - (ii) minutes of shareholders meetings and other documents certifying that necessary proceedings were followed;
 - (iii) documents stating the content of the contract of the Business Transfer, etc.;
 - (iv) with regard to said Bank Holding Company and its Subsidiary Company, etc., the latest consolidated balance sheet, profit and loss statement, statement of changes in net assets, and other documents providing the latest condition of business, assets, and profit and loss of said companies;
 - (v) when it requires notification pursuant to the provisions of Article 16,

- paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, a document certifying that said notification was submitted;
- (vi) documents stating the prospective income and expenditures, and consolidated capital adequacy ratio of the Bank Holding Company and its Subsidiary Company, etc., after said Business Transfer, etc.;
 - (vii) a document stating the system pertaining to business management of a Subsidiary Company conducted by said Bank Holding Company;
 - (viii) a document stating the condition of securing employees with knowledge and experience concerning Bank services;
 - (ix) when a Subsidiary Company of said Bank Holding Company is no longer a Subsidiary Company due to said business transfer, documents stating the name of said Subsidiary Company;
 - (x) when making a company eligible as a Subsidiary Company as a Subsidiary Company due to said business acquisition, the documents set forth in Article 34-19, paragraph (1), item (iv) concerning said company eligible as a Subsidiary Company;
 - (xi) when the Bank Holding Company or its Subsidiary Company is to come to hold voting rights of a company in Japan for which the total number exceeds the maximum threshold for voting rights held due to said business acquisition, documents stating the name and content of business of said company in Japan; and
 - (xii) other documents stating matters to be referenced for an examination as prescribed in Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) of the Act.
- (2) The provisions of Article 34-10, paragraph (3) apply mutatis mutandis to the examination as prescribed in Article 52-18, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 52-35, paragraph (4) pertaining to an application for an approval pursuant to the provisions of the preceding paragraph.
- (3) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis to voting rights as prescribed in paragraph (1), item (xi).

Chapter VIII-2 Bank Agency Services

Section 1 General Rules

(Information for Inclusion in a Written Application for Permission of Bank Agency Services)

Article 34-32 (1) The matters as provided by Cabinet Office Ordinance as prescribed in Article 52-37, paragraph (1), item (vi) of the Act are the following:

- (i) when a Bank Agent is an individual, the following matters:
 - (a) when said individual engages in ordinary business of another corporation, the trade name or name, the location of its principal business office or office, and the types of business of said another corporation;
 - (b) the trade name or name, the location of its principal business office or office, name of the representative person, and the types of business of the following corporation, etc. (which means a company, partnership or other equivalent business entity (including a business entity in a foreign state equivalent to the above and excluding a business entity that has no business office, office or other facilities equivalent thereto in Japan), hereinafter the same applies in this Article) pertaining to said individual:
 - 1. a business entity, etc. of which said individual holds voting rights exceeding fifty percent of the All Shareholders', etc. Voting Rights;
 - 2. a subsidiary corporation, etc. (excluding a foreign corporation or other organization that has no business office, office or other facilities equivalent thereto in Japan; the same applies in the following item (b)) of a corporation, etc. as set forth in 1.;
- (ii) when a Bank Agent is a corporation, the following matters:
 - (a) when an officer of said corporation engages in ordinary business or carries out business of another corporation, the name of said officer, trade name, the location of its principal business office or office and types of business of said corporation;
 - (b) the trade name or name, the location of its principal business office or office, name of the representative person or corporation, and types of business of the following corporation, etc. pertaining to said corporation:
 - 1. a subsidiary corporation, etc. of said corporation, etc.;
 - 2. the parent corporation, etc. of said corporation, etc. (which means a parent corporation, etc. as prescribed in Article 4-2, paragraph (2) of the Order and excludes a foreign corporation or other organization that has no business office, office or other facilities equivalent thereto in Japan)
 - 3. other subsidiary corporation, etc. of the parent corporation, etc. of said corporation, etc. (other than entity as prescribed in 1.);
- (iii) when a Bank Agent receives re-entrustment from a Principal Bank Agent (which means a Principal Bank Agent as prescribed in Article 52-28, paragraph (2) of the Act, the same applies hereinafter), the trade name or business name and the location of its principal business office or office of said Principal Bank Agent;
- (iv) when providing sub-entrustment of Bank Agency Services, the trade name or name and the location of its principal business office or office of a Secondary Bank Agent which receives said sub-entrustment (which means a

Secondary Bank Agent as prescribed in Article 52-58, paragraph (2) of the Act; the same applies hereinafter).

- (2) Notwithstanding the provisions of the preceding paragraph, the matters as provided by Cabinet Office Ordinance as prescribed in Article 52-37, paragraph (1), item (vi) of the Act, for which a Bank, etc. is to give notice pursuant to the provisions of Article 52-61, paragraph (3), etc. of the Act as prescribed in paragraph (1) of the same Article, are the matters as set forth in items (iii) and (iv) of the preceding paragraph.
- (3) The provisions of Article 1-6, paragraph (3) are applied mutatis mutandis to the voting rights held, in the case of the paragraph (1), item (i), sub-item (b), 1., by the applicant prescribed in Article 52-37, paragraph (1) of the Act.

(Content and Method of Services of Bank Agency Services)

Article 34-33 (1) Matters as provided by Cabinet Office Ordinance as prescribed in Article 52-37, paragraph (2), item (ii) of the Act are the following:

- (i) the type of contract as prescribed in each item of Article 2, paragraph (14) of the Act that a Bank Agent handles (including type of deposit, type of borrower, and use of funds borrowed);
 - (ii) whether conducting agency services or intermediary pertaining to each type of contract as prescribed in each item of Article 2, paragraph (14) of the Act that a Bank Agent handles (when both agency services and intermediary are conducted, that effect);
 - (iii) the system of carrying out Bank Agency Services.
- (2) The system of carrying out Bank Agency Services as prescribed in item (iii) of the preceding paragraph, is to include, in addition to a system to prevent actions as prescribed in each item of Article 52-45 of the Act and other actions which may harm proper and sure operations of Bank Agency Services, a system as set forth in each of the following item corresponding to the following categories of case:
- (i) when a Bank Agent is authorized to receive delivery of cash or other assets from a customer concerning activities as a bank agent (which means activities as a bank agent as prescribed in Article 52-43 of the Act; the same applies hereinafter), a system in order to separate and manage said assets from its own assets;
 - (ii) when a Bank Agent operates Bank Agency Services by using a computer connected with electronic telecommunications lines: a system to prevent a customer from misidentifying said Bank Agent for another party;
 - (iii) when concurrent business (which means a business other than Bank Agency Services and business incidental to Bank Agency Services; the same applies hereinafter) is carried out: a system to handle properly information of customers that is acquired concerning activities as a bank agent.

(A Written Application for Permission and Other Documents Attached Thereto)
Article 34-34 The documents as provided by Cabinet Office Ordinance as prescribed in Article 52-37, paragraph (2), item (iii) of the Act are the following documents:

- (i) when a Bank Agent is an individual, a resume and extract of certification of residence (when said individual is a foreign national and resides in Japan, a copy of the certificate of alien registration, a copy of the registration card of or certificate of registered matters; the same applies hereinafter) or alternative documents thereto, and documents pledging not to be or to become subject to the provisions of Article 34-37, item (iv);
- (ii) when a Bank Agent is a corporation, a resume (when an officer is a corporation, including documents stating its history) of each officer (when an officer is a corporation, including the person who is to engage in the duties; hereinafter the same applies in this item, Article 34-37 and Article 34-48, paragraph (1)) and extracts of certification of residence of officers (when an officer is a corporation, including a certificate of registered matters of said officer) (limited to officers working in a business office or other office in Japan) or alternative documents thereto, documents pledging not to be or to become subject to the provisions of Article 34-37, item (v), and a document in which an officer pledges not to be or to become subject to the provisions of Article 34-37, any item from (iv), sub-items (a) to (h);
- (iii) when carrying out Bank Agency Services by receiving an entrustment of Principal Bank, the draft of the entrustment agreement of the business concerning Bank Agency Services with said Principal Bank;
- (iv) when carrying out Bank Agency Services by receiving sub-entrustment of a Principal Bank Agent, the draft of the entrustment agreement of the business concerning Bank Agency Services with said Principal Bank Agent, and a document in which said Principal Bank pledges that said Principal Bank Agent obtained an authorization of said Principal Bank;
- (v) documents stating the condition of securing persons with abilities concerning Bank Agency Services and the condition of placement of said persons (including documents certifying that said persons are with abilities concerning Bank Agency Services);
- (vi) when a Bank Agent is an individual, a record concerning assets prepared pursuant to item (xvi) of the appended form pertaining to the business year preceding the business year that includes the date of application for permission (the business year of an individual is from January 1 to December 31 of the same year; the same applies hereinafter)
- (vii) when a Bank Agent is a corporation, the balance sheet pertaining to the business year preceding the business year that includes the date of

- application for permission or alternative documents thereto; provided, however, that when a Bank Agent is a corporation that was incorporated in the business year that includes the date of application for permission, the balance sheet prepared at the time of incorporation of said corporation or alternative documents thereto;
- (viii) when a Bank Agent is a company with financial auditors, documents stating the contents of an financial audit report as prescribed in Article 396, paragraph (1) of the Companies Act pertaining to the business year preceding the business year that includes the date of application for permission;
 - (ix) documents stating the prospective condition of income and expenditures, and assets, in the three business years after the commencement of Bank Agency Services;
 - (x) when a Principal Bank (when receiving a sub-entrustment of a Principal Bank Agent, including said Principal Bank Agent) collects a guarantee by a guarantor, documents certifying said guarantee and documents concerning said guarantor as prescribed in items (vi) and (vii);
 - (xi) documents stating the summary of the organization that conducts operations concerning internal control, the system of management for compliance, and documents stating the organizational chart concerning the Bank Agency Services;
 - (xii) when a Bank Agent engages in another business, documents stating the content and means of concurrent business;
 - (xiii) the internal rules, etc. concerning management of the Bank Agency Services;
 - (xiv) a pictorial drawing of the surrounding area of the business office or offices where Bank Agency Services are carried out and its layout (including the condition of setting security cameras and condition of security, etc.) and documents stating the name of said business office and the business office of a Principal Bank, which directs business management of the Bank Agency Services which are carried out at said business office;
 - (xv) when business concerning Bank Agency Services is not stipulated in the purpose of business of the articles of incorporation (including documents equivalent thereto), the minutes of a shareholders meeting concerning the addition of said business to said purpose of business (including documents certifying that necessary proceedings were followed by an organization equivalent thereto);
 - (xvi) documents stating matters which to be referenced for an examination as prescribed in Article 52-38, paragraph (1), beyond the provisions set forth in each of the preceding items.

(Information for Inclusion in a Draft of an Entrustment Agreement)

Article 34-35 (1) Matters to be stated in a draft of an entrustment agreement as prescribed in the preceding three paragraphs are the following:

- (i) matters concerning the establishment, abolishment or relocation of a business office or office where Bank Agency Services are carried out;
 - (ii) matters concerning the content of Bank Agency Services (including distinction of agency services or intermediary; the same applies hereinafter);
 - (iii) matters concerning business days and business hours of the Bank Agency Services;
 - (iv) provisions prohibiting the following activities of a Bank Agent:
 - (a) the acts of divulging trade secrets of or Principal Bank matters concerning reputation of customers to a person other than Principal Bank or said customer, or making use thereof for a person other than Principal Bank or said customer;
 - (b) the acts as set forth in each item of Article 52-45 of the Act;
 - (v) handling standards of cash and securities, etc. and matters concerning the responsibilities of the Bank Agent pertaining thereto;
 - (vi) matters concerning sub-entrustment of Bank Agency Services;
 - (vii) matters concerning supervision, audit, and collection for a report by the Principal Bank;
 - (viii) matters concerning terms, renewal, and cancellation of agreements;
 - (ix) matters concerning the display at the storefront regarding content of the Bank Agency Services and business days and business hours of the Bank Agency Services;
 - (x) other matters found to be necessary.
- (2) The provisions of the preceding paragraph apply mutatis mutandis to the matters which are to be stated in the draft of an entrustment agreement of business pertaining to Bank Agency Services between a Principal Bank Agent and Secondary Bank Agent as prescribed in item (iv) of the preceding Article. In this case, the term "Bank Agent" in item (iv) and (v) of the same paragraph is deemed to be replaced with "Secondary Bank Agent"; the term "sub-entrustment" in item (vi) of the same paragraph is deemed to be replaced with "prohibition of sub-entrustment", and the term "a Principal Bank" in item (vii) of the same paragraph is deemed to be replaced with "an Principal Bank and a Principal Bank Agent."

(Financial Basis)

Article 34-36 (1) The standards as provided by Cabinet Office Ordinance as prescribed in Article 52-38, paragraph (1), item (i) of the Act are that the amount calculated by deducting the total amount of liabilities from the total amount of assets recorded on the record concerning the assets as prescribed in

Article 34-34, item (vi), the balance sheet as prescribed in item (vii) of the same Article, or equivalent documents thereto (which is referred to as "Amount of Net Assets" in the following paragraph) is equal to or greater than the amount as set forth in each of the following items, in accordance with the category as set forth in each said item:

- (i) an individual: three million yen;
 - (ii) a corporation: five million yen.
- (2) The following persons are deemed to possess the financial basis as prescribed in Article 52-38, paragraph (1), item (i) of the Act:
- (i) a person who is an individual (limited to an individual whose Amount of Net Assets is not below zero), whose Principal Bank (when said individual carries out Bank Agency Services by receiving sub-entrustment of a Principal Bank Agent, including said Principal Bank Agent) collects a guarantee by a guarantor (limited to a person whose Amount of Net Assets is equal to or greater than the amount as prescribed in each item of the preceding paragraph) concerning damages pertaining to Bank Agency Services, and other person who is found to possess a financial basis which is equal to or greater than the standards as prescribed in the preceding item;
 - (ii) a local government.

(Examination for Permission of Bank Agency Services)

Article 34-37 The Commissioner of the Financial Services Agency, etc., when an application for permission as prescribed in Article 52-36, paragraph (1) of the Act is filed, and when examining as prescribed in Article 52-38, paragraph (1) of the Act, is to consider the following matters:

- (i) the applicant is an individual or a corporation (excluding a foreign corporation that does not have any office in Japan);
- (ii) the applicant corresponds to the provisions of paragraph (1) or (2) of the preceding Article, and is expected to correspond to provisions of paragraph (1) or (2) of the same Article throughout for three business years after the commencement of Bank Agency Services;
- (iii) in light of its condition of securing persons with abilities concerning Bank Agency Services and its systems, etc. concerning business management of Bank Agency Services, the applicant is found to possess sufficient abilities for performance of the business, such as corresponding to the following requirements:
 - (a) when the applicant is an individual (excluding a person who engages in Bank Agency Services in two or more offices), the applicant has sufficient knowledge concerning Bank Agency Services that said applicant carries out; provided, however, that when engaging in the special activities as a bank agent (which means an agency services or an intermediary of the

conclusion a contract of which the content is the acceptance of current deposit, or acts as set forth in Article 2, paragraph (14), item (ii) of the Act (excluding acts pertaining to a loan agreement that a Principal Bank concludes with security of deposit, etc. or national government bonds, and acts pertaining to a regular loan agreement pertaining to funds for the use of other than business, which acts are not participating in the examination pertaining to conclusion of said agreement); the same applies in (b)), the applicant satisfies the following requirements in accordance with the following categories of content of special activities as a bank agent:

1. when the applicant is not participating in the examination pertaining to conclusion of the contract or standardized loan products pertaining to funds for the use of business (which means loan products of which possibility and conditions of the loan have been determined only by mechanical processing of financial data concerning the fund consumers; the same applies in (b), and in item (vi), sub-items (c) and (d)): the applicant is a person who has engaged in the loaning of funds for one year or more, or is found to possess abilities equal or better thereto (excluding cases where an applicant does not carry out concurrent business);
 2. when the applicant does not perform acts as set forth in Article 2, paragraph (14), item (ii) of the Act: the applicant is a person who has engaged in the services of current deposit or loaning of funds for three or more years in total, or is found to possess abilities equal or better thereto;
 3. in the cases other than 1. or 2.: the applicant is a person who has engaged in the services of loaning of funds for three or more years, or is found to possess abilities equal or better thereto;
- (b) when the applicant is a corporation (including an individual who engages in Bank Agency Services at two or more offices), the applicant assigns a responsible person (limited to a person who has sufficient knowledge concerning said Bank Agency Services) for operations in order to secure compliance with laws and regulations, etc. pertaining to Bank Agency Services that said corporation engages in to each business office or office where said operation is performed, and assigns a supervising manager (limited to a person who has sufficient knowledge concerning said Bank Agency Services) for directing said responsible person and for supervising of securing compliance with laws and regulations, etc. to a department controlling said operation of principal business office or office (excluding a corporation which does not engage in Bank Agency Services in a business office or office other than the principal business office or office) respectively; provided, however, that when performing special activities as

a bank agent, at least one person of each said persons satisfies the following requirements in accordance with the following categories of content of special activities as a bank agent:

1. when the applicant is not participating in the examination pertaining to conclusion of the contract pertaining to standardized loan products pertaining to funds for the use of business: the applicant is a person who has engaged in the loaning of funds for one or more years, or is found to possess abilities equal or better thereto (excluding the cases where an applicant does not engage in concurrent business and the cases where an applicant is an insurance corporation or a person as provided by the Commissioner of the Financial Services Agency);
 2. when the applicant does not perform acts as prescribed in Article 2, paragraph (14), item (ii) of the Act: the applicant is a person who has engaged in the services of current deposit or loaning of funds for three or more years, or is found to possess abilities equal or better thereto;
 3. in the cases other than 1. or 2.: the applicant is a person who has engaged in the services of loaning of funds for three or more years, or is found to possess abilities equal or better thereto;
- (c) when the applicant performs acts as prescribed in Article 2, paragraph (14), items (i) and (iii) of the Act, the necessary systems of business operations are developed in accordance with the category of Bank Agency Services, such as processing services by means of on-line processing or other appropriate methods;
- (d) the management compliance with laws and regulations, etc. is found to be assured, such as that the applicant determines internal rules, etc. concerning Bank Agency Services and views business management based on said rules;
- (e) it is not found that the personnel structure, capital structure, or organization, etc. of the applicant is not likely to hinder carrying out of Bank Agency Services properly, fairly, and effectively;
- (iv) when the applicant is an individual, the applicant does not correspond to any of the following:
- (a) an adult ward, a person under curatorship, or a person who is dealt with in the same manner as the above under the foreign laws and regulations;
 - (b) a bankrupt who has not obtained the restoration of rights, or a person who is dealt with in the same manner as the above under the foreign laws and regulations;
 - (c) a person who has been sentenced to imprisonment without work or severer punishment (including equivalent punishment thereto under foreign laws and regulations) and five years have not elapsed since the date when the sentence was completed or the effectuation of the sentence

is ceased;

(d) when corresponding to any of the following, a person who was a director, executive officer, accounting advisor, auditor, administration officer, inspector, or any equivalent person thereto, or a representative person in Japan (which means a representative person in Japan as prescribed in Article 47, paragraph (2) of the Act; the same applies in 1.) within 30 days before the date of a revocation (in the cases of a refusal of renewal, the date when said refusal of renewal is disposed; the same applies in (f) and in the following item, (a)) and five years have not elapsed since the date of said revocation:

1. when a license as prescribed in Article 4, paragraph (1) of the Act is revoked pursuant to the provisions of Article 27 or Article 28 of the Act; when an authorization as prescribed in Article 52-9, paragraph (1) or the proviso of paragraph (2) of the same Article is revoked pursuant to the provisions of Article 52-15, paragraph (1) of the Act; when an authorization as prescribed in Article 52-17, paragraph (1) or the proviso of paragraph (3) of the same Article is revoked pursuant to the provisions of Article 52-34, paragraph (1) of the Act; or when a permission as prescribed in Article 52-36, paragraph (1) of the Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act;
2. when a license as prescribed in Article 4, paragraph (1) of the Long-Term Credit Bank Act is revoked pursuant to the provisions of Article 27 or Article 28 of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act; when an authorization as prescribed in Article 16-2-2, paragraph (1) or the proviso of paragraph (2) of the same Article of the Long-Term Credit Bank Act is revoked pursuant to the provisions of Article 52-15, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act; when an authorization as prescribed in Article 16-2-4, paragraph (1) or the proviso of paragraph (3) of the same Article of the Long-Term Credit Bank Act is revoked pursuant to the provisions of Article 52-34, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act; or when a permission as prescribed in Article 16-5, paragraph (1) of the Long-Term Credit Bank Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act;
3. when a license as prescribed in Article 4 of the Shinkin Bank Act is revoked pursuant to the provisions of Article 27 or Article 28 of the Act, as applied mutatis mutandis pursuant to Article 89, paragraph (1) of

- the Shinkin Bank Act, or when a permission as prescribed in Article 85-2, paragraph (1) of the Shinkin Bank Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 89, paragraph (5) of the Shinkin Bank Act;
4. when a license as prescribed in Article 6 of the Labor Bank Act is revoked pursuant to the provisions of Article 95 of the Labor Bank Act, or when a permission as prescribed in Article 89-3, paragraph (1) of the Labor Bank Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 94, paragraph (3) of the Labor Bank Act;
 5. when the dissolution is ordered pursuant to the provisions of Article 27 or Article 28 of the Act, as applied mutatis mutandis pursuant to Article 106, paragraph (2) of the Small and Medium-Sized Enterprise Cooperatives Act or Article 6, paragraph (1) of the Act on Financial Business by a Cooperative, or when a permission as prescribed in Article 6-3, paragraph (1) of the Act on Financial Business by a Cooperative is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 6-5, paragraph (1) of the Act on Financial Business by a Cooperative;
 6. when a permission as prescribed by Article 92-2, paragraph (1) of the Agricultural Co-operatives Act is revoked under the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 92-4, paragraph (1) of the Agricultural Co-operatives Act, or when an agricultural cooperative or a federation of agricultural cooperatives is ordered dissolution pursuant to the provisions of Article 95-2 of the Agricultural Co-operative Act;
 7. when a permission as prescribed in Article 121-2, paragraph (1) of the Fishery Cooperative Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 121-4, paragraph (1) of the Fishery Cooperative Act, or when a fisheries cooperative or a federation of fishery processing cooperatives is ordered dissolution pursuant to the provisions of Article 124-2 of Fishery Cooperative Act;
 8. when a permission as prescribed in Article 95-2, paragraph (1) of the Norinchukin Bank Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 95-4, paragraph (1) of the Norinchukin Bank Act, or when dissolution is ordered pursuant to the provisions of Article 86 of the Norinchukin Bank Act;

9. when a renewal of registration as prescribed in Article 3, paragraph (1) of the Act on Controls of Money Lending (Act No. 32 of 1983), or when a registration as prescribed in Article 3, paragraph (1) of the same Act is revoked pursuant to the provisions of Article 37, paragraph (1) of the same Act;
 10. when a license, permission, authorization, or registration that is equivalent to a license, permission, authorization or registration (including other administrative disposition equivalent to said license, permission, authorization, or registration; hereinafter the same applies in this item) as prescribed in the preceding items (i) to (ix) that are provided in a foreign state pursuant to the provisions of laws or regulations of said foreign state which are equivalent to the Act, the Long-Term Credit Bank Act, the Shinkin Bank Act, the Labor Bank Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Business by a Cooperative, the Agricultural Co-operatives Act, the Fishery Cooperative Act, the Norinchukin Bank Act, or the Act on Controls of Money Lending is revoked, or a renewal of said license, permission, authorization or registration is refused;
- (e) when an authorization as prescribed in Article 52-9, paragraph (1) or the proviso of paragraph (2) of the same Article of the Act is revoked pursuant to the provisions of Article 52-15, paragraph (1) of the Act; when permission as prescribed in Article 52-36, paragraph (1) of the Act, permission as prescribed in Article 16-5, paragraph (1) of the Long-Term Credit Bank Act, permission as prescribed in Article 85-2, paragraph (1) of the Shinkin Bank Act, permission as prescribed in Article 89-3, paragraph (1) of the Labor Bank Act, permission as prescribed in Article 6-3, paragraph (1) of the Act on Financial Business by a Cooperative, permission as prescribed in Article 92-2, paragraph (1) of the Agricultural Co-operatives Act, permission as prescribed in Article 121-2, paragraph (1) of the Fishery Cooperative Act, or permission as prescribed in Article 95-2, paragraph (1) of the Norinchukin Bank Act is revoked pursuant to the provisions of Article 52-56, paragraph (1) of the Act (including cases as applied *mutatis mutandis* pursuant to Article 17 of the Long-Term Credit Bank Act; Article 89, paragraph (5) of the Shinkin Bank Act; Article 94, paragraph (3) of the Labor Bank Act; Article 6-5, paragraph (1) of the Act on Financial Business by a Cooperative; Article 92-4, paragraph (1) of the Agricultural Co-operatives Act; Article 121-4, paragraph (1) of the Fishery Cooperative Act; or Article 95-4, paragraph (1) of the Norinchukin Bank Act); when an authorization as prescribed in Article 16-2-2, paragraph (1) or proviso of paragraph (2) of the same Article of the Long-Term Credit Bank Act is revoked pursuant to the provisions of Article 52-15, paragraph

- (1) of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act; or when renewal of registration as prescribed in Article 3, paragraph (1) the Act on Controls of Money Lending is refused pursuant to the provisions of Article 6, paragraph (1) of the same Act or is revoked pursuant to the provisions of Article 37, paragraph (1) of the same Act, a person for whom five years have not elapsed since the date of said revocation;
- (f) when an authorization, permission or registration which pertains to a type equivalent to those prescribed in Article 52-9, paragraph (1) or the proviso of paragraph (2) of the same Article, or Article 52-36, paragraph (1) of the Act, or Article 3, paragraph (1) of the Act on Controls of Money Lending and which are obtained in a foreign state pursuant to the provisions of laws and regulations of said foreign state equivalent to the Act is revoked or renewal of said authorization, permission or registration is refused, a person for whom five years have not elapsed since the date of said revocation;
- (g) a person who corresponds to any of the following and for whom five years have not elapsed since the date of the disposition:
1. a director, executive officer, accounting advisor, auditor or representative person in Japan, who was ordered to dismiss pursuant to the provisions of Article 27 of the Act or Article 52-34, paragraph (1) of the Act, or an officer who was ordered to dismiss pursuant to the provisions of Article 52-56, paragraph (2) of the Act;
 2. a director, executive officer, accounting advisor, accounting advisor or auditor, who was ordered to dismiss pursuant to the provisions of Article 27 of the Act or Article 52-34, paragraph (1) of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, or an officer who was ordered to dismiss pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act;
 3. an administration officer or inspector who was ordered to dismiss pursuant to the provisions of Article 27 of the Act, as applied mutatis mutandis pursuant to Article 89, paragraph (1) of the Shinkin Bank Act, or an officer who was ordered to dismiss pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 89, paragraph (5) of the Shinkin Bank Act;
 4. an administration officer or inspector who was ordered to dismiss pursuant to the provisions of Article 95, paragraph (1) of the Labor Bank Act, or an officer who was ordered to dismiss pursuant to the

- provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 94, paragraph (3) of the Labor Bank Act;
5. an administration officer or inspector who was ordered to dismiss pursuant to the provisions of Article 27 of the Act, as applied mutatis mutandis pursuant to Article 6, paragraph (1) of the Act on Financial Business by a Cooperative, or an officer who was ordered to dismiss pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 6-5, paragraph (1) of the Act on Financial Business by a Cooperative;
 6. an officer who was ordered to dismiss pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 92-4, paragraph (1) of the Agricultural Co-operatives Act, or an officer concerning who was ordered to reelect pursuant to the provisions of Article 95, paragraph (2) of the Agricultural Co-operatives Act;
 7. an officer who was ordered to dismiss pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 121-4, paragraph (1) of the Fishery Cooperative Act, or an officer concerning who was ordered to reelect pursuant to the provisions of Article 124, paragraph (2) of the Fishery Cooperative Act;
 8. an officer who was ordered to dismiss pursuant to the provisions of Article 52-56, paragraph (2) of the Act, as applied mutatis mutandis pursuant to Article 95-4, paragraph (1) of the Norinchukin Bank Act, or an administration officer, business management feeder, or inspector who was ordered to dismiss pursuant to the provisions of Article 86 of the Norinchukin Bank Act;
 9. a director, executive officer, accounting advisor, auditor, or equivalent person thereto who was ordered to dismiss pursuant to the provisions of foreign laws and regulations which are equivalent to the Act, the Long-Term Credit Bank Act, the Shinkin Bank Act the Labor Bank Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Business by a Cooperative, the Agricultural Co-operatives Act, the Fishery Cooperative Act, the Norinchukin Bank Act, or the Act on Controls of Money Lending;
- (h) a person who violates a provisions of the Act, the Long-Term Credit Bank Act, the Shinkin Bank Act the Labor Bank Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Act on Financial Business by a Cooperative, the Agricultural Co-operatives Act, the Fishery Cooperative Act, the Norinchukin Bank Act, the Act on Controls of Money Lending, the Act on Regulation of Receiving of Capital Subscription, Deposits, and Interest Rate, etc. (Act No. 195 of 1954), or foreign laws and regulations

- equivalent thereto, has been sentenced to a fine (including equivalent punishment thereto under foreign laws and regulations), and for whom five years have not elapsed since the date when the sentence is completed or the effectuation of the sentence is ceased;
- (v) when the applicant is a corporation, the applicant does not correspond to any of the following:
 - (a) when the applicant corresponds to any of the preceding (d), 1. to 10, a person for whom five years have not elapsed since the date of said revocation;
 - (b) a person who violates the provisions as prescribed in the preceding (h) or foreign laws and regulations equivalent thereto, who is sentenced to a fine (including equivalent punishment thereto under foreign laws and regulations), and for whom five years have not elapsed since the date when the sentence is completed or the effectuation of the sentence is ceased;
 - (c) an officer who corresponds to any of (a) to (h) of the preceding item;
 - (vi) a person who is not found to be likely to hinder carrying out of its Bank Agency Services appropriately and surely by carrying out another business as prescribed in Article 52-38, paragraph (1), item (iii) of the Act, since said person does not correspond to any of the following:
 - (a) the content of its concurrent business violates laws and regulations;
 - (b) the content of its concurrent business is likely to damage the social credibility as a Bank Agent;
 - (c) the content of Bank Agency Services is found to have possibilities to conduct transactions in which interests of Principal Bank and Bank Agent conflict, in light of the fact that said content is an agency or an intermediary for the conclusion of a contract of which the content is the loaning of funds or discounting of bills and notes for the use of business (excluding a service pertaining to a contract with security of deposits, etc. or national government bonds that a Principal Bank received, and services that does not participate in the examination pertaining to conclusion of the contact of standardized loan products (limited to said products of which the loan amount does not exceed ten million yen)), and other transaction with a customer in the course of concurrent business (excluding the cases where an applicant is an insurance corporation or other person as specified by the Commissioner of the Financial Services Agency);
 - (d) when content of its main concurrent business concerns the loan of funds, discounting of bills and notes, guarantee of debt, accepting of bills and notes, or any other business of extending of credit (excluding a business which is not found to have possibilities to conduct transactions in which interests of Principal Bank and Bank Agent conflict), the content and method of acts as prescribed in Article 2, paragraph (14), item (ii) of the

Act which is conducted as Bank Agency Services (excluding acts pertaining to a contract with security of deposits, etc. or national government bonds that a Principal Bank received) does not correspond to any of the following conditions:

1. the act is pertaining to a loan agreement that is concluded with security of goods or articles purchased with the loan funds (excluding acts pertaining to funds for the use of business);
 2. the act does not participate in the examination pertaining to the conclusion of the contract of standardized loan products;
 3. when performing agency service or intermediary of conclusion of a contract of which the content is the loan of funds or discounting of bills and notes pertaining to Bank Agency Services for a customer for whom credit is extended as concurrent business, the Bank Agent is required to inform to the Principal Bank of the outstanding of credit extended or any other material matters with concurrent business that are to influence the judgment of a Principal Bank concerning conclusion of a contract, after obtaining prior consent in writing of said customer,
- (e) it is found that, by making use of its advantageous position in a transaction for concurrent business, the act lacking of customers' protection pertaining to Bank Agency Services is likely to be performed;
- (f) in light of the content of Bank Agency Services, it is found that carrying out of concurrent business is likely to lack of customers' protection and to hinder performance of sound and appropriate services of the Principal Bank.

(Preliminary Examination of Permission for Bank Agency Services)

Article 34-38 A person who intends to obtain a permission for Bank Agency Services pursuant to the provisions of Article 52-36, paragraph (1) of the Act, may request a preliminary examination by submitting documents equivalent to the provisions provided in Article 52-37 of the Act to the Commissioner of the Financial Services Agency, etc.

(Notification of Change)

Article 34-39 A Bank Agent that submits a notification pursuant to the provisions of Article 52-39, paragraphs (1) and (2) of the Act, must submit to the Commissioner of the Financial Services Agency, etc., in accordance with the categories set forth in the top columns of the Appended Table 2, a written notice stating the matters as specified in the middle columns of said Table, attached with documents as specified in the lower columns of said Table,

(Form of Sign)

Article 34-40 The form as provided by Cabinet Office Ordinance as prescribed in Article 52-40, paragraph (1) of the Act is as prescribed in item (xvii) of the appended form.

Section 2 Services

(Application of Approval for Concurrent Business)

Article 34-41 (1) A Bank Agent, when intending to obtain an approval for concurrent business pursuant to the provisions of Article 52-42, paragraph (1) of the Act, must submit a written application for approval attached with the following documents to the Commissioner of the Financial Services Agency, etc.:

- (i) a written statement of reasons;
 - (ii) a document stating content of the concurrent business and its methods; and
 - (iii) other document stating matters to be referenced.
- (2) The document set forth in item (ii) of the preceding paragraph must state clearly that no risk has been found that would hinder the proper and certain performance of the Bank Agency Services.
- (3) The Commissioner of the Financial Services Agency, etc., when an application of approval is filed pursuant to the provisions of paragraph (1), may refuse to provide an approval only if the applicant corresponds to any matter as set forth in Article 34-37, item (vi).

(Segregated Maintenance)

Article 34-42 A Bank Agent, based on the provisions of Article 52-43 of the Act, must manage money or other assets delivered by customers, with regard to its activities as a bank agent, in a condition that is immediately distinguishable as to whether the asset is its own asset or belongs to any Principal Bank, by separating the places of management or by other methods.

(Matters to Be Clearly Indicated)

Article 34-43 (1) Matters as provided by Cabinet Office Ordinance as prescribed in Article 52-44, paragraph (1), item (iii) of the Act are the following matters:

- (i) when receiving the delivery of money or other assets from a customer with regard to activities as a bank agent, the Bank Agent is authorized by the Principal Bank to receive said delivery;
- (ii) when there are two or more Principal Banks, and when the fees pertaining to activities as a bank agent that the customer is to pay for a contract that the customer intends to conclude and the fee to be paid to another Principal Bank for the same type of contract as said contract are different, that effect;
- (iii) when there are two or more Principal Banks, and when the Bank Agent

carries out agency services or intermediary of conclusion of the same type of contract that a customer intends to conclude as a contract pertaining to the activities as a bank agent for another Principal Bank, that effect;

(iv) when there are two or more Principal Banks, the trade name or name of the Principal Bank that is the other party of the transaction of the customer.

(2) A Principal Bank as prescribed in each item of the preceding paragraph (excluding item (i)), is to include, when the Bank Agent is an agent of a long-term credit bank as prescribed in Article 16-5, paragraph (3) of the Long-Term Credit Bank Act, the entrusting long-term credit bank; when the Bank Agent is an agent of a Shinkin Bank as prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act, the entrusting Shinkin Bank as prescribed in the same paragraph; when the Bank Agent is an agent of a labor bank as prescribed in Article 89-3, paragraph (3) of the Labor Bank Act, the entrusting labor bank as prescribed in the same paragraph; when the Bank Agent is a credit cooperative as prescribed in Article 6-3, paragraph (3) of the Act on Financial Business by a Cooperative, the entrusting credit cooperative as prescribed in the same paragraph; when the Bank Agent is a specified credit business agent as prescribed in Article 92-2, paragraph (3) of the Agricultural Co-operatives Act, the entrusting cooperative as prescribed in the same paragraph; when the Bank Agent is a specified credit business agent as prescribed in Article 121-2, paragraph (3) of the Fishery Cooperative Act, the entrusting cooperative as prescribed in the same paragraph or when the Bank Agent is an agent of Norinchukin Bank as prescribed in Article 95-2, paragraph (3) of the Norinchukin Bank Act, the Norinchukin Bank.

(Provision of Information to Depositor by a Bank Agent)

Article 34-44 The provisions of Article 13-3 apply mutatis mutandis to the provision of information to Depositor, etc. provided by a Bank Agent pursuant to the provisions of Article 52-44, paragraph (2) of the Act.

(Prevention of Misidentification of a Deposit)

Article 34-45 (1) The provisions of Article 13-5, paragraphs (1), (2), and (4) apply mutatis mutandis when the Bank Agent (excluding a Bank, etc., as prescribed in Article 52-61, paragraph (1) of the Act) sells financial instruments (which means the sale of financial instruments as prescribed in Article 2, paragraph (1) of the Act on Sales, etc. of Financial Instruments (Act No. 101 of 2000); excluding acts as set forth in items (i) and (ii) of the same paragraph) or performing agency services or intermediary.

(2) A Bank Agent must display for easy viewing of customers that it performs activities as a bank agent, at the counter of the business office or an office that carries out activities as a bank agent.

- (3) The provisions of paragraph (1) do not apply to a counter that does not perform activities as a bank agent.
- (4) A Bank Agent must take measures for a customer to avoid misidentifying a counter of its business office or office that does not perform activities as a bank agent with a counter that performs activities as a bank agent.

(Provision of Information Pertaining to the Same Type of Contract as Another Principal Bank)

- Article 34-46 (1) A Bank Agent, if it has clarified the matters as prescribed in Article 34-43, paragraph (1), item (iii), must respond to the request of a customer and provide the content of the same type of contract of another Principal Bank and other information to serve as a reference for the customer.
- (2) The provisions of Article 34-43, paragraph (2) apply mutatis mutandis to a case of the preceding paragraph.

(Treatment of Individual Customer Information)

- Article 34-47 The provisions of Article 13-6-5 to Article 13-6-7 apply mutatis mutandis to a Bank Agent.

(Consent by a Document Pertaining to the Use of Customer Information)

- Article 34-48 (1) A Bank Agent must take measures in order to ensure that non-public financial information (which means information concerning a deposit, etc., a funds transfer transaction, or a loan of a customer which an officer or employee obtains in the course of duties and other information which is not publicly disclosed concerning a financial transaction or the assets of a customer (excluding information as prescribed in Article 13-6-6, as applied mutatis mutandis pursuant to the preceding Article and special non-public information as prescribed in Article 13-6-7, as applied mutatis mutandis pursuant to the preceding Article)) concerning a customer handled in the course of Bank Agency Services is not used for concurrent business (excluding business pertaining to Solicitation for Insurance; the same applies in the following paragraph) without obtaining said customer's prior consent in writing or other appropriate method.
- (2) A Bank Agent must take measures in order to ensure that non-public information (which means information which is obtained in the course of its concurrent business and not publicly disclosed (excluding information as prescribed in Article 13-6-6, as applied mutatis mutandis pursuant to the preceding Article and special non-public information as prescribed in Article 13-6-7, as applied mutatis mutandis to the preceding Article); the same applies in the following paragraph) concerning a customer handled for concurrent business is not used for Bank Agency Services and incidental business to Bank

Agency Services without obtaining said customer's prior consent in writing or other appropriate method.

- (3) A Bank Agent must take measures in order to ensure that non-public information concerning a customer handled in the course of concurrent business is not provided to a Principal Bank without obtaining said customer's consent in writing or other appropriate method.

(Internal Rules Pertaining to Bank Agency Services)

Article 34-49 A Bank Agent must establish internal rules concerning explanations to a customer of material matters based on the customer's knowledge, experience, condition of assets, and the purpose of the transaction and other measures (including the explanation of financial instruments, transactions, and their risks and measures taken by the Principal Bank of said Bank Agent as prescribed in Article 12-3, paragraph (1) of the Act by delivery of documents or other appropriate method and measures to prevent crime) in order to ensure sound and appropriate business management that corresponds to the content and method of its Bank Agency Services, and must develop training for employees and other sufficient systems in order to manage business based on said internal rules, etc.

(Closely Related Parties of a Bank Agent)

Article 34-50 A person closely related to a Bank Agent as provided by Cabinet Office Ordinance as prescribed in Article 52-45, item (iii) of the Act is a specified related party of a Principal Bank of said Bank Agent (which means a specified related party as prescribed in Article 13-2 of the Act and excluding a Subsidiary Company of said Bank Agent).

(Matters without Risk of Lacking the Protection of a Customer)

Article 34-51 The matters as provided by Cabinet Office Ordinance as those without a risk of lacking the protection of a customer as prescribed in Article 52-45, item (iii) of the Act are not an act of agency services or intermediary of conclusion of a contract of which the content is a loan or discounting of bills and notes pursuant to the condition of an unfair transaction of the Bank Agent.

(Matters without Risk of Hindrance Performance of the Sound and Proper Services of a Principal Bank)

Article 34-52 The matters as provided by Cabinet Office Ordinance as without risk of hindrance of carrying out the sound and proper services of a Principal Bank as prescribed in Article 52-45, item (iv) are the matters pertaining to a transaction or an act for which the Principal Bank obtained an approval pursuant to the proviso of Article 13-2 of the Act.

(Prohibited Acts Pertaining to Bank Agency Services)

Article 34-53 Acts as provided by Cabinet Office Ordinance as prescribed in Article 52-45, item (v) of the Act are the following acts:

- (i) an act, in regard to a customer, of not informing of a material matter based on the customer's knowledge, experience, condition of assets, or the purpose of a transaction in response to the content and method of its Bank Agency Services, or an act to inform of a matter that is likely to mislead;
- (ii) an act, in regard to a customer, of performing unfairly the agency services or intermediary of conclusion of a contract as prescribed in each item of Article 2, paragraph (14) of the Act pursuant to a condition to transact with a Bank Agent or a business operator as specified by a Bank Agent (excluding those set forth in Article 52-45, item (iii) of the Act);
- (iii) an act, in regard to a customer, of causing a disadvantage with regard to a condition or implementation of a transaction by using an advantageous position in the transaction as a Bank Agent;
- (iv) an act, in regard to a customer, of transacting unfairly with itself or a business operator specified by a Bank Agent pursuant to a condition to perform agency or intermediary of conclusion of a contract as prescribed in each item of Article 2, paragraph (14) of the Act;
- (v) an act, in regard to a customer, to cause a disadvantage with regard to a condition or the implementation of a transaction pertaining to the Bank Agency Services by unjustly using an advantageous position in a transaction in the course of concurrent business; and
- (vi) an act, in regard to a Principal Bank, not to inform of a material matter that may affect the judgment of conclusion of a contract pertaining to activities as a bank agent, or to inform of a false matter.

(Acts Similar to Advertisement)

Article 34-53-2 The acts as provided by Cabinet Office Ordinance as prescribed in each item of Article 37 of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, are the provision of the same content of information to many persons by a method to transmit using mail, mail delivery, or facsimile device, a method to deliver a handout or brochure, or other method, excluding the following:

- (i) a method to deliver a document that is prepared based on laws and regulations or a disposition of an administrative government agency in accordance with laws and regulations;
- (ii) a method to deliver materials concerning analysis and evaluation of an individual enterprise that is not used for the solicitation for conclusion of a specified deposit, etc. contract;

- (iii) a method to provide an object as a premium, on which only the following matters are indicated or other goods (limited to an item that indicates the matters as set forth in (b) to (d) clearly and accurately) (in the case of matters not indicated on the premium or other goods among said matters, including a method to provide said premium or other goods, and other goods on which said matters are indicated, as an integrated object):
 - (a) name of the financial instrument (including an alias);
 - (b) trade name, name or alias of these objects of a Bank Agent that provides the same content of information to many persons by a method as prescribed in this item;
 - (c) matters as set forth in Article 16-6-2, paragraph (2), item (i) of the Order (limited to printed characters and numerals of said matters are indicated in a size that is not considerably different from the largest size among the printed characters and numerals of matters other than said matters); and
 - (d) the fact stating to read sufficiently the content of any of the following documents:
 1. a document as prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act (hereinafter referred to as "Documents Delivered Prior to the Concluding the Contract" from this Article to Article 34-53-17-2); and
 2. a Document for Contract Change as prescribed in Article 34-53-10, paragraph (1), item (ii).

(Indication Method of Advertisement Regarding the Content of Business of Agency or Intermediary of Conclusion of a Specified Deposit Contract)

- Article 34-53-3 (1) A Bank Agent, in the case of advertising the content of the business of agency or intermediary of concluding a specified deposit, etc. contract or performing an act (which is referred to as "Advertisement, etc." in the following paragraph) as prescribed in the preceding Article, must indicate clearly and accurately the matters as set forth in each item of Article 37, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act.
- (2) When a Bank Agent runs an Advertisement, etc. of the details of its agency or intermediary service for the conclusion of a specified deposit, etc. contract, the printed characters and numerals of matters set forth in Article 16-6-2, paragraph (1), item (ii) of the Order are to be indicated in a size that is not significantly different from the largest size among the printed characters and numerals of matters other than said matter.
 - (3) When a Bank Agent runs an Advertisement, etc. of the details of its agency or intermediary service for the conclusion of a specified deposit, etc. contract, by

broadcasting through the broadcasting equipment of a general broadcaster or by any of the methods set forth in the items of Article 34-53-6, paragraph (1) (excluding audio broadcasting), notwithstanding the provisions of the preceding paragraph, the printed characters and numerals of matters set forth in Article 16-6-2, paragraph (2), item (i) of the Order are to be indicated in a size that is not significantly different from the largest size among the printed characters and numerals of matters other than said matter.

(Matters concerning Compensation to Be Paid by a Customer)

Article 34-53-4 The matters as provided by Cabinet Office Ordinance as prescribed in Article 16-6-2, paragraph (1), item (i) of the Order, pursuant to the name of a fee, reward, expenditure, or whatever name, are the amount by the type of Fee, etc. to be paid by a customer concerning a specified deposit, etc. contract, the upper limit, or a summary of the calculation method of these items (including the percentage to the principal amount pertaining to said specified deposit, etc. contract; hereinafter the same applies in this Article), and the total of said amounts, the upper limit, or a summary of the calculation method of these items; provided, however that in the case these items are unable to be indicated, that effect and the reasons thereof.

(Material Matters That Affect the Judgment of Customers)

Article 34-53-5 The matters as provided by Cabinet Office Ordinance as prescribed in Article 16-6-2, paragraph (1), item (iii) of the Order are the following matters:

- (i) with regard to a Specified Deposit, etc. for which a Principal Bank of said Bank Agent has the right to extend the deposit period, when said rights are exercised, the effect that is likely to be disadvantageous to a customer due to the money rate of said Specified Deposit, etc. falling below the money market rate;
- (ii) other facts that are disadvantageous to a customer with regard to material matters concerning said specified deposit, etc. contract.

(Equivalent Method to a Method to Broadcast by the Broadcasting Equipment of a General Broadcaster)

Article 34-53-6 (1) The methods as provided by Cabinet Office Ordinance as prescribed in Article 16-6-2, paragraph (2) of the Order are the following:

- (i) a method to broadcast by using the broadcasting equipment of the following person:
 - (a) cable television broadcaster;
 - (b) a person that carries out cable sound broadcasting;
 - (c) a person that carries out broadcasting by a telecommunications service;

- (ii) a method to make available for inspection of a customer the content of information recorded in a file that is kept in a computer pertaining to the use of a person that is entrusted business pertaining to a Bank Agent or an Advertisement, etc. that is implemented by said Bank Agent, by using a telecommunications line (limited to a method to broadcast by using the broadcasting equipment of a general broadcaster, or an equivalent matter as provided by a method as set forth in the preceding item);
 - (iii) a method to indicate a matter to the public regularly or continuing for a certain period, inside or outside a building, and to install, or indicate on a signboard, standing signboard, placard and label, advertising tower, advertising board, building, or other structure, etc. and a method equivalent to these.
- (2) Matters as provided by Cabinet Office Ordinance as prescribed in Article 16-6-2, paragraph (2), item (ii) of the Order are the matters as set forth in Article 34-53-2, item (iii), sub-item (d).

(Matters Not to Be Exaggerated)

Article 34-53-7 Matters as provided by Cabinet Office Ordinance as prescribed in Article 37, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2, are the following matters:

- (i) matters concerning cancellation of a specified deposit, etc. contract;
- (ii) matters concerning all or part of share of loss or guarantee of profit pertaining to a specified deposit, etc. contract;
- (iii) matters concerning liquidated damages pertaining to a specified deposit, etc. contract (including a penalty); and
- (iv) matters concerning the amount of a Fee, etc. to be paid by a customer concerning a specified deposit, etc. contract or its calculation method, payment method, or timing, and the payee.

(Method of Entry of a Document Delivered Prior to the Conclusion of a Contract)

Article 34-53-8 (1) In a Document Delivered Prior to the Conclusion of a Contract, the matters as set forth in each item of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, must be entered clearly and properly by using printed characters and numerals in a size of eight points or larger as defined by Japanese Industrial Standard Z 8305.

- (2) Notwithstanding the provisions of the preceding paragraph, in a Document Delivered Prior to the Conclusion of a Contract, the following matters are to be entered clearly and properly in a line by using printed characters and

numerals in a size of 12 points or larger as defined by Japanese Industrial Standard Z 8305, and are to be entered following the matters as prescribed in the following paragraph:

- (i) a summary of the matters as set forth in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, and the matters as set forth in item (v) of the same paragraph; and Article 34-53-12, paragraph (1), item (xi); and
 - (ii) the matters as set forth in Article 34-53-12, paragraph (1), item (xii).
- (3) A Bank Agent, in a Document Delivered Prior to the Conclusion of a Contract, is to enter particularly material matters that may affect the decision of a customer using plain text expressions among the matters as set forth in Article 34-53-12, paragraph (1), item (i), and the matters as set forth in each item of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, by using printed characters and numerals in a size of 12 points or larger as defined by Japanese Industrial Standard Z 8305 at the top of said Document Delivered Prior to the Conclusion of a Contract.

(Method of Provision of Information)

Article 34-53-9 Provision of information as prescribed in Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, is to be implemented by delivery of a Document Delivered Prior to the Conclusion of a Contract.

(Cases Not Requiring Delivery of a Document Delivered Prior to the Conclusion of a Contract)

Article 34-53-10 (1) The cases as provided by Cabinet Office Ordinance as prescribed in Article 37-3, proviso of paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, are the following, in the case of conducting agency or intermediary of conclusion of a specified deposit, etc. contract of which the content is to change a part of an existing specified deposit, etc. contract:

- (i) when there are no matters to be changed of entry in a Document Delivered Prior to the Conclusion of a Contract pertaining to a specified deposit, etc. contract that has been effected due to said change;
- (ii) if there are matters to be changed with entry in a Document Delivered Prior to the Conclusion of a Contract pertaining to a specified deposit, etc. contract that has been effected due to said change, when a document (hereinafter referred to as "Documents for Contract Change" through Article 34-53-17-2), in which said entry to be changed is entered, has been delivered

to said customer.

- (2) The provisions of Article 14-11-25, paragraph (2) apply mutatis mutandis to delivery of Documents for Contract Change pursuant to the provisions of item (ii) of the preceding paragraph.

(Matters Concerning Compensation to Be Paid by a Customer)

Article 34-53-11 The matters as provided by Cabinet Office Ordinance as prescribed in Article 37-3, paragraph (1), item (iv) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, pursuant to the name of a fee, reward, expense, or whatever name, are a description of the amount by category of the Fee, etc. that a customer is to pay concerning a specified deposit, etc. contract, the maximum limit, or a calculation method of these items (including the percentage to the principal amount pertaining to said specified deposit, etc. contract; hereinafter the same applies in this Article) and a description of the total amount of said amounts, the maximum limit, or a calculation method of these items; provided, however, that when these are unable to be entered, that effect and the reasons thereof.

(Information for Inclusion in a Document Delivered Prior to the Conclusion of a Contract)

Article 34-53-12 (1) The matters as provided by Cabinet Office Ordinance as prescribed in Article 37-3, paragraph (1), item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, are the following matters:

- (i) the effect that the content of said Document Delivered Prior to the Conclusion of a Contract should be read sufficiently;
- (ii) name of the financial instrument (including an alias);
- (iii) the distinction of whether it is subject to an insurance payment as prescribed in Article 53 of the Deposit Insurance Act;
- (iv) scope of the persons subject to acceptance;
- (v) period of deposit (including an indication of whether the deposit will automatically renew, or not);
- (vi) minimum amount of deposit, unit of deposit, and any other item concerning the deposit;
- (vii) method of repayment;
- (viii) method of establishing interest payment, payment method, calculation method, and any other item concerning interest;
- (ix) matters concerning a special provisions that may be added;
- (x) handling the termination of the contract during the period of deposit (including the calculation methods of interest and fees);
- (xi) with regard to specified deposit, etc. contract to be concluded by a customer,

- when a loss is likely to be incurred by changes in money rate, value of currencies, quotations on a financial instruments market, and other indexes as a direct cause, the matters as set forth in the following:
- (a) said index; and
 - (b) reasons that a cause of loss is likely due to changes pertaining to said index;
- (xii) with regard to a Specified Deposit, etc. that a Principal Bank of said Bank Agent holds the right to extend the deposit period, the fact that in the case said right is exercised, it is likely to be disadvantageous to the customer due to the money rate of said Specified Deposit, etc. falling below the money market rate;
- (xiii) in the case of handling a financial instrument that does not guarantee the repayment of the full amount at expiry of the amount paid for the combination of the following items and for the Specified Deposit, etc. at the time of initial deposit, an explanation stating that the deposited amount is not guaranteed to be repaid in the full amount at expiry and any other detailed explanations concerning said commodity:
- (a) a market derivatives transaction or foreign market derivatives transaction (excluding a transaction corresponding to securities-related derivatives transactions);
 - (b) a financial derivatives transaction as prescribed in Article 10, paragraph (2), item (xiv) of the Act;
 - (c) a future foreign funds transfer transaction;
 - (d) a securities-related derivatives transaction (excluding a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act and a similar transaction in a foreign financial instruments market to that as set forth in the same item); and
 - (e) a transaction set forth in Article 2, paragraph (21), item (i) of the Financial Instruments and Exchange Act or a similar transaction in a foreign financial instruments market to that as set forth in the same item (limited to a National Government Bond Certificate, etc. and securities set forth in paragraph (1), item (xvii) of the same Article pertaining to those that have characteristics as prescribed in item (i) of the same paragraph);
- (xiv) when the establishment method of an index to be the standard for establishing a money rate of a floating rate deposit and money rate are specified, matters concerning said standards, method, and money rate;
- (xv) a description of the taxation concerning said specified deposit, etc. contract;
- (xvi) a method to contact the Principal Bank of said Bank Agent by the customer;
- (xvii) the existence of a recognized investor protection association in which the

Principal Bank of said Bank Agent is a subject business operator (when the Principal Bank of said Bank Agent is a subject business operation, its name); and

(xviii) matters prescribed in the following (a) or (b) for the categories of cases set forth respectively therein:

(a) when there exists a Designated Dispute Resolution Organization, the trade name or name of the Designated Dispute Resolution Organization, which is the other party to the Basic Contract for the Implementation of Dispute Resolution Procedures, prescribed in Article 12-3, paragraph (1), item (i) of the Act, that the Principal Bank of said Bank Agent takes a measure to conclude;

(b) when there does not exist any Designated Dispute Resolution Organization, the details of the complaint handling measures and the dispute resolution measure of the Principal Bank of said Bank Agent prescribed in Article 12-3, paragraph (1), item (ii) of the Act.

(xix) other matters that are found to be references concerning deposit of a Specified Deposit, etc.

(2) When a Bank or a Bank Agent must deliver a document as prescribed in the provisions of Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 and Article 52-45-2 of the Act to a customer, pursuant to the same paragraph with regard to conclusion of a single specified deposit, etc. contract, and when said Bank implements said delivery, said Bank Agent, notwithstanding the provisions of the preceding paragraph, is not required to enter the matters as set forth in each item of the same paragraph in the Document Delivered Prior to the Conclusion of a Contract.

(Provision by Use of Information and Communications Technology)

Article 34-53-13 (1) The matters provided by Cabinet Office Ordinance as prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 37-3, paragraph (2) of the same Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 52-45-2 of the Act; hereinafter the same applies in this Article) are the following:

(i) a method to use an electronic data processing system that is in the following:

(a) a method to transmit matters to be entered in documents (hereinafter referred to as an "Entry" in this Article) through a telecommunications line that connects computers used by a Bank Agent (including a person who

- keeps a file in a computer managed by said person pursuant to a contract with a Bank Agent who provides matters prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 37-3, paragraph (2) of the same Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act and make it available to the other parties to whom said matters are provided (hereinafter referred to as "Customers" in this Article) or to said Bank Agent; hereinafter the same applies in this Article) and computers used by Customers, etc. (which means Customers and a person who keeps customer files (which means files that are made available exclusively to Customers) in a computer managed by said person pursuant to a contract with the Customers; hereinafter the same applies in this Article) and record said matters in a customer file kept in computers used by the Customers, etc. (in the case of offering to accept or not to accept provisions pursuant to a method prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, a method to record that effect in a file kept in a computer used by the Bank Agent who provides the matters prescribed in the same paragraph);
- (b) a method to make an Entry recorded in a file kept in a computer used by a Bank Agent available for inspection by Customers through a telecommunications line, and to record said Entry in the customer file of said Customers kept in computers used by the Customers, etc. (in the case of offering to accept or not to accept provisions pursuant to a method prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis in Article 37-3, paragraph (2) of the same Act, as applied mutatis mutandis in Article 52-45-2 of the Act, a method to record that effect in a file kept in a computer used by the Bank Agent);
 - (c) a method to make an Entry recorded in a customer file kept in a computer used by a Bank Agent available for inspection by Customers through a telecommunications line; or
 - (d) a method to make an Entry recorded in an inspection file (which means a file that is kept in a computer used by a Bank Agent and that is for recording an Entry in order to make it available for inspection by multiple customers simultaneously; hereinafter the same applies in this Article) available for inspection by Customers through a telecommunications line.
- (ii) a method to deliver an Entry recorded in a file prepared on a magnetic disk, CD-ROM, or other method equivalent thereto in which certain matters can be recorded securely.
- (2) Methods set forth in the items of the preceding paragraph must conform to the following standards:

- (i) a method that enables Customers to prepare documents by outputting entry recorded in a customer file or inspection file;
 - (ii) with regard to a method set forth in item (i), sub-item (a), (c), or (d) of the preceding paragraph (excluding a method to record an Entry in a customer file kept in a computer used by the Customers), a method to notify the Customers that an Entry will be recorded or was recorded in the customer file or inspection file; provided, however, that this does not apply when it is confirmed that the customer has inspected said Entry;
 - (iii) with regard to a method as set forth in item (i), sub-item (c) or (d) of the preceding paragraph, a method in which the deletion or modification of the following matters is impossible for five years following the date the transaction set forth as an Entry was carried out for the last time (if a complaint pertaining to said Entry is filed before the expiration of said period, until said period ends or until said complaint is resolved, whichever occurs later); provided, however, that, when an Entry made available for inspection is delivered in writing, when delivery is made by a method set forth in item (i), sub-item (a) or (b) of the preceding paragraph or item (ii) of the same paragraph under the approval of the Customers (which means an approval pursuant to a method prescribed in Article 16-6-3 of the Order), or when the Customers gave instructions to delete said Entry, said Entry may be deleted:
 - (a) with regard to a method set forth in item (i), sub-item (c) of the preceding paragraph, the Entry recorded in the customer file; or
 - (b) with regard to a method set forth in item (i), sub-item (d) of the preceding paragraph, the Entry recorded in the inspection file;
 - (iv) with regard to a method set forth in item (i), sub-item (d) of the preceding paragraph, a method that conforms to the following standards:
 - (a) a method to enable a customer to record in the customer file information necessary to inspect the inspection file; and
 - (b) a method to maintain the customer file that records information necessary for a customer to inspect the inspection file pursuant to the provisions of (a) and said inspection file connectable through a telecommunications line until the period prescribed in the preceding item expires; provided, however, that this does not apply when the Customers to whom the possibility of inspection was offered declined such maintenance of file connectability.
- (3) The electronic data processing system prescribed in paragraph (1), item (i) means an electronic data processing system that connects a computer used by a Bank Agent and a computer with a customer file used by Customers, etc. or a Bank Agent through a telecommunications line.

(Type and Details of Electronic or Magnetic Means)

Article 34-53-14 The type and details of a method to be indicated pursuant to the provisions of Article 16-6-3, paragraph (1) of the Order are the following:

- (i) a method set forth in the items of paragraph (1) of the preceding Article that is used by the Bank Agent;
- (ii) a method of recording data in a file.

(Information for Inclusion in a Document Delivered at Concluding a Contract)

Article 34-53-15 (1) The following matters must be entered in a document to be prepared when a specified deposit, etc. contract is effected, as the document prescribed in Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 (said document is referred to as "Document Delivered at Concluding a Contract" in the following paragraph and the following Article):

- (i) trade name of the Principal Bank of said Bank Agent;
- (ii) amount of deposit (when the principal amount is indicated in a foreign currency, the principal amount indicated in said foreign currency);
- (iii) distinction of whether subject to an insured payment as prescribed in Article 53 of the Deposit Insurance Act;
- (iv) date of deposit and expiry (including an indication whether the deposit will automatically renew, or not);
- (v) method of repayment;
- (vi) method of establishing interest payment, payment method, calculation method, and other items concerning interest;
- (vii) handling the termination of the contract during the period of deposit (including the calculation methods of interest and fees);
- (viii) the date said specified deposit, etc. contract is effected;
- (ix) matters concerning a Fee, etc. pertaining to said specified deposit, etc. contract;
- (x) name of the customer; and
- (xi) a method to contact the Principal Bank of said Bank Agent by the customer.

(2) When a Bank or a Bank Agent must deliver a document as prescribed in the provisions of Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 and Article 52-45-2 of the Act to a customer, pursuant to the same paragraph with regard to conclusion of a single specified deposit, etc. contract, and when said Bank performed said delivery, said Bank Agent, notwithstanding the provisions of the preceding paragraph, is not required to enter the matters as set forth in items (ii) to (vii) of the same paragraph in the Document Delivered at Concluding a Contract.

(Cases Not Requiring Delivery of a Document Delivered at Concluding a Contract)

Article 34-53-16 (1) The cases as provided by Cabinet Office Ordinance as prescribed in Article 37-4, proviso of paragraph (1) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act pertaining to a Document Delivered at Concluding a Contract, are the following cases, if a specified deposit, etc. contract of which the content is to change a part of a specified deposit, etc. contract that has been effected:

- (i) when there are no matters to be changed of an entry in the Document Delivered at Concluding a Contract pertaining to a specified deposit, etc. contract that has been effected due to said change;
 - (ii) if there is a matter to be changed of an entry in the Document Delivered at Concluding a Contract pertaining to a specified deposit, etc. contract that has been effected due to said change, when a document, in which said entry to be changed is entered, has been delivered to said customer.
- (2) The provisions of Article 14-11-29, paragraph (2) apply mutatis mutandis to delivery of documents pursuant to the provisions of item (ii) of the preceding paragraph.

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

Article 34-53-17 (1) The matters provided by Cabinet Office Ordinance as prescribed in Article 38, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, are the following:

- (i) the significance of registration pursuant to Article 66-27 of the Financial Instruments and Exchange Act;
 - (ii) with regard to a person who gave a credit rating, matters set forth in the following:
 - (a) trade name or name;
 - (b) if said person is a corporation (including an organization without legal personality and appoints a representative or an administrator), the name of its officers (in case of an organization without legal personality and appoints a representative or an administrator, such representative or administrator);
 - (c) names and locations of the head office and other principal business offices or offices;
 - (iii) the outline of the policy and method that the person who gave the credit rating uses to give said credit rating;
 - (iv) the premise, significance, and limitations of credit rating.
- (2) Notwithstanding the provisions of the preceding paragraph, with regard to

Credit Ratings determined by a specified associated corporation, matters provided by Cabinet Office Ordinance as prescribed in Article 38, item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act are the following:

- (i) the significance of registration pursuant to Article 66-27 of the Financial Instruments and Exchange Act;
- (ii) trade name, name and registration number of Credit Rating Agency whose associated corporation is designated as said specified associated corporation by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 116-3, paragraph (2) of the Cabinet Office Ordinance on Financial Instruments Business;
- (iii) the name used by said specified associated corporation as a representation of the Credit Rating Business;
- (iv) the outline of the policy and method that the specified associated corporation who gave the credit rating uses to give said credit rating or way to obtain information on the said outline from Credit Rating Agency specified by item (ii);
- (v) the premise, significance, and limitations of credit rating.

(Prohibited Acts)

Article 34-53-17-2 Acts as provided by Cabinet Office Ordinance as prescribed in Article 38, item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, are the following acts:

- (i) acts as set forth in each item of Article 34-53;
- (ii) with regard to delivery of a Document Delivered Prior to the Conclusion of a Contract or Documents for Contract Change, an act to perform agency or intermediary of conclusion of a specified deposit, etc. contract without explaining to a customer (excluding a Professional Investor (excluding a person that is found to be a customer other than a Professional Investor pursuant to Article 34-2, paragraph (5) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, and including a person that is found to be a Professional Investor pursuant to Article 34-3, paragraph (4) of the Financial Instruments and Exchange Act (including the cases where it is applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act), as applied mutatis mutandis pursuant to Article 52-45-2 of the Act); hereinafter the same applies in this item) in advance regarding the matters as set forth in Article 37-3, paragraph (1), items (iii) to (v) and item (vii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis to

Article 52-45-2 of the Act (when Documents for Contract Change are delivered, the matters that are stated in said Documents for Contract Change and are pertaining to the matters as set forth in items (iii) to (v) and item (vii) of the same paragraph) by a necessary method and level in order to facilitate said customer in light of the customer's knowledge, experience, condition of assets, and the purpose of concluding the specified deposit, etc. contract;

- (iii) with regard to solicitation for conclusion of a specified deposit, etc. contract, an act that indicates a misrepresentation, or an act of indication that may cause misleading of a material matter;
- (iv) with regard to a specified deposit, etc. contract, an act to promise the provision of special profit to a customer or a person specified by the customer, or to provide special profit to a customer or a third person (including an act to order a third person to promise the provision of special profit or to provide special profit);
- (v) with regard to conclusion or termination of a specified deposit, etc. contract, an act to solicit by telephone or visit during hours when a customer (limited to an individual) finds it annoying.

(Specified Activities as a Bank Agent)

Article 34-54 The deposits as provided by Cabinet Office Ordinance as prescribed in Article 52-46, paragraph (1) are a current deposit.

(Business Hours of a Specified Bank Agent)

Article 34-55 (1) The business hours of a specified bank agent (which means a specified bank agent prescribed in Article 52-46, paragraph (1) of the Act; the same applies in item (iii) and item (ii) of the following Article) are from 9:00 a.m. to 3:00 p.m.

- (2) The business hours prescribed in the preceding paragraph may be extended due to the convenience of business.
- (3) The provisions of paragraph (1) not apply to the business hours of a business office or an office (including a facility other than a facility where specified activities as a bank agent are performed of a business office or office where specified activities as a bank agent are performed) that does not perform specified activities as a bank agent of a specified bank agent (which means a specified activities as a bank agent as prescribed in Article 52-46, paragraph (1) of the Act).
- (4) A Bank Agent must display its holidays and business hours in a place that is prominent to the public by each business office or other office engaging in Bank Agency Services.

(Notification of Temporary Closing of a Specified Bank Agent)

Article 34-56 (1) A specified bank agent that submits a written notice pursuant to Article 52-47 of the Act must submit notification stating the matters as set forth in each item of the following to the Commissioner of the Financial Services Agency, etc.:

- (i) name and location of a business office or office that suspends all or part of business pertaining to specified activities as a bank agent (which is referred to as "Business" in item (iv));
 - (ii) reasons of suspension;
 - (iii) suspension period;
 - (iv) scheduled recommencement day of Business or recommencement day of Business; and
 - (v) the method of display pursuant to the provisions of Article 52-47 of the Act.
- (2) The cases provided by Cabinet Office Ordinance as prescribed in Article 52-47 of the Act are the following cases:
- (i) when a Principal Bank is ordered to suspend all or part of business pursuant to the provisions of Article 26, paragraph (1), Article 27, or Article 52-34, paragraph (1) or (4) of the Act;
 - (ii) if, on a holiday of a specified bank agent as prescribed in Article 52-46, paragraph (1) of the Act, all or part of business by a Cash Dispenser, etc. is suspended on said holiday at a business office or other office of a specified bank agent that carries out all or part of business pertaining to specified activities as a bank agent;
 - (iii) when, at an unmanned business office or other office that carries out business pertaining to specified activities as a bank agent of a specified bank agent, all or a part of its business is suspended (excluding a cases where corresponds to the preceding item);
 - (iv) when all or part of business pertaining to specified activities as a bank agent is ordered to suspend, pursuant to the provisions of Article 52-56, paragraph (1) of the Act.

(Display of Discontinuance of a Principal Bank)

Article 34-57 A Bank Agent, in the case of displaying pursuant to the provisions of Article 52-48 of the Act, is to display the content of which it has been informed by the Principal Bank and policies of disposition of deposit, etc. at said Principal Bank, and other transactions pertaining to the Bank Agency Services carried out by the Bank Agent.

Section 3 Accounting

(Books and Documents Concerning Bank Agency Services)

Article 34-58 A Bank Agent, pursuant to the provisions of Article 52-49 of the Act, must prepare books and documents as prescribed in each item of the following (when the agency of conclusion of contract as prescribed in each item of Article 2, paragraph (14) of the Act is not performed, limited to those as prescribed in item (iii)) for each Principal Bank, and keep them on file for the period prescribed in said each item, in order to clarify the dispositions and calculations of a Bank Agency Services:

- (i) general ledger: five years from the date of preparation;
- (ii) Bank Agency account ledger: ten years from the date of preparation;
- (iii) a document in which the content of intermediary of conclusion of a contract that is performed with a customer pertaining to the Bank Agency Services and is as prescribed in any item of Article 2, paragraph (14) of the Act: five years from the date said intermediary is conducted.

(Form of a Report Concerning Bank Agency Services)

Article 34-59 (1) A report concerning Bank Agency Services pursuant to the provisions of Article 52-50, paragraph (1) of the Act must be prepared pursuant to item (xviii) of the appended form when a Bank Agent is an individual, and pursuant to item (ixx) of the appended form when a Bank Agent is a corporation, respectively, and must be submitted to the Commissioner of the Financial Services Agency, etc., attached with a record concerning assets and a document stating the condition of income and expenditures prepared pursuant to item (xvi) of the appended form in the case of an individual, and a balance sheet and profit and loss statement or documents in lieu of the above, in the case of a corporation, within three months after the end of the business year.

- (2) A Bank Agent, if a report concerning the Bank Agency Services is unable to be submitted within the period prescribed in the preceding paragraph due to a compelling reason, may postpone said submission after obtaining prior approval of the Commissioner of the Financial Services Agency (when the Director General of the Local Finance Bureau who has jurisdiction over the location of the principal business office or offices of said Bank Agent pursuant to the provisions of Article 17-4 of the Order (when said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau) accepts reports concerning said Bank Agency Services, the Director General of the Local Finance Bureau or Fukuoka Local Finance Branch Bureau).
- (3) A Bank Agent, when intending to obtain an approval pursuant to the provisions of the preceding paragraph, must submit a written application for approval attached with a written statement of reasons to the Commissioner of the Financial Services Agency, etc.
- (4) The Commissioner of the Financial Services Agency, etc., when an application

of approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether there is a reason that is found to be compelling regarding postponement of report submission by the Bank Agent that filed said application, pursuant to the provisions of paragraph (2).

- (5) The Commissioner of the Financial Services Agency, etc. is to keep a portion of the report concerning a Bank Agency Services pertaining to the business year of the Bank Agent immediately prior to when an approval was provided, excluding matters which are likely to harm the confidentiality of a customer and matters which are likely to cause unfair disadvantages to the carrying out of the business of said Bank Agent, that are necessary for the protection of customers, at the Financial Services Agency (when the Director General of the Local Finance Bureau (when said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau) has jurisdiction over the location of the principal business office or offices of said Bank Agent pursuant to the provisions of Article 17-4 of the Order that receives said reports, the Local Finance Bureau or Fukuoka Local Finance Branch Bureau for which the jurisdictional district includes the location of the principal business office or offices of said Bank Agent) and make them available for public inspection.

(Inspection of Explanatory Statements of a Principal Bank)

Article 34-60 (1) A Bank Agent must commence to make available the documents that its Principal Bank prepares pursuant to the provisions of Article 20, paragraphs (1) and (2) of the Act and Article 21, paragraphs (1) and (2) (when said Principal Bank is a Foreign Bank Branch, including documents as prescribed in Article 19-2, paragraphs (3) and (4)), or the documents that a Bank Holding Company of which a Subsidiary Company is said Principal Bank prepares pursuant to the provisions of Article 52-28 of the Act and Article 52-29, paragraph (1) (when the Bank Holding Company of which a Subsidiary Company is said Principal Bank is a bank holding company located in a foreign state, documents as prescribed in Article 34-26, paragraphs (2) and (3)) (including electronic or magnetic records prepared pursuant to the provisions of Article 20, paragraph (3) of the Act; and Article 21, paragraph (3); Article 52-28, paragraph (2); and Article 52-29, paragraph (2); hereinafter referred to as "Inspection Documents" in this paragraph and the following paragraph) for inspection within four months (if said Principal Bank is a Foreign Bank Branch, or if a Bank Holding Company of which a Subsidiary Company is said Principal Bank is a bank holding company located in a foreign state, within six months after the close of a business year) after each business year of said Principal Bank or a Bank Holding Company of which a Subsidiary Company is said Principal Bank, and must make the documents available for public

inspection until the commencement of inspection of each Document Subject to Inspection pertaining to the business year following said business year.

- (2) A Bank Agent, if a Document Subject to Inspection is not available for inspection before the end of the period as prescribed in the preceding paragraph due to a compelling reason, may obtain prior approval of the Commissioner of the Financial Services Agency (with regard to a Bank Agent other than a Bank Agent designated by the Commissioner of the Financial Services Agency, the Director General of the Local Finance Bureau who has jurisdiction over the location of the principal business office or offices of said Bank Agent (with regard to said location within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau)) and may postpone the commencement of said inspection.
- (3) A Bank Agent, when intending to obtain an approval pursuant to the provisions of the preceding paragraph, must submit a written application for approval attached with a written statement of reasons to the Commissioner of the Financial Services Agency, etc.
- (4) The Commissioner of the Financial Services Agency, etc., when an application of approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether there is a compelling reason for the Bank Agent that filed said application to postpone the commencement of inspection pursuant to the provisions of paragraph (1).
- (5) Measures as provided by Cabinet Office Ordinance as prescribed in Article 52-51, paragraph (2) of the Act are a method to display matters recorded in an electronic or magnetic record on paper or a screen.

Section 4 Supervision

(Notification of Discontinuance)

Article 34-61 A person that submits a notification pursuant to the provisions of Article 52-52, according to the categories set forth in the top columns of the Appended Table 3, must submit a written notice stating the matters as provided in the middle columns of the same table, and attach the documents as prescribed in the bottom columns of the same table to the Commissioner of the Financial Services Agency, etc.

(Application of Approval Pertaining to the Effect of Permission)

Article 34-62 (1) A person that has obtained a permission as prescribed in Article 52-36, paragraph (1) of the Act, when intending to obtain an approval pursuant to the provisions of Article 52-57, item (iii) of the Act, must submit a written application for approval attached with a written statement of reasons

to the Commissioner of the Financial Services Agency, etc.

(2) The Commissioner of the Financial Services Agency, etc., when an application of approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether it conforms to the following standards:

- (i) there is a reason that is found to be compelling that the Bank Agency Services are unable to be commenced within six months from the date the permission as prescribed in Article 52-36, paragraph (1) of the Act is obtained;
- (ii) it is expected that the Bank Agency Services can be commenced within a reasonable period;
- (iii) with regard to matters based on an examination of said permission, it is expected that there will not be material changes until the expected time of commencement of the Bank Agency Services.

Section 5 Principal Bank

(Measures to Ensure Appropriateness of the Business of a Bank Agent by a Principal Bank)

Article 34-63 (1) A Principal Bank must take the following measures in order to ensure sound and appropriate business management pertaining to Bank Agency Services of a Bank Agent::

- (i) measures regarding the Bank Agent and employees of its Bank Agency Services for guidance of business pertaining to Bank Agency Services, implementation, etc. of training for compliance with laws and regulations, etc. concerning Bank Agency Services;
- (ii) measures for necessary and appropriate supervision, etc. of the Bank Agent, such as viewing whether the Bank Agent carries out the business of Bank Agency Services appropriately by confirming the implementation status of business pertaining to said Bank Agency Services of the Bank Agent regularly or as necessary, etc. and ordering improvements if necessary;
- (iii) measures, when it is found necessary to ensure sound and appropriate business management of the Bank Agency Services, to change the content or terminate the entrustment contract with the Bank Agent or sub-entrustment contract between a Principal Bank Agent and a Secondary Bank Agent;
- (iv) with regard to the acts that a Bank Agent performs and are as prescribed in the provisions of Article 2, paragraph (14), item (ii) of the Act, measures so that the Bank Agent itself conducts an examination if necessary;
- (v) measures to ensure appropriate management of customer information, such as not to permit the Bank Agent wrongfully to acquire information concerning a customer from the Principal Bank;
- (vi) measures to order the display of the trade name of the Principal Bank,

- lettering that indicates the Bank Agent as the agent of said Bank, and the trade name or name of said Bank Agent at the front of offices;
- (vii) measures to prevent crime concerning business pertaining to Bank Agency Services at the business office or other office of the Bank Agent;
 - (viii) with regard to abolishment of a business office or office that carries out Bank Agency Services of a Bank Agent, measures to avoid considerably affecting the customers of said business office or other office, such as the succession of transactions pertaining to the customers of said business office or other office by a business office of the Principal Bank, another financial institution, or another Bank Agent, etc. without any problems;
 - (ix) measures necessary for the appropriate and prompt disposition of the customer claims pertaining to Bank Agency Services of the Bank Agent.
- (2) The provisions of the preceding paragraph (excluding items (iv) and (viii)) apply mutatis mutandis to measures that a Principal Bank Agent must take in order to ensure sound and appropriate business management of a Secondary Bank Agent. In this case, the term "Bank Agent" in the provisions of the same paragraph is deemed to be replaced with "a Secondary Bank Agent", and the term "Bank Agency Services" is deemed to be replaced with "Bank Agency Services carried out based on sub-entrustment"

(Information for Inclusion in Registry of a Bank Agent)

Article 34-64 (1) A Principal Bank must enter the following matters concerning a Bank Agent pertaining to said Principal Bank in a registry (hereinafter referred to as "Registry" in this Article) as prescribed in Article 52-60, paragraph (1) of the Act:

- (i) trade name or name of the Bank Agent;
 - (ii) when the Bank Agent is a corporation, the name of its representative person;
 - (iii) content of Bank Agency Services;
 - (iv) name and location of the business office or office that carries out Bank Agency Services; and
 - (v) the date that the permission as prescribed in Article 52-36, paragraph (1) of the Act is obtained.
- (2) Beyond those matters as set forth in each item of the preceding paragraph, when a Bank Agent pertaining to said Principal Bank corresponds to a category as set forth in each of the following items, the matters set forth in said each item must be entered in the Registry:
- (i) a Principal Bank Agent: the matters as set forth in each item of the preceding paragraph pertaining to a Secondary Bank Agent that is entrusted by said Principal Bank Agent;
 - (ii) a Secondary Bank Agent: the matters as set forth in each item of the

preceding paragraph pertaining to a Principal Bank Agent that entrusts to a Secondary Bank Agent.

- (3) The business offices as provided by Cabinet Office Ordinance as prescribed in Article 52-60, paragraph (1) of the Act are following business offices:
- (i) an unmanned business office of a Principal Bank; and
 - (ii) a business office located in a foreign state of a Principal Bank.

Chapter VIII-3 Designated Dispute Resolution Organization

Section 1 General Rules

(Calculation of Percentage)

Article 34-65 The calculation of percentage prescribed in Article 52-62, paragraph (1), item (viii) of the Act is to be made by dividing the number of Banks that have raised objection (limited to objection based on reasonable grounds) about the terms of termination of the Basic Contract for the Implementation of Dispute Resolution Procedures, other terms of the Basic Contract for the Implementation of Dispute Resolution Procedures (excluding the matters set forth in the items of Article 52-67, paragraph (2) of the Act) , and other details of the operational rules (excluding the matters that must be contained therein pursuant to the provisions of Article 52-67, paragraph (3) of the Act and matters necessary for their compliance with the standards set forth in the items of paragraph (4) and item (i) of paragraph (5) of the same Article) by submitting, to the person intending to file an application pursuant to Article 52-62, paragraph (1) of the Act, a document (which is referred to as "Written Opinion" in the following Article) stating whether or not said Banks have any objection about the details of the operational rules (which means the operational rules prescribed in item (vii) of Article 52-62, paragraph (1) of the Act; hereinafter the same applies in this Article, paragraph (1) of the following Article, and Article 34-77, paragraph (2)) and, if any, the detail of and reasons for such objection, by the number of banks publicly disclosed by the Commissioner of the Financial Services Agency (which are referred to as "All Banks" in the following Article and Article 34-68, paragraph (2)) on the date the person intending to file said application delivered or sent the operational rules prescribed in paragraph (1), item (ii) of the following Article (if such rules have been delivered or sent for over two or more dates, the last of such dates ; the same applies in Article 34-67).

(Hearing Banks)

Article 34-66 (1) A person who intends to file an application pursuant to Article 52-62, paragraph (1) of the Act must, pursuant to the provisions of paragraph (2) of the same Article, when explaining to Banks the details of its operational

rules and hearing their opinions on whether they have any objection (if any, including reasons therefor), hold an orientation meeting as prescribed below:

- (i) The date and place of the orientation meeting are determined for the convenience of All Banks to attend.
- (ii) The person who intends to file said application delivers or sends to All Banks, no later than two weeks prior to the date of the orientation meeting (the date of the first meeting when holding two or more meetings), documents and operational rules (which are referred to as "Operational Rules, etc." in the following Article and Article 34-68, paragraph (2)) stating the following matters:
 - (a) trade name or name, location of principal business office or other offices, telephone numbers or other contacts of the person who intends to hold such orientation meeting;
 - (b) date and place of the orientation meeting.
 - (c) a statement to the effect that Banks must submit Written Opinions to a person intending to file said application within certain period following the date of orientation meeting (the date of the last orientation meeting when two or more meetings are held);
 - (iii) a statement to the effect that the certain period referred to in (c) of the preceding item is not less than two weeks.
- (2) The document stating the results prescribed in Article 52-62, paragraph (2) of the Act must state all of the following matters:
 - (i) dates and places of all orientation meetings;
 - (ii) whether or not All Banks attended the orientation meeting;
 - (iii) whether or not All Banks submitted Written Opinions;
 - (iv) whether or not Written Opinions submitted contained any objection;
 - (v) when the Written Opinions submitted contains any objection that does not fall under the objection prescribed in Article 52-62, paragraph (1), item (viii) of the Act, a statement to that effect and reasons why it was deemed not to fall under the objection prescribed in the same item.
- (3) The document prescribed in the preceding paragraph is to be accompanied with all of the Written Opinions submitted by the Banks.

(Filing of Designated Application)

Article 34-67 The designated application prescribed in Article 52-63, paragraph (1) of the Act must be submitted within three months from the date the operational rules were delivered or sent.

(Documents Attached to Designated Application)

Article 34-68 (1) The documents provided by Cabinet Office Ordinance as prescribed by Article 52-63, paragraph (2), item (v) of the Act are the following

documents:

- (i) the balance sheet, the income and expenditure account statement or the profit and loss statement for the business year immediately preceding the business year that includes the date of application prescribed in Article 52-62, paragraph (1) of the Act and an inventory list of property as of the end of such immediately preceding business year or any documents equivalent thereto (when the person intending to apply for the designation pursuant to the provisions of the same paragraph (which is referred to as an "Applicant" in paragraph (3)) is a corporation (which means a corporation prescribed in paragraph (1), item (i) of the same Article; the same applies in Article 34-74, paragraph (3), item (iii)) established during the business year that includes said date of application, an inventory of property as of the date of said establishment or any document equivalent thereto).
 - (ii) a document giving an estimate of income and expenditure after the designation is earned pursuant to Article 52-62, paragraph (1) of the Act.
- (2) The documents provided by Cabinet Office Ordinance as prescribed by Article 52-63, paragraph (2), item (vi) of the Act are the following documents:
- (i) the Operational Rules, etc. delivered or sent to All Banks pursuant to the provisions of Article 34-66, paragraph (1), item (ii);
 - (ii) documents certifying the dates and the methods on or by which the Operational Rules, etc. were delivered or sent to All Banks;
 - (iii) if Operational Rules, etc. has been sent to a Bank, documents certifying the matters in (a) or (b) below for the categories of cases set forth respectively therein to indicate whether or not the Operational Rules, etc. were actually serviced to said Bank and other facts pertaining to such service;
 - (a) if serviced, the date of such service;
 - (b) if not serviced, reason why they were not serviced by normal methods of service.
- (3) The documents provided by Cabinet Office Ordinance as prescribed by Article 52-63, paragraph (2), item (vii) of the Act are the following documents:
- (i) a document stating the trade name or name, address, or locations of principal business office or offices of any person holding voting rights exceeding five percent of the All Shareholders', etc. Voting Rights (which means the voting rights of All Shareholders, All Employees, All Members, All Partners, or All Investors; the same applies in the following item and Article 34-77, paragraph (2)) of the Applicant and the number of voting rights held;
 - (ii) a document stating the trade name or name, locations of principal business office or offices, and line of business of the parent corporation (which means a corporation or any other organization holding the majority of the All Shareholders', etc. Voting Rights of the Applicant) and the subsidiary

- corporation (which means a corporation and other organization of which the majority of All Shareholders', etc. Voting Rights is held by the Applicant) of the Applicant;
- (iii) an extract of the certificate of residence of the officers (when the officer is a corporation, including persons in charge of its business; hereinafter the same applies in this paragraph and Article 34-71 and Article 34-72) (when any officer does not have Japanese nationality, a certificate of registered matters of the officer's alien registration card) or any document equivalent thereto (when any officer is a corporation, a certificate of registered matters of said officer);
 - (iv) a certificate of authorities that any officer does not fall under Article 52-62, paragraph (1), item (iv), sub-item (a) and (b) (when any officer does not have Japanese nationality, a written pledge by said officer that the officer does not fall under (a) and (b) of the same item);
 - (v) CV of every officer (when the officer is a corporation, a document describing the history of said officer);
 - (vi) a document describing the progress of recruitment of candidates for dispute resolution mediators (which means a dispute resolution mediator prescribed in Article 52-64, paragraph (1) of the Act; the same applies in Article 34-75, paragraph (2), item (iii)) and officers and employees having knowledge and experience in Dispute Resolution, etc. and assignment of said commissioners (hereinafter referred to as "Officers, etc." in this item, following item, and Article 34-77);
 - (vii) a written pledge by each Officer, etc. that the Officer, etc. is not a member of an organized crime group, etc. (which means a member of an organized crime group, etc. prescribed in Article 52-69 of the Act; the same applies in Article 34-77, paragraph (1), item (ii));
 - (viii) documents stating other matters for reference.

Section 2 Services

(Matters to Be Prescribed in Operational Rules)

Article 34-69 The matters provided by Cabinet Office Ordinance as prescribed in Article 52-67, paragraph (1), item (viii) of the Act are the following matters:

- (i) matters pertaining to hours of Dispute Resolution, etc. and holidays;
- (ii) matters pertaining to name and location of business offices or offices, and areas covered by Dispute Resolution, etc. of said business offices or offices;
- (iii) matters pertaining to supervision of employees providing Dispute Resolution, etc.;
- (iv) when Complaint Processing Procedures or Dispute Resolution Procedures are outsourced, matters pertaining to said outsourcing;

(v) other matters necessary for Dispute Resolution, etc.

(Terms of Basic Contract for the Implementation of Dispute Resolution Procedures)

Article 34-70 The matters provided by Cabinet Office Ordinance as prescribed in Article 52-67, paragraph (2), item (xi) of the Act are that, when a customer of a member bank (which means a member bank prescribed in Article 52-65, paragraph (2) of the Act; the same applies hereinafter), which is a party to the dispute, applies, a Designated Dispute Resolution Organization may investigate the progress of fulfillment of obligations prescribed in settlement in the Dispute Resolution Procedures and may recommend that said member bank fulfill said obligations.

(Substantial Controller)

Article 34-71 The persons provided by Cabinet Office Ordinance as being in a relationship that substantially controls or materially influences the business of a Designated Dispute Resolution Organization prescribed in Article 52-67, paragraph (4), item (iii) of the Act by holding shares of and giving loans to said Designated Dispute Resolution Organization or by any other means are the persons set forth in the following and who are not found to be obviously incapable of controlling the business policy decisions or materially influencing the business of said Designated Dispute Resolution Organization in light of their business relationship:

- (i) when the total number of voting rights held by a particular person on said person's own account, 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, and persons who agree to exercise their voting rights in the same manner as the intent of said particular person accounts for one third or more of the voting rights of the Designated Dispute Resolution Organization (including the cases where said particular person does not hold any voting rights on the person's own account), said particular person;
- (ii) a person who is or has been an officer of the Designated Dispute Resolution Organization;
- (iii) a relative within the third degree of kinship of an officer of the Designated Dispute Resolution Organization;
- (iv) a person who has any of the persons set forth in the preceding two items as its representative (including a representative or administrator of an organization without legal personality and appoints a representative or an administrator; the same applies in item (iv) of the following Article);

- (v) a person for whom one third or more of the officers of the Designated Dispute Resolution Organization are or have been its own officers or employees;
- (vi) a person who has concluded a contract with the Designated Dispute Resolution Organization for controlling decisions on the business policy of said organization;
- (vii) when a particular person provides a loan (including a guarantee of liabilities and provision of collateral; the same applies in this item and item (vii) of the following Article) for one-third or more of the total amount of the procured funds (limited to those included in the liabilities on the balance sheet; the same applies in this item and item (vii) of the following Article) of the Designated Dispute Resolution Organization (including cases where the amount of such loan exceeds one-third of the total amount of the procured funds when combined with the amount of a loan provided by a person with a close relationship with said particular person in terms of contribution, personnel affairs, funds, technology, transactions or other matters), said particular person;
- (viii) beyond the persons set forth in the preceding items, a particular person whose circumstances suggest that it has control over the business policy decisions of the Designated Dispute Resolution Organization;
- (ix) when a particular person has, with any of the persons set forth in the preceding items, a relationship similar to the relationship between any of the persons set forth in the preceding items (excluding items (ii) to (iv); hereinafter the same in this item) and the Designated Dispute Resolution Organization as prescribed respectively in the preceding items, said particular person;
- (x) when any of the persons set forth in items (i) to (viii) has, with a particular person, a relationship similar to the relationship between the Designated Dispute Resolution Organization set forth in item (i) or items (v) to (viii) of the following Article and the persons set forth in the respective items, said particular person.

(Subsidiary Company)

Article 34-72 The persons provided by Cabinet Office Ordinance as being in a relationship where the Designated Dispute Resolution Organization has substantial control over their businesses as prescribed in Article 52-67, paragraph (4), item (iii) of the Act by holding shares or other means are those persons set forth in the following items where the Designated Dispute Resolution Organization is not found to be obviously incapable of controlling the business policy decisions of said persons set forth in the respective items in light of their business relationship.

- (i) when the total number of voting rights held by a Designated Dispute Resolution Organization on its own account, voting rights held by persons who are found to exercise their voting rights in the same manner as the intent of said designated dispute resolution organization due to a close relationship with said organization in terms of contribution, personnel affairs, funds, technology, transactions, or other matters, and persons who agree to exercise their voting rights in the same manner as the intent of said Designated Dispute Resolution Organization accounts for one third or more of the voting rights of another corporation, or an organization without legal personality and appoints a representative or an administrator (hereinafter referred to as "corporation, etc." in this item and item (v)) (including the cases where the dispute resolution organization does not hold any voting rights on its own account), said another corporation, etc.;
- (ii) a person who is or has been an officer or an employee of the Designated Dispute Resolution Organization;
- (iii) a relative within the third degree of kinship of an officer of the Designated Dispute Resolution Organization;
- (iv) a person who has any of the persons set forth in the preceding two items as its representative;
- (v) when those set forth in the preceding two items account for one third or more of the officers of another corporation, etc., said another corporation, etc.;
- (vi) if the Designated Dispute Resolution Organization has concluded a contract with a particular person for controlling business policy decisions of said particular person, said particular person;
- (vii) when a Designated Dispute Resolution Organization provides a loan for one third or more of the total amount of the procured funds of a particular person (including cases where the amount of such loan exceeds one-third of the total amount of the procured funds when combined with the amount of a loan provided by a person with a close relationship with said Designated Dispute Resolution Organization in terms of contribution, personnel affairs, funds, technology, transactions or other matters), said particular person;
- (viii) beyond the persons set forth in the preceding items, when the circumstances of a Designated Dispute Resolution Organization suggest that it has control over the business policy decisions of a particular person, said particular person;
- (ix) when any of the persons set forth in the preceding items has, with a particular person, a relationship similar to the relationship between the Designated Dispute Resolution Organization in the preceding items (excluding items (ii) to (iv); hereinafter the same applies in this item) and any of the persons set forth therein respectively, said particular person.

(Entry in Record of Complaint Processing Procedures)

Article 34-73 (1) Pursuant to the provisions of Article 52-71 of the Act, the Designated Dispute Resolution Organization must, with regard to Complaint Processing Procedures it performed, keep the following record stating the following matters:

- (i) date and details of the application filed by a customer of a member bank for resolution of a complaint related to banking services (which means a complaint related to banking services prescribed in Article 2, paragraph (19) of the Act; the same applies in paragraph (3), item (iii) of the following Article);
 - (ii) name and trade name of the customer of a member bank who filed the application in the preceding item; and trade name of said member bank;
 - (iii) history of the Complaint Processing Procedures performed;
 - (iv) results of the Complaint Processing Procedures (including the reasons and date of the termination of the Complaint Processing Procedures).
- (2) The Designated Dispute Resolution Organization must keep on file the records of the matters prescribed in the preceding paragraph for a minimum of five years from the date the Complaint Processing Procedures it performed terminated.

(Interests of Dispute Resolution Mediators)

Article 34-74 (1) A person who has interests in a party to the dispute (hereinafter referred to simply as "Party to the Dispute") prescribed in Article 52-65, paragraph (2) of the Act pertaining to the application in Article 52-73, paragraph (1) of the Act as prescribed in paragraph (3) of the same Article, is a person who falls under any of the following items:

- (i) a person who is or had been the spouse of a Party to the Dispute;
 - (ii) a person who is or had been a relative by blood within the fourth degree of kinship of a Party to the Dispute; or a relative by marriage or a relative living together within the third degree of kinship of a Party to the Dispute;
 - (iii) guardians, supervisors of guardians, curators, supervisors of curators, assistants or supervisors of assistants of a Party to the Dispute;
 - (iv) a person who is or had been the attorney or assistant of a Party to the dispute related to banking services pertaining to the application (which means a dispute related to banking services prescribed in Article 2, paragraph (20) of the Act; the same applies in the following Article);
 - (v) a person who earns an income from a Party to the Dispute for provision of services or for whom three years has not passed from the date it stopped doing so.
- (2) The person provided by Cabinet Office Ordinance as prescribed in Article 52-

73, paragraph (3), item (iii) of the Act is a person who holds any of the qualifications below and has been engaged for at least five years in total in a service providing Consumer Affairs Consultation (which means the Consumer Affairs Consultation prescribed in Article 13, paragraph (3), item (v), sub-item (a) of the Consumer Contract Act (Act No. 61 of 2000)):

(i) title of a specialized consumer affairs consultant given by the Incorporated Administrative Agency National Consumer Affairs Center of Japan;

(ii) title of a consumer affairs advisor given by Japan Industrial Association (which means the corporation established on February 26, 1918 as the National Production Promotion Association);

(iii) title of a consumer affairs consultant given by Japan Consumer Association (which means the corporation established on September 5, 1961 as Japan Consumer Association).

(3) The persons provided by Cabinet Office Ordinance as prescribed in Article 52-73, paragraph (3), item (v) of the Act are the following persons:

(i) a person who has been in one or more of the following occupations for at least five years in total:

(a) judge;

(b) assistant judge;

(c) public prosecutor;

(d) attorney at law;

(e) professor or associate professor at a department, major course, or graduate school for the study of law at a university as stipulated by the School Education Act (Act No. 26 of 1947);

(ii) person who has been in one or more of the following occupations for at least five years in total:

(a) public accountant;

(b) licensed tax accountant;

(c) professor or associate professor at a department, major course, or graduate school for the study of economics or commercial science at a university as stipulated by the School Education Act.;

(iii) a person who, at a corporation providing services of handling complaints related to banking services or services pertaining to the handling of complaints related to banking services, has engaged for at least ten years in total in such services as investigation, guidance, advice, rulemaking, etc. necessary to ensure the protection of clients;

(iv) a person recognized by the Commissioner of the Financial Services Agency as having knowledge and experience equal to or greater than a person set forth in any of the preceding three items.

(Explanation to a Customer of a Member Bank Who Is a Party to the Dispute

Related to Banking Services)

- Article 34-75 (1) A Designated Dispute Resolution Organization, in giving explanation prescribed in Article 52-73, paragraph (8) of the Act and when requested by a customer of a member bank, who is a party to the dispute related to banking services, to deliver a written document, must deliver a written document and give an explanation.
- (2) The matters provided by Cabinet Office Ordinance as prescribed in Article 52-73, paragraph (8) , item (iii) of the Act are the following matters:
- (i) method of handling secrets of the parties and third parties to the dispute related to banking services contained in opinions offered or information materials submitted or presented in the course of Dispute Resolution Procedures or recorded in the Dispute Resolution Record prescribed in Article 52-73, paragraph (9) of the Act (referred to as "Dispute Resolution Record" in paragraph (1) of the following Article);
 - (ii) requirements to be fulfilled for the parties to a dispute related to banking services to terminate such Dispute Resolution Procedures and method of termination;
 - (iii) a statement to the effect that, when the dispute resolution mediator finds the parties to a dispute related to banking services unlikely to reach a settlement through Dispute Resolution Procedures, the Commissioner promptly terminates the Dispute Resolution Procedures and notify the parties to the dispute related to banking services to that effect;
 - (iv) whether or not there are written documents to be established when the parties to a dispute related to banking services reached a settlement and, if there are, the name of the person to establish such documents, number of duplicates, and other outlines pertaining to the establishment of such documents.

(Keeping on File and Establishment of Dispute Resolution Record)

- Article 34-76 (1) A Designated Dispute Resolution Organization must keep on file the Dispute Resolution Record for at least ten years from the date the Dispute Resolution Procedures it performed ended.
- (2) The matters provided by Cabinet Office Ordinance as prescribed in Article 52-73, paragraph (9), item (vi) of the Act are the following matters:
- (i) description of the Application for Dispute Resolution Procedures;
 - (ii) when a Special Mediation (which means the special mediation prescribed in Article 52-67, paragraph (6) of the Act; hereinafter the same applies in this item) is proposed in the Dispute Resolution Procedures, the description of such mediation and the date of proposal;
 - (iii) when the Dispute Resolution Procedures resulted in a settlement, the description of such settlement.

Section 3 Supervision

(Matters to Be Notified)

Article 34-77 (1) A Designated Dispute Resolution Organization must, when intending to file a notification pursuant to Article 52-79 of the Act, submit a written notification with the Commissioner of the Financial Services Agency, with a statement of reasons and documents stating other matters for reference attached thereto (in the cases set forth in the following items, including matters listed in respective items):

- (i) in the cases set forth in Article 52-79, item (i) of the Act, the date of conclusion or termination of the Basic Contract for the Implementation of Dispute Resolution Procedures and the trade name of the Bank;
 - (ii) in the cases set forth in item (vi) of the following paragraph, a written pledge by persons appointed Officer(s), etc. of the Designated Dispute Resolution Organization that they are not members of any organized crime group;
 - (iii) in the cases set forth in item (vii) of the following paragraph, the reasons why the Organization suspects that the Bank may fail to fulfill obligations under Basic Contract for the Implementation of Dispute Resolution Procedures and other obligations pertaining to Dispute Resolution, etc. and the trade name of said Bank; .
 - (iv) in the cases set forth in item (viii) and (ix) of the following paragraph, the following matters:
 - (a) name of the business office or office where said act took place;
 - (b) name or trade name and title of the officer who committed said act;
 - (c) outline of said act;
 - (d) remedies to take.
- (2) The occasions provided by Cabinet Office Ordinance as prescribed in Article 52-79, item (ii) of the Act are the following occasions:
- (i) when the organization changed the articles of incorporation or other regulations equivalent thereto;
 - (ii) when a parent corporation (which means a corporation or other organization holding the majority of the All Shareholders', etc. Voting Rights of the Designated Dispute Resolution Organization; the same applies in the following item) or a subsidiary corporation (which means a corporation or other organization of which the majority of the All Shareholders', etc. Voting Rights is held by the Designated Dispute Resolution Organization; the same applies in the item (iv)) changed their trade name or name, the location of principal business office or office, or the line of business;
 - (iii) when the parent corporation ceased to be the parent corporation;

- (iv) when a subsidiary corporation ceases to be a subsidiary corporation or when the Designated Dispute Resolution Organization acquired or held the voting rights of a subsidiary corporation;
 - (v) when a single person acquired or held voting right exceeding five percent of the All Shareholders', etc. Voting Rights of the Designated Dispute Resolution Organization;
 - (vi) when, after a designated application prescribed in Article 52-63, paragraph (1) of the Act was filed, there was a person newly appointed an Officer, etc. of the Designated Dispute Resolution Organization;
 - (vii) when a Bank offered to conclude a Basic Contract for the Implementation of Dispute Resolution Procedures and the Designated Dispute Resolution Organization refused said offer;
 - (viii) when the Designated Dispute Resolution Organization learned that an Officer, etc. of the Designated Dispute Resolution Organization or its outsourcee, in providing Dispute Resolution, etc. (at the outsourcee, limited to services outsourced by the Designated Dispute Resolution Organization), committed an act violating a law or regulation or Operational Rules of said Designated Dispute Resolution Organization;
 - (ix) when the Designated Dispute Resolution Organization learned that a member bank or its Officer, etc. committed an act violating the Operational Rules of the Designated Dispute Resolution Organization.
- (3) Notifications to be filed when the Designated Dispute Resolution Organization fell under items (viii) or (ix) of the preceding paragraph must be filed within one month from the date the Designated Dispute Resolution Organization learned the facts prescribed in those provisions.

(Submission of Reports on Dispute Resolution)

- Article 34-78 (1) A report on Dispute Resolution, etc., to be established by a Designated Dispute Resolution Organization pursuant to Article 52-80, paragraph (1) of the Act must be prepared pursuant to Appended Form No. 20 and submitted to the Commissioner of the Financial Services Agency within three months of the end of the business year.
- (2) The report submitted pursuant to the preceding paragraph must be accompanied with the inventory of property, balance sheet, income and expenditure account statement or profit and loss statement, or any documents equivalent thereto, for the last business year.
 - (3) A Designated Dispute Resolution Organization, if it is unable to submit the report prescribed in paragraph (1) within the period prescribed in the same paragraph for compelling reasons, may postpone said submission under the prior approval of the Commissioner of the Financial Services Agency.
 - (4) A Designated Dispute Resolution Organization, when intending to gain

approval prescribed in the preceding paragraph, must submit a written statement of reasons attached to a written application for approval to the Commissioner of the Financial Services Agency.

- (5) When an application for approval is filed pursuant to the preceding paragraph, the Commissioner of the Financial Services Agency is to examine the validity of the compelling reasons for the Designated Dispute Resolution Organization, the applicant, to postpone the submission as prescribed in paragraph (3).

Chapter IX Miscellaneous Provisions

(Matters to Be Notified)

Article 35 (1) The cases as provided by Cabinet Office Ordinance as prescribed in Article 53, paragraph (1), item (viii) of the Act are the following cases:

- (i) when the articles of incorporation are changed;
- (ii) when share options or bonds with share options are to be issued;
- (iii) when a director representing a Bank or a director engaging in ordinary business of a Bank (in the case of a company with committees, a representative director or an executive officer) is appointed or resigns;
- (iii)-2 in the cases of a company with accounting advisors, when an accounting advisor is appointed or resigns;
- (iv) when a Sub-Office as prescribed in Article 9, paragraph (1), item (i) (excluding a temporary or circuit-type facility or an unmanned facility) is opened, relocated, or abolished or a Sub-Office as prescribed in Article 9-2, paragraph (3), item (i) is established;
- (v) the cases of intending to abolish a Sub-Office as prescribed in Article 9-2, paragraph (3), item (ii) or to change the location of a business office in a foreign state (excluding cases corresponding to the following item; or Article 9, paragraph (1), item (ii) or item (iii));
- (v)-2 when a Sub-Office located in a foreign state (limited to a temporary or circuit-type facility or an unmanned facility) is abolished or its location is changed (excluding cases as set forth in Article 9, paragraph (1), item (ii) or (iii));
- (vi) when a facility or equipment for which all or part of business as prescribed in Article 10, paragraph (2) of the Act (excluding cases specified separately by the Commissioner of the Financial Services Agency) is established or installed, of which location is changed, is abolished, or the content of business carried out in said facility or with said equipment is changed;
- (vi)-2 when a contract to entrust Bank Agency Services is concluded, said contract is changed, or said contract is terminated (including the cases where sub-entrustment of entrusted Bank Agency Services is authorized);

- (vi)-2-2 when a contract to entrust agency or intermediary of concluding a contract pertaining to the business as prescribed in Article 10, paragraph (2) of the Act, said contract is changed, or said contract is terminated;
- (vi)-3 in the cases of intending to establish a Specified Transaction Account;
- (vi)-4 in the cases of intending to abolish a Specified Transaction Account;
- (vii) in the cases of intending to change business hours as prescribed in Article 16, paragraph (3) at all or part of a business office (excluding a temporary or circuit-type facility or an unmanned facility) of a Bank (excluding a cases where business hours as prescribed in paragraph (1) of the same Article are ensured);
- (viii) when another company (excluding a company required to submit a notification as prescribed in the same item with regard to making the company as a Subsidiary Company pursuant to the provisions of Article 53, paragraph (1), item (ii) of the Act) is made as a Subsidiary Company due to a reason set forth in each item of Article 17-4, paragraph (1);
- (ix) when voting rights of its Subsidiary Company are acquired or held;
- (x) when a Subsidiary Company changes its name or the location of the head office or principal business office or other office, is merged, or abolished all business (excluding cases as prescribed in Article 53, paragraph (1), item (iii) of the Act);
- (xi) when a Bank or its Subsidiary Company acquires or holds voting rights of a company in Japan (which means a company in Japan as prescribed in Article 16-3, paragraph (1) of the Act; the same applies in item (xiii)) for which the total number exceeds the maximum threshold for voting rights held (which means the maximum threshold for voting rights held as prescribed in the same paragraph; hereinafter the same applies in this paragraph) due to reasons set forth in each item of Article 17-16, paragraph (1);
- (xii) when a Bank or its Subsidiary Company acquires or holds voting rights of a company eligible as a Subsidiary Company (which means a Company Eligible as a Subsidiary Company as prescribed in Article 16-2, paragraph (1) of the Act) for which the total number exceeds the maximum threshold for voting rights held;
- (xiii) when a Bank or its Subsidiary Company no longer holds the portion of voting rights for which the total number exceeds the maximum threshold for voting rights held of a company in Japan;
- (xiv) in the case of a new holding of a corporation corresponding to any of the corporations as set forth in each item of Article 14-4 or Article 14-12 (excluding a Subsidiary Company; which is referred to as "uniquely related person" in the following item and item (xvi));
- (xv) when said uniquely related person is no longer a uniquely related person;

- (xvi) when a uniquely related person of a company (excluding a Subsidiary Company of said Bank, or a foreign company) or a Bank, for which the total number of voting rights exceeding the maximum threshold for voting rights held are held by a Bank or its Subsidiary Company, or the case of a Bank that changes the content of its business;
- (xvi)-2 when a liaison office that is established in a foreign state is abolished or changed;
- (xvii) when a facility is to be established in a foreign state for business concerning Bank services (excluding a liaison office), or when said facility is abolished or its location is changed;
- (xviii) when a Bank with a Specified Transaction Account or a Foreign Bank Branch That Submitted Notification of a Specified Transaction Account intends to change the type of transactions which are intended to be transacted as specified transactions, or any other matters pertaining to the documents as prescribed in paragraph (5), item (i) (excluding cases of intending to make an immaterial change);
- (xix) when a Foreign Bank Branch intends to establish an account equivalent to a Specified Transaction Account;
- (xx) when calculating consolidated capital adequacy ratio of a Bank and its Subsidiary Company, etc., pursuant to as specified by the Commissioner of the Financial Services Agency, in the cases of intending to use a method that includes a part among the company's assets, liabilities, profit, and expenditures that pertains to a Bank and a consolidated subsidiary corporation, etc. (which means a subsidiary corporation, etc. of said Bank that is included within the scope of consolidation) into the scope of consolidation;
- (xxi) in the cases of intending to suspend the use of the method as prescribed in the preceding item;
- (xxii) in the case of intending to borrow money by a subordinated loan (which means a subordinated loan as prescribed in Article 2, paragraph (6) of the Financial Strengthening Act; the same applies in the following item and paragraph (3)) or in the case of intending to issue a subordinated corporate bond (which means a subordinated corporate bond as prescribed in Article 2, paragraph (5) of the Financial Strengthening Act, the same applies in the following item and paragraph (3));
- (xxiii) in the case of intending to make a payment prior to expiration of the term with regard to debt pertaining to a subordinated loan or in the case of intending to redeem prior to expiration of the term with regard to a subordinated corporate bond (including a case of intending to make a payment or redemption for debt without a term);
- (xxiv) in the cases of intending to acquire a company's own shares according to

- the resolution at a shareholders meeting or a resolution of the board of directors pursuant to the provisions of Article 156, paragraph (1) of the Companies Act (including cases of the provisions being applied by being deemed to be replaced with provisions of Article 165, paragraph (3) of the same Act);
- (xxv) in the case of having learned that misconduct occurred (with regard to a trustee of business, limited to those pertaining to business entrusted by said Bank) in a Bank, its Subsidiary Company, or a trustee of business (which is referred to as "Bank, etc." in paragraph (7));
- (xxvi) in the case of intending to decrease the amount of a reserve;
- (xxvii) when a dividend of surplus is paid pursuant to the provisions of Article 453 of the Companies Act;
- (xxviii) when a Bank commences to make available for public inspection with regard to documents prepared pursuant to the provisions of Article 20, paragraph (1) or (2) of the Act and Article 21, paragraph (1) or (2) of the Act (including an electronic or magnetic record prepared pursuant to the provisions of Article 20, paragraph (3) of the Act and Article 21, paragraph (3) of the Act);
- (xxix) if a Bank submits or has submitted a business report and annexed detailed statement, prepared pursuant to the provisions of Article 435, paragraph (2) of the Companies Act, at an annual shareholders meeting.
- (2) The cases as provided by Cabinet Office Ordinance as prescribed in Article 53, paragraph (2), item (vii) of the Act are the following cases; provided, however, that the same does not apply when the Bank's Major Shareholder is a Bank or a Bank Holding Company:
- (i) when articles of incorporation or any other rules equivalent thereto are changed;
- (ii) when the name is changed, domicile, residence, principal business office or an office is established, its location is changed, or is abolished.
- (3) The cases as provided by Cabinet Office Ordinance as prescribed in Article 53, paragraph (3), item (ix) of the Act are the following cases:
- (i) when articles of incorporation (with regard to a bank holding company located in a foreign state, articles of incorporation or any other rules equivalent thereto) is changed;
- (ii) when share options or bonds with share options are to be issued;
- (iii) when a director representing a Bank Holding Company or a director engaging in ordinary business of a Bank Holding Company (in the case of a company with committees, the representative director or an executive officer) (with regard to a bank holding company located in a foreign state, a director or director representing said bank holding company located in a foreign state or a person who is assigned to equivalent positions to the above, or a director

- or executive officer engaging in ordinary business of said bank holding company located in a foreign state or a person who engages in the duties equivalent to the above) is appointed or resigns;
- (iii)-2 in the cases of a company with accounting advisors, when an accounting advisor is appointed or resigns;
 - (iv) in the cases of intending to establish an office, to change its location, or to abolish an office;
 - (v) when another company (excluding a company required to submit a notification as prescribed in the same item with regard to making a company as a Subsidiary Company pursuant to the provisions of Article 53, paragraph (3), item (ii) of the Act) is held as a Subsidiary Company due to a reason set forth in the items of Article 34-17, paragraph (1);
 - (vi) when a Subsidiary Company changes its name or the location of its head office, principal business office or other office, is merged, or abolished all of its business (excluding cases as prescribed in Article 53, paragraph (3), items (ii) and (iv) of the Act);
 - (vii) when a Bank Holding Company or its Subsidiary Company acquires or holds voting rights of a company in Japan (which means a company in Japan as prescribed in Article 52-24, paragraph (1) of the Act; the same applies in item (ix)) for which the total number exceeds the maximum threshold for voting rights held (which means the maximum threshold for voting rights held as prescribed in the same paragraph; the same applies in this paragraph) due to a reason set forth in each item of Article 34-20, paragraph (1);
 - (viii) when a Bank Holding Company or its Subsidiary Company acquires or holds voting rights of a company eligible as a Subsidiary Company (which means a company eligible as a Subsidiary Company as prescribed in Article 52-23, paragraph (1) of the Act) for which the total number exceeds the maximum threshold for voting rights held in total;
 - (ix) when a Bank Holding Company or its Subsidiary Company no longer holds the portion of voting rights that exceed the maximum threshold for voting rights held of a domestic company;
 - (x) in the case of newly holding a corporation corresponding to any person as set forth in the items of Article 14-4 or each item of Article 34-23, as applied mutatis mutandis pursuant to Article 34-15, paragraph (1) (excluding a Subsidiary Company; which is referred to as "uniquely related person" in the following item and item (xii));
 - (xi) when said uniquely related person is no longer a uniquely related person;
 - (xii) when a uniquely related person of a company (excluding a Subsidiary Company of said Bank Holding Company or a foreign company), for which voting rights exceeding its maximum threshold for voting rights held is held

- by a Bank Holding Company or its Subsidiary Company in total, or of a Bank Holding Company changes the content of its business;
- (xiii) Deleted
 - (xiv) Deleted
 - (xv) when calculating consolidated capital adequacy ratio of a Bank Holding Company and its Subsidiary Company, etc., in a case, pursuant to as specified by the Commissioner of the Financial Services Agency, of intending to use a method that includes a part among the company's assets, liabilities, profit, and expenditures that pertains to a Bank Holding Company and consolidated subsidiary corporation, etc. (which means a subsidiary corporation, etc. of said Bank Holding Company that is included within the scope of consolidation) into the scope of consolidation;
 - (xvi) in the case of intending to suspend the use of the method as prescribed in the preceding item;
 - (xvii) in the case of intending to borrow money by a subordinated loan or intending to issue a subordinated corporate bond;
 - (xviii) in the case of intending to make payment prior to expiration of a term with regard to debt pertaining to a subordinated loan or intending to redeem prior to expiration of a term with regard to a subordinated corporate bond (including the cases of intending to make payment or to redeem debt without a term);
 - (xix) in the cases of intending to decrease the amount of a reserve;
 - (xx) when a dividend from surplus is paid pursuant to the provisions of Article 453 of the Companies Act;
 - (xxi) when a Bank Holding Company commences to make available for public inspection at a Bank that is a Subsidiary Company of said Bank Holding Company, with regard to documents prepared pursuant to the provisions of Article 52-28, paragraph (1) of the Act and Article 52-29, paragraph (1) of the Act (including an electronic or magnetic record prepared pursuant to the provisions of Article 52-28, paragraph (2) of the Act and Article 52-29, paragraph (2) of the Act);
 - (xxii) if a Bank Holding Company submits or has submitted a business report and annexed detailed statement prepared pursuant to the provisions of Article 435, paragraph (2) of the Companies Act to an annual shareholders meeting.
- (4) The cases as provided by Cabinet Office Ordinance as prescribed in Article 53, paragraph (4) of the Act are the following cases:
- (i) when articles of incorporation or any other rules equivalent thereto are changed;
 - (ii) when an entrustment agreement or sub-entrustment agreement pertaining to Bank Agency Services is changed;

- (iii) when public inspection is commenced based on the provisions of Article 52-51, paragraph (1) of the Act with regard to documents as prescribed in the same paragraph (including an electronic or magnetic record prepared pursuant to the provisions of Article 20, paragraph (3) of the Act; Article 21, paragraph (3); or Article 52-28, paragraph (2); and Article 52-29, paragraph (2));
 - (iv) the case of having learned that misconduct occurred concerning Bank Agency Services.
- (5) A Bank, Bank's Major Shareholder (including a person that was a Bank's Major Shareholder), a Bank Holding Company (including a company that was a Bank Holding Company) or a Bank Agent, when intending to submit a notification pursuant to the provisions of Article 53, paragraphs (1) to (4) of the Act, must submit to the Commissioner of the Financial Services Agency, etc. a written notice attached with a written statement of reasons and other documents stating the matters which are to serve as reference (in the cases as set forth in each of the following items, the documents as prescribed in each said item):
- (i) in the case as set forth in paragraph (1), item (vi)-3 or item (ixx): the following documents:
 - (a) a document stating the type of transactions that are intended to be handled as a specified transaction and the name of the department that handles said transactions;
 - (b) a document stating the name of the department that calculates current value, etc. (which means calculating income or loss pertaining to a specified transaction, or the value of assets subject to said transaction);
 - (c) a document stating the accounting policy concerning the distinction between a specified transaction and assets subject to said transactions, and other transactions and assets (including the accounting policy concerning the distinction of transactions performed before establishing a Specified Transaction Account and assets subject to the transactions);
 - (d) a document stating the matters concerning handling the case of implementing an internal transaction (which means the transactions that are set forth in Article 13-6-3, paragraph (2), items (v) to (xiv), and handled between a Specified Transaction Account and other accounts (including transactions which are deemed to be a specified transaction pursuant to the provisions of item (xvii) of the same paragraph as a transaction similar to or having a close relationship with said transaction) with in a single Bank) (including the case of terminating said internal transaction);
 - (e) a document stating the matters concerning handling the case of transfer between accounts (which means an act as set forth in each of the items of

Article 13-6-3, paragraph (3) (including a transaction as prescribed in paragraph (4) of the same Article));

- (ii) in the cases as set forth in paragraph (1), item (xxviii): the documents as prescribed in the same item;
- (iii) in the case as set forth in paragraph (1), item (xxix): the business report and annexed detailed statement as prescribed in the same item;
- (iv) in the cases as set forth in paragraph (3), item (xxi): the documents as prescribed in the same item;
- (v) in the cases as set forth in paragraph (3), item (xxii): the business report and annexed detailed statement as prescribed in the same item;
- (vi) in the cases as set forth in item (ii) of the preceding paragraph: a copy of the entrustment agreement or sub-entrustment agreement after the change.

(Application of Approval Pertaining to Effect of Approval)

- Article 36 (1) A Bank, Bank's Major Shareholder (including a person that obtained an authorization pertaining to incorporation among those as prescribed in Article 52-9, paragraph (1) of the Act), or a Bank Holding Company (including a person that obtained an authorization as prescribed in Article 52-17, paragraph (1) of the Act), when intending to obtain an approval pursuant to the provisions of Article 55, proviso of paragraph (1) of the Act, must submit an written application for approval attached with a written statement of reasons to the Commissioner of the Financial Services Agency, etc.
- (2) The Commissioner of the Financial Services Agency, etc., when an application of approval is filed pursuant to the provisions of the preceding paragraph, is to examine whether it conforms to the following standards:
- (i) a reason is found to be compelling for a matter, in obtaining said authorization, that is unable to be implemented within six months from the date the authorization is obtained pursuant to the provisions of the Act;
 - (ii) it is expected that the matters in obtaining said authorization can be implemented within a reasonable period;
 - (iii) it is expected that there will not be a material change of the basic matters of examination at the time of said authorization by the time the matters for obtaining said authorization are expected to be implemented.

(Registration)

- Article 36-2 (1) Those matters as provided by Cabinet Office Ordinance as prescribed in Article 57-4, items (i) and (ii) of the Act are letters, marks, other codes, or a combination of the above in order for a Bank or a Bank Holding Company to identify the part, among automatic public transmission servers, which is used for taking measures pursuant to the provisions of Article 20, paragraph (6) or Article 52-28, paragraph (5), which part is provided for the

use of implementing said acts, via the Internet; and a person that receives provision of information can inspect the content of said information by inputting said letters, codes, etc. into a computer pertaining to the person's use and record said information in a file maintained in said computer.

(2) A Bank or a Bank Holding Company, for which the method of public notice (which means a public notice as prescribed in Article 2, item (xxxiii) of the Companies Act) is a method as set forth in Article 57, item (ii) of the Act, may register a matter as set forth in Article 911, paragraph (3), item (xxix), sub-item (a) of the Companies Act for receiving provision of information which is the content of a public notice, etc. of an interim settlement of accounts (which means a public notice that a Bank announces pursuant to the provisions of Article 20, paragraph (4) of the Act (excluding a public notice concerning a balance sheet and profit and loss statement pertaining to a business year as prescribed in paragraph (1) of the same Article) or a public notice that a Bank Holding Company announces pursuant to the provisions of Article 52-28, paragraph (3); hereinafter the same applies in this paragraph) separately from those matters for receiving provision of information of which is the content of a public notice other than the public notice, etc. of an interim settlement of accounts.

(Measures for Display Matters Recorded in an Electronic or Magnetic Record)

Article 36-3 The measures as provided by Cabinet Office Ordinance as prescribed in Article 63, item (i)-2 and item (i)-3 of the Act are a method to display matters recorded in an electronic or magnetic record on paper or screen.

(Via-Government Agency)

Article 37 (1) A Bank (excluding a Foreign Bank Branch; hereinafter the same applies in this Article), when submitting to the Commissioner of the Financial Services Agency a written application, business report, or other document as prescribed in this Cabinet Office Ordinance (excluding items (vi) and (vii); hereinafter referred to as "Application, etc." in this Article), must submit them to the Director General of the Local Finance Bureau with jurisdiction over the location of the head office of said Bank (when said location is within the jurisdictional district (excluding the jurisdictional district of a Local Finance Office) of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau, and when said location is within the jurisdictional district of the Otaru Sub-Office or Kitami Sub-Office (hereinafter referred to as "Local Finance Office, etc." in this Article), the Director of said Local Finance Office or the Director of the Sub-Office (hereinafter referred to as "Director, etc. of the Local Finance Office" in this Article)); provided, however, that this does not apply to an Application, etc.

pertaining to Banks specified by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 17-2, paragraph (4) of the Order and others specified separately by the Commissioner of the Financial Services Agency.

- (2) A Bank, when submitting an Application, etc. to the Director General of the Local Finance Bureau or Fukuoka Local Finance Branch Bureau, when there is a Director, etc. of the Local Finance Office with jurisdiction over the location of the head office of said Bank, must submit the Application, etc. to the said Director, etc. of the Local Finance Office.
- (3) A Foreign Bank Branch, when submitting to the Commissioner of the Financial Services Agency an interim business report as prescribed in Article 18, paragraph (1) or business report as prescribed in paragraph (2) of the same Article, must submit them to the Director General of the Local Finance Bureau with jurisdiction over the location of the Principal Foreign Bank Branch (when said location is within the jurisdictional district (excluding the jurisdictional district of a Local Finance Office) of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau; when said location is within the jurisdictional district of a Local Finance Office, etc., said Director, etc. of the Local Finance Office); provided, however, that this does not apply to the Foreign Bank Branch specified by the Commissioner of the Financial Services Agency.
- (4) A person that intends to become a holder of a number of voting rights in a Bank which is equal to or greater than the Major Shareholder Threshold, a person that intends to incorporate a company or other corporation that is a holder of a number of voting rights in a Bank which is equal to or greater than the Major Shareholder Threshold, or a holder of a number of voting rights in a Bank which is equal to or greater than the Major Shareholder Threshold, when submitting an Application, etc. to the Commissioner of the Financial Services Agency, must submit it to the Director General of the Local Finance Bureau with jurisdiction over the location of the head office of the Bank that intends to hold or holds a number of voting rights in a Bank which is equal to or greater than the Major Shareholder Threshold (when said location is within the jurisdictional district (excluding the jurisdictional district of a Local Finance Office) of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau, and when said location is within the jurisdictional district of a Local Finance Office, etc., said Director, etc. of the Local Finance Office); provided, however, that this does not apply to an Application, etc. pertaining to a Bank specified separately by the Commissioner of the Financial Services Agency.
- (5) A Holding Company of which a Subsidiary Company is a Bank (including a company that was a Holding Company of which a Subsidiary Company is a

Bank; the same applies in the following paragraph), when submitting an Application, etc. to the Commissioner of the Financial Services Agency, must submit it to the Director General of the Local Finance Bureau with jurisdiction over the location of the principal office of the Holding Company of which a Subsidiary Company is said Bank (when said location is within the jurisdictional district (excluding the jurisdictional district of a Local Finance Office) of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau, and when said location is within the jurisdictional district of a Local Finance Office, etc., said Director, etc. of the Local Finance Office); provided, however, that this does not apply to an Application, etc. pertaining to companies specified by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 17-3, paragraph (4) of the Order and others specified separately by the Commissioner of the Financial Services Agency.

(6) A Bank Agent (excluding a Bank Agent that has its principal business office or other office in a foreign state; hereinafter the same applies in this paragraph and the following paragraph), when submitting a written application pursuant to the provisions of Article 52-37, paragraph (1) of the Act, a report concerning Bank Agency Services, or other document as prescribed in this Cabinet Office Ordinance (hereinafter referred to as "Application, etc." in this paragraph and the following paragraph) to the Commissioner of the Financial Services Agency, must submit them to the Director General of the Local Finance Bureau with jurisdiction over the location of the principal business office or other office of said Bank Agent (when said location is within the jurisdictional district (excluding the jurisdictional district of a Local Finance Office) of the Fukuoka Local Finance Branch Bureau, the Director General of the Fukuoka Local Finance Branch Bureau, and when said location is within the jurisdictional district of a Local Finance Office, etc., said Director, etc. of the Local Finance Office); provided, however, that this does not apply to an Application, etc. pertaining to a Bank Agent specified by the Commissioner of the Financial Services Agency pursuant to the provisions of Article 17-4, paragraph (4) of the Order or others specified separately by the Commissioner of the Financial Services Agency.

(7) A Bank Agent, when submitting an Application, etc. to the Director General of the Local Finance Bureau or Fukuoka Local Finance Branch Bureau, when the Director, etc. of the Local Finance Office has jurisdiction over the location of the principal business office or other office of said Bank Agent, must submit it to said Director, etc. of the Local Finance Office.

(8) The provisions of paragraph (2) apply mutatis mutandis pursuant to a Holding Company of which a Subsidiary Company is a Bank. In this case, the term "head office" is deemed to be replaced with "principal office."

(Special Provisions on a Foreign Holding Company of Which a Subsidiary Company Is a Bank)

Article 38 (1) A foreign Holding Company of which a Subsidiary Company is a Bank (including a company that intends to become a foreign Holding Company of which a Subsidiary Company is a Bank, a person who intends to incorporate a foreign Holding Company of which a Subsidiary Company is a Bank, and a company that was a foreign Holding Company of which a Subsidiary Company is a Bank; hereinafter the same applies in this Article), with regard to a document that is stipulated to be attached to a written application or written notification and submitted to the Prime Minister or the Commissioner of the Financial Services Agency by a foreign Holding Company of which a Subsidiary Company is a Bank, pursuant to this Cabinet Office Ordinance (hereinafter referred to as "Attached Documents" in this paragraph and the following paragraph), may submit a document equivalent to the above in lieu of said Attached Documents to the Prime Minister or the Commissioner of the Financial Services Agency, etc.

(2) When a foreign Holding Company, of which a Subsidiary Company is a Bank, is unable to submit the Attached Documents or a document equivalent to this as prescribed in the preceding paragraph (hereinafter referred to as "Attached Documents, etc." in this paragraph) to the Prime Minister or the Commissioner of the Financial Services Agency, etc., due to national laws and regulations or customs of the foreign Holding Company's state (which means a state that has established laws and regulations according to which the foreign Holding Company of which a Subsidiary Company is said Bank was incorporated) or other justifiable grounds, said Attached Documents, etc. are not required to be submitted to the Prime Minister or the Commissioner of the Financial Services Agency, etc.

(3) With regard to the application of provisions of this Cabinet Office Ordinance to a foreign Holding Company of which a Subsidiary Company is a Bank, in the case of a foreign Holding Company of which a Subsidiary Company is a Bank and that maintains an office in Japan, its principal office in Japan is deemed as its principal office, and in the case of a foreign Holding Company of which a Subsidiary Company is a Bank and that does not maintain an office in Japan, its principal office is deemed to be located within the jurisdictional district of the Kanto Local Finance Bureau.

(Special Provisions on a Foreign Corporation That Carries out Bank Agency Services)

Article 38-2 (1) A foreign corporation that carries out Bank Agency Services (including a foreign corporation that intends to carry out Bank Agency Services,

or a person that intends to incorporate a foreign corporation that carries out Bank Agency Services; hereinafter the same applies in this Article), with regard to a document as prescribed in Article 52-37, paragraph (2), item (iii) of the Act or a document that is required to be attached to a written application or written notification and submitted to the Commissioner of the Financial Services Agency, etc. by said foreign corporation that carries out Bank Agency Services pursuant to the provisions of this Cabinet Office Ordinance (hereinafter referred to as "Attached Documents" in this paragraph and the following paragraph), may submit documents equivalent to the above in lieu of said Attached Documents to the Commissioner of the Financial Services Agency, etc.

- (2) When a foreign corporation that carries out Bank Agency Services is unable to submit an Attached Document, or a document equivalent to this as prescribed in the preceding paragraph (hereinafter referred to as "Attached Documents, etc." in this paragraph) to the Commissioner of the Financial Services Agency, etc., due to national laws and regulations or customs of the foreign Holding Company's state (which means a state that has established laws and regulations according to which the foreign corporation that carries out said Bank Agency Services was established) or other justifiable grounds, said Attached Documents, etc. are not required to be submitted to the Commissioner of the Financial Services Agency, etc.
- (3) With regard to the application of provisions of this Cabinet Office Ordinance to a foreign corporation that carries out Bank Agency Services, the principal office or other office in Japan of a foreign corporation that carries out Bank Agency Services is deemed as its principal office or other office.

(Preliminary Examination)

Article 39 A Bank, a holder of a number of voting rights in a Bank which is equal to or greater than the Major Shareholder Threshold, a Holding Company of which a Subsidiary Company is a Bank, or a Bank Agent, when intending to obtain a permission pursuant to the provisions of the Act or an approval pursuant to the provisions of Article 52-42, paragraph (1) of the Act, may request a preliminary examination by submitting to the Commissioner of the Financial Services Agency, etc. documents equivalent to the documents to be submitted to the Commissioner of the Financial Services Agency, etc., when filing an application of said permission or approval.

(Standard Processing Period)

Article 40 (1) The Prime Minister or the Commissioner of the Financial Services Agency, etc. is to endeavor to provide the disposition of an application (excluding an application pertaining to a preliminary examination) concerning

a license, permission, authorization, approval, or designation pursuant to the provisions of laws and regulations, or this Cabinet Office Ordinance (hereinafter referred to as "Authorization, etc.") within one month after said application is received at said office, respectively; provided, however, that the Prime Minister or the Commissioner of the Financial Services Agency, etc. is to endeavor to provide disposition of an application concerning the following Authorization, etc. within two months:

- (i) an Authorization, etc. for an application of a Bank specified separately by the Commissioner of the Financial Services Agency that is submitted to the Commissioner of the Financial Services Agency;
- (i)-2 Designation pursuant to the provisions of Article 52-62, paragraph (1) of the Act;
- (ii) an Authorization, etc. that is found to affect the jurisdictional district of another Local Finance Bureau (including the Fukuoka Local Finance Branch Bureau) among an Authorization, etc. that is provided by the Director General of the Local Finance Bureau or the Fukuoka Local Finance Branch Bureau pursuant to the provisions of Article 17-2, paragraph (1) of the Order;
- (ii)-2 an Authorization, etc. for an application filed with the Commissioner of the Financial Services Agency by a person who intends to become a holder of a number of voting rights in a Bank specified separately by the Commissioner of the Financial Services Agency which is equal to or greater than the Major Shareholder Threshold, a person that intends to incorporate a company or other corporation that is a holder of a number of voting rights in a Bank which is equal to or greater than the Major Shareholder Threshold, or a holder of a number of voting rights in a Bank which is equal to or greater than the Major Shareholder Threshold;
- (iii) an Authorization, etc. for an application submitted to the Commissioner of the Financial Services Agency by a Holding Company of which a Subsidiary Company is a Bank, specified separately by the Commissioner of the Financial Services Agency;
- (iv) an Authorization, etc. that is determined to affect the jurisdictional district of another Local Finance Bureau (including the Fukuoka Local Finance Branch Bureau) among the Authorization, etc. that is provided by the Director General of Local Finance Branch Bureau or the Fukuoka Local Finance Branch Bureau pursuant to the provisions of Article 17-3, paragraph (1) of the Order;
- (v) an Authorization, etc. that is determined to affect the jurisdictional district of another Local Finance Branch Bureau (including the Fukuoka Local Finance Branch Bureau) among the Authorization, etc. that is provided by the Director General of Local Finance Branch Bureau or the Fukuoka Local

Finance Branch Bureau pursuant to the provisions of Article 17-4, paragraph (1) of the Order.

- (2) The period as prescribed in the preceding paragraph is not to include the following periods:
- (i) the period required for the amendment of said application;
 - (ii) the period required for a person who filed said application to change the content of said application;
 - (iii) the period required for a person who filed said application to add material that is determined to be necessary for an examination pertaining to said application.