

Ordinance on Services and Accounting Books, etc. of Legal Professional Corporation and Registered Foreign Lawyer Corporation

(Ordinance of the Ministry of Justice No. 62 of August 17, 2001)

Pursuant to the provisions of Article 30-5 of the Attorney Act (Act No. 205 of 1949), the Ministerial Ordinance to determine the services provided in Article 30-5 of the Attorney Act determines as follows.

(Scope of Practice of Legal Professional Corporation)

Article 1 Services to be determined in an Ordinance of the Ministry of Justice provided in Article 30-5 of the Attorney Act (hereinafter referred to as "Act") shall be that listed in the following items:

- (i) services of undertaking management of the business of others, management or disposal of property of others by assuming a position of trustee, administrator or other similar position, or practice of representing or assisting a person who carries out such services, upon the request of the party or other concerned party, or upon entrustment from a public agency;
- (ii) services of undertaking representation, consent, or rescission in regard to a juridical act of another by assuming a position of guardian, curator, assistant, supervisor or other similar position, or practice of supervising a person who carries out of such services, upon the request of the party or other concerned party, or upon entrustment from a public agency;
- (iii) services of investigating the business and financial situation of others, abnormal incorporation matters, prices of assets and other matters related to legal services, and reporting the results or proving the same, upon the request of the party or other concerned party, or upon entrustment from a public agency;
- (iv) giving lectures, publishing publications, and other services for education and spread relevant to services of an attorney or a legal professional corporation; and
- (v) services incidental or closely related to legal services.

(Scope of Practice of Registered Foreign Lawyer Corporation)

Article 1-2 Services to be determined in an Ordinance of the Ministry of Justice provided in Article 50-5, paragraph (1) of the Act on Special Measures concerning the Handling of Legal Services by Foreign Lawyers shall be that listed in the following items:

- (i) services of investigating the business and financial situation of others,

- prices of assets and other matters related to legal services concerning foreign laws, and reporting the results or proving the same, upon the request of a party or other concerned party, or upon entrustment from a public agency;
- (ii) giving lectures, publishing publications, and other business for education and spread relevant to services of a registered foreign lawyer or a registered foreign lawyer corporation; and
- (iii) Services incidental or closely related to legal services concerning foreign laws.

(Accounting Books)

- Article 2 (1) Accounting books to be prepared pursuant to the provisions of Article 615, paragraph (1) of the Company Act (Act No. 86 of 2005) as applied mutatis mutandis pursuant to paragraph (1) of Article 30-30 of the Act (including the case where it is applied mutatis mutandis pursuant to Article 50-13, paragraph (2) of the Act on Special Measures concerning the Handling of Legal Services by Foreign Lawyers; the same shall apply hereinafter), shall be as specified in this Article.
- (2) Accounting books shall be prepared and retained in writing or by electronic or magnetic record (meaning a record used in computerized information processing which is created in electronic form, magnetic form, or any other form that cannot be perceived by the human senses (limited to a file prepared in the form of a magnetic disk or other object that is capable of securely recording certain information by a method equivalent thereto, on which information has been recorded) ; the same shall apply in Article 4).
 - (3) With respect to assets to be reported in the accounting books of a legal professional corporation and a registered foreign lawyer corporation (hereinafter referred to as "Legal Professional Corporation, etc."), unless otherwise provided in this Ministerial Ordinance their acquisition cost shall be indicated; provided, however, that for an asset for which it is inappropriate to indicate the acquisition cost the market value or fair value as of the final day of the business year may be indicated.
 - (4) With respect to assets that should be depreciated, reasonable depreciation shall be taken on the final day of the business year (or, in a case where the assets are to be valued on a day other than the final day of the business year, on such a day; hereinafter the same shall apply in this Article).
 - (5) With respect to assets listed in the following items, in a case where the value specified in the relevant item should be indicated on the final day of the business year, the value specified in the relevant item shall be indicated:
 - (i) asset the market value of which is considerably lower than its acquisition cost as of the final day of the business year (excluding an asset for which the market value is found to be likely to recover to the level of its acquisition cost

- at that time): Market value on the final day of the business year; or
- (ii) asset for which an unforeseeable impairment has occurred or an asset for which impairment loss should be recognized on the final day of the business year: Amount obtained by deducting a reasonable amount from the acquisition cost at that time;
- (6) With respect to a claim that is likely to be uncollectible, the amount that is expected to be uncollectible on the final day of the business year shall be deducted on that day.
 - (7) With respect to a liability that is to be reported in the accounting books of a Legal Professional Corporation, etc., the amount of debt shall be indicated, unless otherwise provided in this Ministerial Ordinance; provided, however, that the market value or a fair value may be indicated for a liability for which it is inappropriate to indicate the amount of debt.
 - (8) Goodwill may be reported as an asset or liability only in the case where it has been received for consideration or acquired through a merger.
 - (9) With respect to interpretation of the terms in the preceding items and application of the provisions, generally accepted accounting practices and other accounting customs shall be taken into consideration.

(Balance Sheet)

- Article 3 (1) The balance sheet to be prepared pursuant to the provisions of Article 617, paragraphs (1) and (2) of the Company Act as applied mutatis mutandis pursuant to Article 30-30, paragraph (1) of the Act shall be as specified in this Article.
- (2) The amounts of items for the balance sheet shall be indicated in units of one yen, one thousand yen, or one million yen.
 - (3) The balance sheet shall be expressed in the Japanese language; provided, however, that this shall not apply when it is not unreasonable to express it in some other language.
 - (4) The balance sheet to be prepared pursuant to the provisions of Article 617, paragraph (1) of the Company Act as applied mutatis mutandis pursuant to Article 30-30, paragraph (1) of the Act, shall be prepared based on the accounting books as of the date of establishment.
 - (5) The balance sheet to be prepared for each business year pursuant to the provisions of Article 617, paragraph (2) of the Company Act as applied mutatis mutandis pursuant to Article 30-30, paragraph (1) of the Act, shall be prepared based on the accounting books for the relevant business year.
 - (6) The period subject to preparation of a balance sheet for each business year shall be the period from the day following the final day of the business year preceding the relevant fiscal year (in the case where there is no business year preceding the relevant business year, the date of incorporation) to the final day

of the relevant business year. In this case, the relevant period shall not exceed one year (in a case where the final day of a business year is changed, with respect to the first business year after the change, one year and six months).

- (7) The balance sheet shall be expressed by classifying into the following sections:
- (i) assets;
 - (ii) liabilities; and
 - (iii) net assets.
- (8) The sections listed in each item of the preceding paragraph may be subdivided into appropriate sub-items. In this case, each relevant sub-item shall be given an appropriate name indicating assets, liabilities, or net assets.
- (9) With respect to interpretation of the terms of each of the preceding paragraphs and application of the provisions, generally accepted accounting practices and other accounting customs shall be taken into consideration.

(Method of Displaying Matters Recorded in Electronic or Magnetic Records)

Article 4 The method determined by Ordinance of the Ministry of Justice provided in Article 618, paragraph (1), item (ii) of the Company Act as applied mutatis mutandis pursuant to Article 30-30, paragraph (1) of the Act shall be the method of displaying matters recorded in electronic or magnetic records provided in Article 618, paragraph (1), item (2) of the Company Act as applied mutatis mutandis pursuant to Article 30-30, paragraph (1) of the Act, in the form of a writing or in the form of an image.

(Inventory of Assets)

- Article 5 (1) The inventory of assets to be prepared pursuant to the provisions of Article 658, paragraph (1) or Article 669, paragraph (1) or (2) of the Company Act as applied mutatis mutandis pursuant to Article 30-30, paragraph (2) of the Act shall be as specified in this Article.
- (2) With respect to assets to be recorded in an inventory of assets in the preceding paragraph, the disposition price as of the day of falling under the case listed in each item of paragraph (1) of Article 30-23 (including the case where applied mutatis mutandis pursuant to Article 50-13, paragraph (2) of the Act on Special Measures concerning the Handling of Legal Services by Foreign Lawyers) shall be indicated, except where it is difficult to indicate the disposition price. In this case, with respect to accounting books of a Legal Professional Corporation, etc., the price indicated in the inventory of assets shall be deemed to be the acquisition cost.
- (3) An inventory of assets in paragraph (1) shall be expressed by classifying into the following sections. In this case, the sections listed in items (i) and (ii) may be subdivided into sub-items to which appropriate names indicating their

contents are given:

- (i) assets;
- (ii) liabilities;and
- (iii) net assets.

(Balance Sheet at the Time of Commencement of Liquidation)

Article 6 (1) A balance sheet to be prepared pursuant to the provisions of Article 658, paragraph (1) or Article 669, paragraph (1) or (2) of the Company Act as applied mutatis mutandis pursuant to Article 30-30, paragraph (2) of the Act shall be as specified in this Article.

(2) A balance sheet in the preceding paragraph shall be prepared based on the inventory of assets.

(3) A balance sheet in paragraph (1) shall be expressed by classifying into the following sections. In this case, the sections listed in items (i) and (ii) may be subdivided into sub-items to which appropriate names indicating their contents are given:

- (i) assets;
- (ii) liabilities;and
- (iii) net assets.

(4) In a case where there is an asset for which it is difficult to indicate the disposition price, an explanatory note on the property valuation policy for the relevant asset shall be made in the balance sheet in paragraph (1).